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If you have sold or otherwise transferred all of your Ordinary Shares please send this document and the accompanying Form of Proxy, Form of Instruction or Form of Direction (as appropriate) as soon as possible to the purchaser or transferee, or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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UTILICO LIMITED

(Incorporated in Bermuda under the Companies Act 1981, as amended, with company number 39480)

Proposed creation and bonus issue of New Ordinary Shares, associated buy back and amendment to the Bye-laws

and

Notice of Special General Meeting

Notice of a Special General Meeting of the Company to be held at 10.00 a.m. (Bermuda time) on Friday 16 April 2010 is set out at the end of this document. The Proposals described in this document are conditional upon Shareholder approval of the Resolutions to be proposed at the Special General Meeting. Shareholders are requested to complete and return their Form of Proxy, Form of Instruction or Form of Direction (as appropriate) accompanying this document for the Special General Meeting as soon as possible.

To be valid, a Form of Proxy for use at the Special General Meeting and the power of attorney or other authority (if any) under which it is signed, or a notarially certified or office copy of such power or authority, must be deposited with the Company's Registrars, Computershare Investor Services (Jersey) Limited, PO Box 83, Ordnance House, 31 Pier Road, St Helier, Jersey JE4 8PW, not less than 48 hours before the time appointed for holding the Special General Meeting. In view of this requirement, investors holding Ordinary Shares in the Company through Depository Interests in uncertificated form should ensure that Forms of Instruction are returned to the Company's Depository, Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS99 6ZY by not later than 2.00 p.m. (London time) on 13 April 2010. Share Plan Participants should ensure that Forms of Direction are returned to Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS99 6ZY by not later than 2.00 p.m. (London time) on 13 April 2010.

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EXPECTED TIMETABLE OF PRINCIPAL EVENTS*

Circular posted to Shareholders	30 March 2010
Latest time and date for receipt of Forms of Direction from Savings Plan Participants	2.00 p.m. on 13 April 2010
Latest time and date for receipt of Forms of Instruction from holders of Depository Interests	2.00 p.m. on 13 April 2010
Latest time and date for receipt of Forms of Proxy	2.00 p.m. on 14 April 2010
Special General Meeting	10.00 a.m. on 16 April 2010**

* All references are to London time except where otherwise stated.

** The Special General Meeting will be held at the registered office of the Company in Bermuda at 10.00 a.m. (Bermuda time), which is 2.00 p.m. London time.

LETTER FROM THE CHAIRMAN

UTILICO LIMITED

(Incorporated in Bermuda under the Companies Act 1981, as amended, with company number 39480)

Directors:

Michael Collier (*Chairman*)
Eric Stobart
Roger Urwin
Susan Hansen
Warren McLeland

Registered Office:

Canon's Court
22 Victoria Street
Hamilton HM 12
Bermuda

30 March 2010

To the holders of Ordinary Shares and Depository Interests and, for information only, to Warranholders

Proposed creation and bonus issue of New Ordinary Shares, associated buy back and amendment to the Bye-laws and Notice of Special General Meeting

Introduction

As previously announced to the market, despite having positive revenue earnings in addition to revenue reserves, under Bermuda law, Utilico has been unable to pay a dividend to Shareholders as a result of having negative capital reserves since March 2008. In light of this position, the Board, in conjunction with its advisers, has been examining alternative ways to enable the Company to make cash distributions to Shareholders equal to the dividends the Board would otherwise have declared if they were permitted to do so in accordance with Bermuda law. The recent increase in the Company's net asset value has provided an opportunity to implement proposals to achieve this.

The purpose of this document is to provide Shareholders with details of proposals to amend the Company's Bye-laws so as to permit the Company to make cash distributions to Shareholders through the creation, and one or more bonus issues, of New Ordinary Shares which would be immediately bought back by the Company (the "Proposals"). It also explains why the Directors consider the implementation of the Proposals to be in the best interests of the Company and Shareholders as a whole and why they recommend that Shareholders vote in favour of the Resolutions.

A Special General Meeting at which Shareholders' approval for the Proposals will be sought is to be held on Friday 16 April 2010 at 10.00 a.m. (Bermuda time) and the notice convening the Special General Meeting is set out at the end of this document.

The Proposals

Although Utilico has consistently reported positive revenue earnings per Ordinary Share since its admission to the Official List in June 2007, under Bermuda law it has been prevented from paying dividends to Shareholders since March 2008 because its revenue reserves have not been sufficient to offset the Company's negative capital reserves. While it remains the Company's intention to recommence dividend payments as soon as investment returns create a positive balance of capital reserves, the Board has been seeking alternative ways to make cash distributions to Shareholders based on the revenue earnings of the Company.

In light of the recent significant increase in the net asset value of the Company (net asset value rose 28.7 per cent. in the 6 month period to 31 December 2009) ZDP Cover as at 23 March 2010 (being the latest practicable date prior to the publication of this document) had increased above 1.4 times, enabling the Company to repurchase its Ordinary Shares. As a result of this position, the Company is

now seeking Shareholder approval, by the passing of the Resolutions, to give the Board the flexibility and authority to achieve cash distributions to all Shareholders through the creation, and one or more bonus issues, of New Ordinary Shares which would be immediately bought back by the Company at their market price at the relevant record date for each bonus issue and subsequently cancelled.

It is intended that the number of New Ordinary Shares which would be issued by way of bonus issue would be calculated so that when bought back at their market value, the amount received by Shareholders would be equivalent to the dividend that they would have received in respect of their existing Ordinary Shares, if the Company had been permitted to declare a dividend in accordance with Bermuda law. The New Ordinary Shares will be identical to the existing Ordinary Shares in issue, save and except that they will be subject to mandatory repurchase on terms to be determined by the Board of Directors at its discretion. Since the New Ordinary Shares will be a new class of ordinary shares and it is intended that they will be repurchased immediately after their allotment, they will not be listed or traded. The Company's share premium account will be utilised to pay up the nominal value of the New Ordinary Shares in full, and also be applied in paying up the premium on the subsequent repurchase by the Company (being the difference between the market value on the record date less the nominal value of the New Ordinary Shares).

The proposed amendments to the Company's Bye-laws, as described below, if approved by Shareholders at the SGM, would provide the Board with the ability to effect a cash distribution to all Shareholders through a bonus issue of New Ordinary Shares and their immediate buy back, provided that ZDP Cover immediately following such repurchase will not be less than 1.4 times. The Board intends only to exercise its discretion to effect such a cash distribution to the extent that the amount to be paid to Shareholders through the buy-back of the New Ordinary Shares is covered by revenue earnings. In addition, to ensure that ZDP Shareholders' interests are not prejudiced by the repurchase being funded out of the share premium account, an amount equal to the consideration paid for the New Ordinary Shares will be transferred from the Company's revenue reserves to a new special reserve which will not be available for the payment of future dividends and will not constitute Winding-Up Revenue Profits (as defined in the Bye-laws) in the event of the Company's liquidation.

For illustrative purposes only, if the Proposals are approved by Shareholders and the Board wished to achieve a cash distribution of 3 pence per existing Ordinary Share, 1,933,742 New Ordinary Shares would be issued and immediately bought back (assuming there are 86,373,835 existing Ordinary Shares in issue on the relevant record date and a closing market value of an Ordinary Share of 134 pence, based on the closing market price per Ordinary Share on 26 March 2010 (being the latest practicable date prior to the publication of this document)).

The Board believes that the potential for Ordinary Shareholders to receive cash distributions based on the revenue earnings of the Company is likely to enhance the marketability of the Ordinary Shares.

Shareholders should note that if the Resolutions are passed there is no certainty that the Board will make a cash distribution and any such distribution will be at the absolute discretion of the Board. **Furthermore, the Board's ability to undertake a bonus issue of New Ordinary Shares will depend on the ZDP Cover exceeding 1.4 times immediately following such bonus issue and such New Ordinary Shares being bought back.** However, it is the Board's current intention to announce cash distributions which in aggregate are equivalent to the sum standing to the credit of its revenues reserves, as circumstances permit, until the time when the Company is able to recommence dividend payments.

Ordinary Shares

To implement the Proposals, Shareholder consent is required in relation to (i) the creation of the New Ordinary Shares by the redesignation of 10,000,000 of the existing authorised but unissued Ordinary Shares; and (ii) to approve new Bye-laws setting out the rights of the New Ordinary Shares and the terms on which the New Ordinary Shares are to be issued and to grant the Company the power compulsorily to repurchase such shares without any election by Shareholders. Shareholder consent is not required in relation to any bonus issue of New Ordinary Shares itself since this is at the discretion of the Board. Further details of the Resolutions to be proposed at the SGM are set out in the paragraph headed "Special General Meeting" below.

ZDP Shares

ZDP Shareholder consent is not required to implement the Proposals. However, as noted above, in accordance with the Company's Bye-laws, Utilico may not repurchase any New Ordinary Shares where the ZDP Cover is, or would, as a result of the repurchase, be below 1.4 times. Also as noted above, to ensure that ZDP Shareholders' interests are not prejudiced by the repurchase being funded out of the share premium account, an amount equal to the consideration paid for the New Ordinary Shares will be transferred from the Company's revenue reserves to a new special reserve which will not be available for the payment of future dividends and will not constitute Winding-Up Revenue Profits (as defined in the Bye-laws) in the event of the Company's liquidation.

Warrants

Under the terms of the 2012 Warrant Instrument, in the event that Utilico issues further Ordinary Shares credited as fully paid by way of capitalisation of reserves, an adjustment is required to be made to the subscription price and additional warrants are required to be issued to Warrantholders (or alternatively an adjustment made to the subscription terms of the existing Warrants). In the event that the Company makes a cash distribution through a bonus issue of New Ordinary Shares following the SGM, the Company will write to Warrantholders setting out the terms of such adjustments in accordance with the 2012 Warrant Instrument and an announcement will be made to the market.

Special General Meeting

The Notice convening the SGM of the Company to be held at Canon's Court, 22 Victoria Street, Hamilton HM 12, Bermuda on Friday 16 April 2010 at 10.00 a.m. (Bermuda time) is set out at the end of this document. At the SGM the following resolutions to create the New Ordinary Shares and to amend the Bye-laws will be proposed in connection with the Proposals.

1. It is proposed to pass the following resolution to create the New Ordinary Shares:

It was resolved upon the recommendation of the Directors to authorise and approve the creation of a new class of ordinary shares by the redesignation of 10,000,000 of the existing authorised but unissued Ordinary Shares, such New Ordinary Shares to rank pari passu with the existing Ordinary Shares save and except that they will be subject to mandatory repurchase at the discretion of the Board of Directors under proposed Bye-law 4.9 upon any bonus issue thereof made pursuant to Bye-law 39.1.

The effect of the proposed resolution is to create the new class of New Ordinary Shares and set forth the rights of the New Ordinary Shares.

2. It is proposed to pass a resolution to amend the Bye-laws as follows:

The Interpretation section shall be amended by:

- (i) the addition of the definition of "New Ordinary Shares" as follows:

“ “*New Ordinary Shares*” is defined in Bye-law 4.1;” and

- (ii) the addition of the words “other than the Ordinary Shares and the New Ordinary Shares” at the end of definition of “Undesignated Shares”.

The proposed amendments add a definition for “New Ordinary Shares” and will bring the definition of “Undesignated Shares” in line with Bye-law 4.1.

Bye-law 4.1 shall be deleted and substituted with the following wording:

“4.1 The authorised share capital of the Company at the date of adoption of these Bye-laws is £12,747,950 divided into 117,479,500 ordinary shares of par value £0.10 each, having the rights set out in Bye-law 4.2 (the “Ordinary Shares”) and 10,000,000 new ordinary shares of par value £0.10 each, having the rights set out in Bye-law 4.2A (the “New Ordinary Shares”).”

The effect of this proposed amendment will be to accurately describe the share capital of the Company subsequent to the creation of the New Ordinary Shares.

The addition of a new Bye-law 4.2A as follows:

“4.2A New Ordinary Shares

The New Ordinary Shares shall, subject to the other provisions of these Bye-laws, entitle the holders thereof to all of the rights of the Ordinary Shares as set out above in Bye-law 4.2 save and except the New Ordinary Shares are subject to the mandatory repurchase of such shares under Bye-law 4.9.”

Bye-law 4.9 shall be amended by the addition of the following sentences at the end of the current paragraph:

“Without limiting the Board’s discretion hereunder, the Board may, in relation to any issue of New Ordinary Shares by way of bonus issue pursuant to Bye-law 39.1, by resolution of the Board resolve to purchase all such New Ordinary Shares without any election on the part of the Shareholders, and may give instructions to the Company’s registrar and transfer agent to reflect such purchase on the Register. The procedure for and the terms and conditions of such purchase shall be at the absolute discretion of the Board and the details thereof and the Board’s decision to purchase the New Ordinary Shares shall be set out in the announcement of such bonus issue made on the London Stock Exchange and it shall not be necessary to give any other notice to the Shareholders of the mandatory purchase of such New Ordinary Shares pursuant to this Bye-law.”

The effect of the proposed amendment will give the Board the discretion to effect by resolution of the Board a mandatory repurchase of bonus shares which are issued pursuant to Bye-law 39.1.

Bye-law 39.1 shall be amended by deleting the full stop at the end of this Bye-law and inserting the following:

“(an “issue of bonus shares”). In the event that the Board shall resolve to make an issue of New Ordinary Shares by way of bonus issue which is subject to mandatory purchase by the Company pursuant to Bye-law 4.9, then (i) the amount of the cash consideration for such purchase shall not exceed the amount of available revenue reserves of the Company as at the date of the announcement of such issue of bonus shares on the London Stock Exchange; and (ii) an amount equivalent to such consideration shall be transferred from the Company’s revenue reserves to a special reserve account which shall not be treated as Winding up Revenue Profits for the purposes of Bye-Law 46.2.”

The effect of the proposed amendment will provide (i) the maximum amount of cash consideration available to the Company for the purposes of mandatory repurchase of New Ordinary Shares by the Company made pursuant to Bye-law 4.9; and (ii) for an amount equivalent to such consideration to be transferred from the Company’s revenue reserves to a special reserve account which shall not be treated as Winding Up Revenue Profits for the purposes of Bye-law 46.2 which will protect the existing interests of the ZDP Shareholders.

A copy of the proposed new Bye-laws showing the amendments to the existing Bye-laws will be available for inspection from the date of this document until the close of the Special General Meeting at the Company’s registered office which is located at Canon’s Court, 22 Victoria Street, Hamilton HM 12, Bermuda.

The Company has received an irrevocable undertaking from General Provincial Life Pension Fund (L) Limited to vote in favour of the Resolutions to be proposed at the SGM, in respect of 45,436,884 Ordinary Shares, representing 52.6 per cent. of the Company’s issued share capital as at the date of this document, being the entirety of its shareholding in the Company.

Action to be taken

Shareholders will find enclosed with this document a Form of Proxy, a Form of Instruction or a Form of Direction for use in connection with the Special General Meeting.

Ordinary Shareholders who hold their Ordinary Shares in certificated form are urged to complete and return the Form of Proxy so as to be received by the Company’s Registrars, Computershare Investor Services (Jersey) Limited, PO Box 83, Ordnance House, 31 Pier Road, St Helier, Jersey JE4 8PW, not less than 48 hours before the time appointed for holding the SGM.

Ordinary Shareholders who hold their Ordinary Shares through Depository Interests in uncertificated form are urged to complete and return the Form of Instruction so as to be received by the Company’s

Depository, Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS99 6ZY by not later than 2.00 p.m. (London time) on 13 April 2010.

Savings Plan Participants are urged to complete and return a Form of Direction so as to be received by Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS99 6ZY by not later than 2.00 p.m. (London time) on 13 April 2010.

Submitting a Form of Proxy will not preclude a Shareholder from attending the Special General Meeting and voting in person should they so wish.

Consent

Arbuthnot Securities has given and has not withdrawn its written consent to the issue of this document with the inclusion of its name and references to such name in the form and context in which they appear.

Recommendation

The Board considers the Resolutions set out in the Notice of Special General Meeting of Shareholders to be in the best interests of the Company and the Shareholders as a whole. Accordingly, the Board unanimously recommends that Shareholders vote in favour of such Resolutions, as they intend to do in respect of their own personal beneficial shareholdings, amounting to, in aggregate 181,371 Ordinary Shares, representing 0.21 per cent of the current issued share capital of the Company as at the date of this document.

Yours faithfully,

Michael Collier
Chairman

TAXATION

The following statements are based upon current UK tax law and what is understood to be the current practice of HMRC, both of which are subject to change, possibly with retrospective effect. The statements are intended only as a general guide and may not apply to certain Shareholders, such as dealers in securities, insurance companies, collective investment schemes or Shareholders who have (or are deemed to have) acquired their shares by virtue of an office or employment, who may be subject to special rules. They apply only to Shareholders resident and, in the case of individual Shareholders, ordinarily resident in the UK (except in so far as express reference is made to the treatment of non-UK residents), who hold Ordinary Shares as an investment rather than trading stock and who are the absolute beneficial owners of those Ordinary Shares.

All Shareholders, and in particular those 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 on the potential tax consequences of holding, transferring or otherwise disposing of Ordinary Shares.

The Company

It is intended that the affairs of the Company will be conducted in such a manner as will result in it not being resident in the United Kingdom for taxation purposes. Accordingly, and provided that the Company does not carry on a trade in the United Kingdom (whether or not through a permanent establishment situated there), the Company will not be subject to United Kingdom income tax or corporation tax other than on United Kingdom source income.

Shareholders

Bonus issue

For the purposes of United Kingdom capital gains tax and corporation tax on chargeable gains, the receipt of the New Ordinary Shares arising from the bonus issue will be a reorganisation of the share capital of the Company. Accordingly, the New Ordinary Shares will be treated as the same asset as the Shareholder's holding of existing Ordinary Shares and as having been acquired at the same time as the Shareholder's holding of existing Ordinary Shares was acquired. As a result of the bonus issue, the Shareholder's original base cost in his or her existing Ordinary Shares will be apportioned between his or her existing Ordinary Shares and the New Ordinary Shares.

Repurchase of New Ordinary Shares

Although the repurchase of shares by a non-UK resident company would normally be regarded as a disposal for the purposes of UK taxation of capital gains, the tax position of a Shareholder who has his New Ordinary Shares repurchased by the Company is unclear. **The bonus issue followed by the repurchase could be treated as income in the same way as if the Company had paid a dividend. Accordingly, Shareholders are strongly advised to consult their own professional tax advisers.**

Miscellaneous

An application has not been made to HMRC for clearance under section 707 of the Income and Corporation Taxes Act 1988 ("ICTA 1988") or section 701 of the Income Tax Act ("ITA 2007") that the anti-avoidance provisions of section 703 ICTA 1988 or section 684 ITA 2007 should not apply to the bonus issue and repurchase of New Ordinary Shares. Section 703 ICTA 1988 and section 684 ITA 2007 permit HMRC to counteract tax advantages arising from certain transactions in securities by treating some or all of the proceeds of capital disposals as distributions of income. However, these sections do not apply where it can be shown that the transactions in question were entered into for *bona fide* commercial reasons and did not involve as one of their main objects the obtaining of a tax advantage and, accordingly, they are not expected to apply generally in the context of the bonus issue and repurchase of New Ordinary Shares. In any event, this "income treatment" should not apply to entities which are liable to UK corporation tax, UK individuals who are not liable to income tax at a rate which is greater than the basic rate or who hold their Ordinary Shares in an ISA, investors who are exempt from UK tax, nor to investors who are not UK resident (and who do not have a UK

permanent establishment). Shareholders are advised to take independent advice as to the potential application of section 703 ICTA 1988 and section 684 ITA 2007 in the light of their own particular motives and circumstances.

The attention of individuals ordinarily resident in the United Kingdom is drawn to the provisions of Chapter 2, Part 13 of the Income Tax Act 2007 which may render such individuals liable to tax on the income of the Company in certain circumstances.

DEFINITIONS

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

“Arbuthnot Securities”	Arbuthnot Securities Limited
“Bye-laws”	the bye-laws of the Company
“Board” or “the Directors”	the board of directors of the Company and Director means any one of them
“Circular”	this document
“Company”	Utilico Limited
“Depository”	Computershare Investor Services PLC
“Depository Interests”	the dematerialised depository interests issued by Computershare Investor Services PLC representing the underlying Ordinary Shares
“Form of Direction”	the relevant form of direction to be used by Savings Plan Participants to indicate how they wish their voting rights to be exercised in respect of the SGM which accompanies this document
“Form of Instruction”	the form of instruction to be used by holders of Depository Interests to indicate to the Depository how they wish their voting rights to be exercised in respect of the SGM which accompanies this document
“Form of Proxy”	the form of proxy for use by Shareholders in connection with the SGM which accompanies this document
“New Ordinary Shares”	new ordinary shares of 10p each in the capital of the Company proposed to be created pursuant to the implementation of the Proposals
“Notice of Special General Meeting”	the notice convening the SGM set out at the end of this document
“Official List”	the Official List of the UK Listing Authority
“Ordinary Shares”	ordinary shares of 10p each in the capital of the Company
“Proposals”	the proposed amendments to the Company’s Bye-laws, as described in this document, which if approved by Shareholders at the SGM, would provide the Board with ability to effect a cash distribution to all Shareholders through a bonus issue of New Ordinary Shares and their immediate buy back by the Company
“Registrars”	Computershare Investor Services (Jersey) Ltd
“Resolutions”	the resolutions to be proposed at the SGM as set out in the Notice of the Special General Meeting
“Savings Plans”	the F&C Private Investor Plan and the F&C Pension Savings Plan
“Savings Plan Participants”	the participants in the Savings Plans

“Shareholders”	holders of Ordinary Shares
“Special General Meeting” or “SGM”	the special general meeting of the Company convened for 10.00 a.m. (Bermuda time) on Friday 16 April 2010, notice of which is set out at the end of this document, or any adjournment thereof
“Utilico Finance”	Utilico Finance Limited, a subsidiary of Utilico
“Utilico Finance 2012 ZDP Shares”	redeemable zero dividend preference shares of 10p each in the capital of Utilico Finance having a redemption date of 31 October 2012
“Utilico Finance 2014 ZDP Shares”	redeemable zero dividend preference shares of 10p each in the capital of Utilico Finance having a redemption date of 31 October 2014
“Utilico Finance 2016 ZDP Shares”	redeemable zero dividend preference shares of 10p each in the capital of Utilico Finance having a redemption date of 31 October 2016
“Warrantholders”	holders of Warrants
“Warrants”	warrants issued by Utilico on the terms and conditions of the 2012 Warrant Instrument
“Winding-up Revenue Profits”	has the meaning given to that term in the Bye-laws
“2012 Warrant Instrument”	the deed poll of Utilico dated 14 May 2007 constituting the Warrants
“ZDP Cover”	has the meaning given to it in the bye-laws of Utilico Finance
“ZDP Shareholders”	holders of ZDP Shares
“ZDP Shares”	the Utilico Finance 2012 ZDP Shares, the Utilico Finance 2014 ZDP Shares and the Utilico Finance 2016 ZDP Shares

UTILICO LIMITED

(Incorporated in Bermuda under the Companies Act 1981, as amended, with company number 39480)

NOTICE OF SPECIAL GENERAL MEETING

YOU ARE HEREBY NOTIFIED that a Special General Meeting of the Company will be held at Canon's Court, 22 Victoria Street, Hamilton HM 12, Bermuda on:

Friday 16 April 2010 at 10.00 a.m. (Bermuda time)

for the purpose of considering the following agenda and, if thought fit, passing the resolutions set out in point 3 of the agenda which will be proposed, with or without modification, as ordinary resolutions:

AGENDA

1. Elect a Chairman, if necessary.
2. Read Notice convening this meeting.

RESOLUTIONS

3. To consider and if thought fit, pass the following resolutions as ordinary resolutions:
 - (i) *It was resolved upon the recommendation of the Directors to authorise and approve the creation of a new class of ordinary shares by the redesignation of 10,000,000 of the existing authorised but unissued Ordinary Shares, such New Ordinary Shares to rank pari passu with the existing Ordinary Shares save and except that they will be subject to mandatory repurchase at the discretion of the Board of Directors under proposed Bye-law 4.9 upon any bonus issue thereof made pursuant to Bye-law 39.1.*
 - (ii) Accept the recommendation of the Directors to amend the Bye-laws as follows:

The Interpretation section shall be amended by:

 - (a) the addition of the definition of "New Ordinary Shares" as follows:

"*New Ordinary Shares*" is defined in Bye-law 4.1"; and
 - (b) the addition of the words "other than the Ordinary Shares and the New Ordinary Shares" at the end of definition of "Undesignated Shares".

Bye-law 4.1 shall be deleted and substituted with the following wording:

"The authorised share capital of the Company at the date of adoption of these Bye-laws is £12,747,950 divided into 117,479,500 ordinary shares of par value £0.10 each, having the rights set out in Bye-law 4.2 (the "Ordinary Shares") and 10,000,000 new ordinary shares of par value £0.10 each, having the rights set out in Bye-law 4.2A (the "New Ordinary Shares")."

The addition of a new Bye-law 4.2A as follows:

"4.2A New Ordinary Shares

The New Ordinary Shares shall, subject to the other provisions of these Bye-laws, entitle the holders thereof to all of the rights of the Ordinary Shares as set out above in Bye-law 4.2 save and except the New Ordinary Shares are subject to the mandatory repurchase of such shares under Bye-law 4.9."

Bye-law 4.9 shall be amended by the addition of the following sentences at the end of the current paragraph:

“Without limiting the Board’s discretion hereunder, the Board may, in relation to any issue of New Ordinary Shares by way of bonus issue pursuant to Bye-law 39.1, by resolution of the Board resolve to purchase all such New Ordinary Shares without any election on the part of the Shareholders, and may give instructions to the Company’s registrar and transfer agent to reflect such purchase on the Register. The procedure for and the terms and conditions of such purchase shall be at the absolute discretion of the Board and the details thereof and the Board’s decision to purchase the New Ordinary Shares shall be set out in the announcement of such bonus issue made on the London Stock Exchange and it shall not be necessary to give any other notice to the Shareholders of the mandatory purchase of such New Ordinary Shares pursuant to this Bye-law.”

Bye-law 39.1 shall be amended by deleting the full stop at the end of this bye-law and inserting the following:

“(an “issue of bonus shares”). In the event that the Board shall resolve to make an issue of New Ordinary Shares by way of bonus issue which is subject to mandatory purchase by the Company pursuant to Bye-law 4.9, then (i) the amount of the cash consideration for such purchase shall not exceed the amount of available revenue reserves of the Company as at the date of the announcement of such issue of bonus shares on the London Stock Exchange; and (ii) an amount equivalent to such consideration shall be transferred from the Company’s revenue reserves to a special reserve account which shall not be treated as Winding up Revenue Profits for the purposes of Bye-Law 46.2.”

BY ORDER of the Board

F&C Management Limited

Secretary

30 March 2010

Notes:

1. Only the holders of Ordinary Shares registered on the register of members of the Company at 5.00 p.m. (London time) on 14 April 2010 shall be entitled to attend and vote or to be represented at the meeting in respect of the shares registered in their name at that time. Changes to entries on the register after 5.00 p.m. (London time) on 14 April 2010 shall be disregarded in determining the rights of any person to attend and vote at the meeting.
2. A member entitled to attend and vote at the meeting may appoint one or more proxies to attend and vote instead of him/her. A proxy need not be a member of the Company.
3. A Form of Proxy is enclosed. Completion and return of the Form of Proxy will not preclude a member from attending the meeting and voting in person if he/she wishes to do so.
4. To be valid, the Form of Proxy for use at the meeting and the power of attorney or other authority (if any) under which it is signed, or a notarially certified or office copy of such power or authority, must be deposited with the Company’s Registrars, Computershare Investor Services (Jersey) Limited, PO Box 83, Ordnance House, 31 Pier Road, St Helier, Jersey JE4 8PW, not less than 48 hours before the time appointed for holding the meeting.

