



China Seas Basket Limited

17 June 2010

Listing Sponsor

Appleby Securities (Bermuda) Limited

Terms used in this Prospectus are as defined in the section headed "Definitions" below.

This Prospectus is important. You are advised to consult your lawyer, bank manager, or other professional adviser, who specialises in advising on the acquisition of shares and other securities before investing in the securities offered in this Prospectus. Investment in the Shares involves above average risk and your attention is drawn to the section headed "Risk Factors" in this Prospectus. The investment is only suitable for Sophisticated Investors.

This Prospectus has been distributed by First Bermuda Group Limited, a member of the Bermuda Stock Exchange, on behalf of the Company in connection with the offer for subscription.

No company in the Investec Group makes any representations or gives any warranties or undertakings with regard to the suitability of any investment in the Shares or the accuracy of this Prospectus and potential investors should obtain independent legal, tax, accounting, investment and other relevant advice when contemplating any investment in the Company.

This Prospectus includes particulars given in compliance with the listing regulations of the Bermuda Stock Exchange for the purpose of giving information with regard to the Company. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this Prospectus and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief there are no other facts the omission of which would make any statement herein misleading.

The Bermuda Stock Exchange takes no responsibility for the contents of this Prospectus, makes no representations as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon any part of the contents of this Prospectus.

China Seas Basket Limited

The Company incorporated with limited liability in Guernsey and registered on 26 May 2010 (Registered Number 51929) under the provisions of the Law. The Company has an authorised share capital of AUD 10,000 divided into 10 Management Shares of AUD 1.00 each and 999,000 Ordinary Shares with a par value of AUD 0.01 each.

Offer for subscription of Ordinary Shares

This Prospectus is issued in relation to an offer for subscription of up to 80,000 Shares in the Company. Such further Ordinary Shares will be offered at AUD 1,000.00 per Share.

The distribution of this Prospectus and the offering of Shares in certain jurisdictions may be restricted, and accordingly, persons into whose possession this Prospectus comes are required to inform themselves about and to observe any such restrictions.

This Prospectus does not constitute, and may not be used for the purposes of an offer or solicitation by any person in any jurisdiction (i) in which such offer or solicitation is not authorised or (ii) in which the person making such offer or solicitation is not qualified to do so or (iii) knowingly, to any person to whom it is unlawful to make such offer or solicitation.

The Company is a Registered Closed-ended investment company registered pursuant to the Protection of Investors (Bailiwick of Guernsey) Law, 1987, as amended and the Rules issued by the GFSC. The GFSC, in granting registration, has not reviewed this Prospectus but has relied upon specific warranties provided by Praxis Property Fund Services Limited, the Company's designated manager.

Neither the GFSC nor the States of Guernsey Policy Council take any responsibility for the financial soundness of the Company or for the correctness of any of the statements made or opinions expressed with regard to it. A registered closed-ended investment company is not permitted to be directly offered to the public in Guernsey but may be offered to regulated entities in Guernsey or offered to the public by entities appropriately licensed under the Protection of Investors (Bailiwick of Guernsey) Law, 1987, as amended.

If you are in any doubt about the contents of this Prospectus you should consult your accountant, legal or professional adviser or financial adviser. The Directors have taken all reasonable care to ensure that the facts stated in this Prospectus are true and accurate in all material respects, and that there are no other facts the omission of which would make misleading any statement in the Prospectus, whether of facts or of opinion. All the Directors accept responsibility accordingly. It should be remembered that the price of the Shares and the income from them can go down as well as up.

The Administrator shall comply with relevant money laundering guidelines applicable in Guernsey from time to time including the Criminal Justice (Proceeds of Crime) (Bailiwick of Guernsey) Law, 1999 and associated regulations.

Persons interested in acquiring the Shares should inform themselves as to:

- (a) the legal requirements within the countries of their nationality, residence, ordinary residence or domicile for acquiring, holding, disposing or redemption of the Shares;
- (b) any foreign exchange restriction or exchange control requirements which they might encounter on acquisition, holding, disposal or redemption of the Shares or on receipt of any dividend received in respect of the Shares; and
- (c) the taxation consequences which might be relevant to the acquisition, holding, disposal or redemption of the Shares or any dividend received in respect of the Shares.

Copies of this Prospectus and application forms may be obtained from the applicable Distributor, or from the Administrator.

The Administrator's contact details are as follows:

Praxis Property Fund Services Limited
Sarnia House
Le Truchot
St Peter Port
Guernsey
GY1 4NA
Telephone: +44 1481 737 600
Telefax: +44 1481 749 810

Application forms from prospective investors wishing to subscribe for the Shares must be received by or on behalf of the Company by the Administrator together with the relevant bank draft or cheque or a telegraphic transfer of funds at least 5 Business Days prior to the Closing Date, in accordance with the procedures described more fully under the section "Procedure for Application" in this Prospectus. The application form can be obtained from the Distributor or Administrator.

This offer is subject to a minimum of 10,000 (ten thousand) Shares being subscribed for pursuant to this Prospectus, and the listing of the Shares on the Bermuda Stock Exchange, failing which the offer shall terminate. Any company or companies in the Investec Group shall be entitled but not obliged to subscribe for any number of Shares.

In the event of termination, all subscription amounts already received by the Company in respect of this offer shall be returned to the prospective investors through electronic funds transfer into an account in the name of the relevant investor only, without interest.

The details contained in this Prospectus are applicable as at the date of this Prospectus. This Prospectus is subject to updating and it is the responsibility of anyone relying on its contents to ensure that it is the most current version and that no corrections or revisions have been made. Prospective investors should read the whole of this Prospectus.

Neither the delivery of this Prospectus nor any application made in connection herewith shall, under any circumstances, constitute a representation or create any implication that the information herein is correct as of any time subsequent to the date hereof.

Although application will be made for the Shares to be listed on the Bermuda Stock Exchange, this does not imply a commitment by any member firm of the Bermuda Stock Exchange to make a market in the Shares. In view of the specialised nature of the Company, it is unlikely that third parties will make an active market in the Shares. It is not proposed to list the Shares on any other stock exchange.

No copy of this Prospectus has been registered in any jurisdiction other than in Bermuda in connection with the issue of Shares. No person receiving a copy of this Prospectus in any territory may treat the same as constituting an invitation to him to purchase or to subscribe for Shares, unless in the relevant territory such an invitation could lawfully be made to him without compliance with any registration or other legal requirements.

The contents of this Prospectus are not to be construed as a recommendation or advice to any prospective investor in relation to the subscription, purchase, holding or disposition of Shares and prospective investors should consult their professional advisers accordingly.

The Directors particularly draw prospective investors' attention to the following restrictions:

United States of America

The Shares have not been registered under the United States Securities Act of 1933 (the "**1933 Act**"), nor has the Company been registered under the United States Investment Company Act of 1940, or any state law. Except in a transaction which does not violate such Acts, the Shares may not be directly or indirectly offered, sold or delivered in the United States (as defined in Regulation S under the 1933 Act) or to or for the account of any US person (as defined in Regulation S under the 1933 Act), or to any person purchasing the Shares for re-offer, delivery or transfer in the United States or to any US person as part of the distribution of such Shares. The Shares may not be acquired by any person subject to the Employee Retirement Income Security Act of 1974, as amended or Section 4975 of the Internal Revenue Code of 1986, as amended.

United Kingdom

The distribution of this Prospectus and the offering of Shares in certain jurisdictions may be restricted by law. In particular the communication constituted by this Prospectus is directed only at persons who (i) are outside the United Kingdom and the Republic of Ireland or (ii) have professional experience in matters relating to investments or (iii) are persons falling within Article 49(2) (a) to (d) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2001 (all such persons together being referred to as "**relevant persons**"). This communication must not be acted on or relied on by persons who are not relevant persons. Any investment or investment activity to which this communication relates is available only to relevant persons and will be engaged in only with relevant persons.

Bermuda

There is no intention to market the Shares to residents of Bermuda.

Investment Adviser interest in Shares

The Investment Adviser and any of its associates may have an interest or position in Shares. The Investment Adviser is not acting for, or advising, or treating as its customer, any other person (unless other arrangements apply between the Investment Adviser and such person) in relation to investment in the Company and will not be responsible for providing to any other person best execution or any other of the protections afforded to its customers.

General

The Articles give powers to the Directors to require the transfer or compulsory repurchase of Shares in a number of specified circumstances (see the section "*Articles of Incorporation – Notice and Compulsory Transfer*" in section (f) (4) of the appendix to this Prospectus).

Redemptions of Shares prior to the Redemption Date are wholly at the discretion of the Company's Directors. Any request for redemption may be refused in whole or in part. (See the section "*Redemption Arrangements prior to the Redemption Date*" in this Prospectus).

Any information given, or representation made, by any dealer, salesman or other person which is not contained in this Prospectus (or any document expressed to be an addendum or supplement to this Prospectus) or any accompanying report(s) should be regarded as unauthorised and should accordingly not be relied upon.

All holders of Shares are entitled to the benefit of, are bound by and are deemed to have notice of, the provisions of the Memorandum and Articles of Incorporation of the Company, copies of which are available for inspection as described under the heading "Inspection of Documents" in the appendix to this Prospectus.

Date: 17 June 2010

Contents

<i>Preamble and Regulatory Comments</i>	1
<i>Definitions</i>	7
<i>Investment Strategy</i>	10
<i>Directors and Advisers</i>	12
<i>Board of Directors</i>	14
<i>Investment Adviser</i>	16
<i>The Administrator, Custodian and Secretary</i>	17
<i>Subscription, Sale Arrangements and Redemptions</i>	18
<i>Expenses and Fees</i>	22
<i>Conflicts of Interest</i>	24
<i>Dividend Policy</i>	25
<i>Accounting Policy</i>	25
<i>Taxation</i>	25
<i>Risk Factors</i>	27
<i>Procedure for Application</i>	30
<i>Appendix / General Information</i>	32

Definitions

The following definitions apply throughout this Prospectus unless the context requires otherwise:-

"Administration and Secretarial Agreement"	Means the agreement between the Administrator and the Company in terms of which the Administrator has been engaged to provide administration, custodial and secretarial services
"Administrator" and/or Designated Manager"	Praxis Property Fund Services Limited (a Guernsey registered company number 17484)
"Application Form"	Means the application form to be completed by a prospective investor wishing to subscribe for Shares available from the Distributor or the Administrator
"Articles"	The articles of incorporation of the Company as amended or replaced from time to time
"AUD" or "Australian Dollars"	The lawful currency of Australia
"the Auditor"	Saffery Champness
"Business Day"	Any day, other than a Saturday, Sunday or public holiday, on which banks are normally open for full banking business in Guernsey
"Closing Date"	27 August 2010 or such other date, not being later than 30 September 2010, as the Directors may decide
"the Company"	China Seas Basket Limited, a Guernsey registered company, registration number 51929 of Sarnia House, Le Truchot, St Peter Port, Guernsey, GY1 4NA. The registered office address is also the business address of the Directors of the Company
"Company's Funds"	The total subscription monies received from Subscribers on the Closing Date, less all Front End Fees
"Custodian"	Praxis Property Fund Services Limited
"Debt Issuer"	Investec Bank plc
"Debt Instrument(s)"	An unsecured senior ranking instrument(s), issued by a Debt Issuer
"Directors" or "The Board"	Directors of the Company
"Distributor"	The entity(ies) or person(s) approved by the Directors and party to a Distribution Agreement through which the investor may be introduced, or have access, to the Company, if not directly
"Distribution Agreement"	The agreement entered or to be entered into between the Company and the relevant Distributor, on terms finalised by the Directors, pursuant to which agreement the Distributor

	will be paid an annual fee as more fully described under the section "Material Contracts" in this Prospectus
"Equity Linked Investment"	An equity linked investment linked to an equally weighted basket of indices which investment is in the form of a note, issued by an International Bank
"Expense Provision"	An estimated 1% of the Company's Funds
"Fair Market Value per Share"	Means the fair market value of each Share as determined by the Investment Adviser on the first Business Day of each month (or the Auditor on the Redemption Date or the Liquidator on a winding up) acting in good faith and in a fair and reasonable manner.
"Front End Fee"	An amount not exceeding 2% (plus South African value added tax where applicable) of the amount subscribed for per Subscriber pursuant to this Prospectus as described in the section headed "Expenses and Fees" in this Prospectus.
"GFSC"	Means the Guernsey Financial Services Commission
"International Bank"	Means an international bank which has a credit rating of at least A (Standard and Poor's) at the relevant trade date, as selected by the Investment Adviser
"Initial Minimum"	10,000 (ten thousand) Ordinary Shares in the Company
"Investec Group"	Investec Limited (registered in South Africa with registration number 1925/002833/06) and Investec plc (registered in England and Wales with registration number 3633621) and their subsidiaries, which include Investec Bank plc and Investec Bank Limited
"Investment Adviser"	Investec Capital Markets, a division of Investec Bank Limited, a company incorporated in the Republic of South Africa (Registration Number 1969/004763/06)
"Investment Period"	The period from the Trade Date to the Termination Date
"Minimum Subscription Amount"	Means the greater of AUD 30,000 or ZAR 100,000
"Management Shares"	Means Management Shares with a par value of AUD 1.00 having the rights and entitlements set out in the Articles.
"Law"	The Companies (Guernsey) Law 2008 as amended, extended or replaced and any Ordinance, statutory instrument or regulation made thereunder
"Prospectus"	Means this document as amended and updated from time to time
"Redemption Date"	The date of compulsory redemption of the Ordinary Shares, being the date 5 business days after the Termination Date
"Registrar"	Means Praxis Property Fund Services Limited

"Rules"	Means the rules applying to registered closed-ended investment companies in Guernsey
"Shareholder" or "Member"	Means a Shareholder in the Company
"Shares"	The Ordinary Shares in the Company having a par value of AUD 0.01 each
"Sophisticated Investors"	Means sophisticated or professional investors who can afford to take a higher degree of risk, which may include the risk of the loss of their entire investment, and who have extensive knowledge and experience in financial and business matters and are capable of evaluating the merits and risks associated with an investment in the Company
"Special Resolution"	Means a resolution of the Shareholders passed by a majority of not less than 75%
"Subscribers"	The investors who subscribe for Shares in respect of the offering of Shares pursuant to this Prospectus
"Subsidiaries"	Has the meaning given to it in the Law
"Termination Date"	Means the date of maturity of the Company's investments, being five years after the Trade Date, provided however that the Directors shall be entitled, on the Trade Date and if so advised by the Investment Adviser that it will enable the Company to invest the Company's Funds in the most advantageous manner, to make the Termination Date between five years or six years from the Trade Date
"Trade Date"	The date not later than 5 days after the Closing Date, being the date on which the Company will invest the Company's Funds
"the Trust"	An independent trust declared on 2 September 2009 known as The Basket Trust
"ZAR", "R" or "Rand"	The lawful currency of the Republic of South Africa

Investment Strategy

(a) Introduction

The Company was incorporated in Guernsey as a company limited by Shares on 26 May 2010. It is a closed-ended investment company. Its issued share capital, following incorporation, with the exception of one Management Share issued for administrative reasons, will consist entirely of Ordinary Shares. The Ordinary Shares shall be redeemed on the Redemption Date.

Shares are offered from 25 June 2010 to the Closing Date at a price of AUD 1,000.00 each.

In the Investment Adviser's opinion, uncertain recent worldwide economic conditions and low yields have created demand from investors for investments that provide capital preservation and growth potential in a relatively stable currency.

(b) The Investment Objective

The investment objective of the Company is to provide investors with an equity investment that is structured to provide AUD capital preservation on the investment less the Front End Fee and the potential for enhanced capital growth (denominated in AUD).

(c) Investment Policy

The Company will invest a portion of the Company's Funds in a Debt Instrument to preserve the Company's Funds, whilst the balance will be invested in an Equity Linked Investment to obtain potential growth.

The Articles of Incorporation do not restrict the investment policy or the investment of the Company's assets.

(d) Borrowings

The Company may borrow up to 10 per cent of the value of the net assets of the Company for temporary purposes to fund short-term liquidity, for the benefit of the Company. It is not however, the current intention of the Directors to engage in any borrowing in respect of the Company.

(e) Investment Criteria

Investment decisions will be made by the Board advised by the Investment Adviser and will reflect the long-term investment objective.

(1) Capital Preservation

A percentage of the Company's Funds less the Expense Provision and the fees payable annually (as referred to in the section "Expenses and Fees" in this Prospectus) will be invested in a Debt Instrument(s).

The percentage of the Company's Funds invested in the Debt Instrument(s) will be determined so that the amount received by the Company at the end of the Investment Period in AUD, will be equal to at least 100% of the Company's Funds, should there have been no default by any Debt Issuer. (See example below).

The Debt Instrument(s) will be governed by the terms and conditions of the written instrument(s), entered into between the Company and the Debt Issuer.

For example

	<u>AUD</u>
a) Gross subscription monies received pursuant to this Prospectus	11 000 000
b) Less: Front End Fees (up to 2%)	<u>(220 000)</u>
c) Company's Funds equals a) – b) = c)	<u>10 780 000</u>

In this example the amount received on maturity of the Debt Instrument will equal AUD 10 780 000.

(2) Upside Linked To Equity

The balance of the Company's Funds available for investment after the investment in the Debt Instrument(s), will be invested in an Equity Linked Investment, in respect of an equally weighted basket of indices set out below:

MSCI Taiwan Index
MSCI Singapore Index
Hang Seng Index
KOSPI200 Korean Index

The investment return to be received from the Equity Linked Investment is calculated as AUD Quanto. This means that the nominal percentage return of the Index over the Investment Period translates into the percentage AUD return for the period.

The Equity Linked Investment will be effected under appropriate contractual arrangements to reflect the transaction between the International Bank and the Company.

The value of the Company's investment in the Equity Linked Investment will increase by at least 125% of the positive growth of the basket of indices over the Investment Period. Where there is no positive growth of the basket of indices over the Investment Period then the Equity Linked Investment will expire without any value and the Company shall receive no return (including, for the avoidance of doubt, the Company's Funds invested in the Equity Linked Investment) in respect of the Equity Linked Investment. The respective final index levels will be the average of the monthly closing Index levels, over a period to be decided by the Investment Adviser on the Trade Date, being a period not exceeding 18 months immediately prior to the exercise date of the Equity Linked Investment.

Subscribers' attention is drawn to the risk factors set out under the section "Risk Factors" in this Prospectus.

(f) Changes to Investment Objective, Investment Policy, Borrowings and Investment Criteria

The Board may resolve to change the Investment Objective, Investment Policy, Borrowings or Investment Criteria of the Company by amending, supplementing or reissuing this Prospectus. However there is no current intention to make any changes during the life of the Company. Any proposed change must first be approved by Special Resolution of the Shareholders.

Directors and Advisers

Directors

David Stephenson
Janine Lewis
Chris Hickling

Praxis Property Fund Services Limited
Sarnia House
Le Truchot
St Peter Port
Guernsey
GY1 4NA

Listing Sponsor

Appleby Securities (Bermuda) Limited
Argyle House
41a Cedar Avenue
Hamilton HM12
Bermuda

Annual Sponsor

First Bermuda Group Limited
Maxwell R Roberts Building
1 Church Street
Hamilton HM11
Bermuda

Note: Appleby's sponsoring services shall terminate on completion of the listing of this offering of Shares on the Bermuda Stock Exchange and First Bermuda Group Limited shall assume the role of Sponsor once such Shares are listed on the Bermuda Stock Exchange.

Administrator, Custodian, Secretary and Registrar (also being the business address of the company directors)

Praxis Property Fund Services Limited
Sarnia House
Le Truchot
St Peter Port
Guernsey
GY1 4NA

Legal Advisers to the Company in Guernsey

Mourant Ozannes
1 Le Marchant Street
St Peter Port
Guernsey
GY1 4HP

Legal Advisers to the Company in Bermuda

Appleby
Cannons Court
22 Victoria Street
Hamilton HM12
Bermuda

Registered Office of the Company

China Seas Basket Limited
Sarnia House
Le Truchot
St. Peter Port
Guernsey
GY1 4NA

Bankers in the Republic of South Africa

Investec Bank Limited
100 Grayston Drive
Sandown, Sandton
South Africa
2196

Investment Adviser & Promoter

Investec Capital Markets, a division of
Investec Bank Limited
100 Grayston Drive
Sandown, Sandton
South Africa, 2196

Auditors

Saffery Champness
La Tonnelle House
Les Banques
St Peter Port
Guernsey
GY1 3HS

Bankers in the United Kingdom

Investec Bank plc
2 Gresham Street
London
EC2V 7QP

Bankers in Guernsey

Investec Bank (Channel Islands) Limited
PO Box 188
La Vielle Court
St Peter Port
Guernsey
GY1 3LP

Board of Directors

Janine Lewis

Born in 1965, Janine is a resident of Guernsey. She has worked in the finance industry for 26 years, qualifying as a Chartered Company Secretary in 1995 and becoming an Associate of the Institute in 1996. Janine joined Investec Administration Services Limited (now Praxis Property Fund Services Limited) in 1997, since when she has been involved in the establishment and administration of various funds, varying in complexity but in particular has concentrated on structured products and property funds, listed on various exchanges.

Nationality: British

Janine holds the following directorships:

Asia Pacific Basket Limited
Global Investment Basket Limited, The
Investec Recovery Partners I Limited
Optimal Investment Growth Basket Limited
Accelerated Global Growth Basket Limited
East Asian Growth Basket Limited
Praxis Property Fund Services Limited
Investec World Axis PCC Limited
Euro Asian Basket Limited
IASL Directors 1 Limited
IASL Directors 2 Limited
IASL Nominees Limited
MP Trustees Limited
Matrix Property Fund Management (Guernsey) Limited
Fostrow Capital (Guernsey) Limited

David Stephenson

Born in 1962, David is a Guernsey resident. David has worked in the finance industry now for 25 years having trained at Coopers and Lybrand before joining Investec in 1987. At Investec Trust Guernsey he had responsibility for the company's management accounting and budgeting function, switching to a fund accounting role with Investec Administration Services Limited before its sale to Praxis in 2009. David has significant fund experience having worked with various fund profiles ranging from private equity to property and more recently structured products.

Nationality: British

David holds the following directorships:

Asia Pacific Basket Limited
Global Investment Basket Limited, The
Euro Asian Basket Limited
Optimal Investment Growth Basket Limited
Accelerated Global Growth Basket Limited
East Asian Growth Basket Limited

Chris Hickling

Chris Hickling was born in New Zealand. He completed a Bachelor of Commerce and Administration at the Victoria University of Wellington. In 1998 he completed his professional accounting qualifications gaining an ACA. Chris came to Guernsey in 1998 working contracts for Insinger De Beaufort, Credit Suisse and Deutsche Bank where he gained significant trust company and group management accounting experience. In 2001 he joined Close Fund Services Limited where he worked in fund operations focusing on structured products, hedge and property funds. In August 2007 Chris joined Investec Administration Services (now Praxis Property Fund Services Limited) where his primary role is in fund operations.

Nationality: British (New Zealand)

Chris holds the following directorships:

Asia Pacific Basket Limited

Accelerated Global Growth Basket Limited

Optimal Investment Growth Basket Limited

Global Investment Basket Limited, The

East Asian Growth Basket Limited

Euro Asian Basket Limited

Investec World Axis PCC Limited

Aurora Investment Advisors Limited

Praxis Property Fund Services Limited

Investec Recovery Partners 1 Limited

IASL Directors 1 Limited

IASL Directors 2 Limited

IASL Nominees Limited

Investment Adviser

The Investment Adviser is Investec Capital Markets, a division of Investec Bank Limited (the "**Bank**"). The Bank is regulated by the South African Reserve Bank in terms of the Banks Act, 1990, as well as the Companies Act, 1973, as amended, of the Republic of South Africa. During at least the past 5 years there have been no criminal convictions or disciplinary actions taken against the Bank by a securities supervisory or other regulatory body.

The directors of the Bank are as follows:

F Titi (Chairman), DM Lawrence* (Deputy Chairman), S Koseff* (Chief Executive Officer), B Kantor* (Managing Director), SE Abrahams, GR Burger*, MP Malungani, KXT Socikwa, PRS Thomas, B Tapnack* and CB Tshili.

*Executive

The executive officer responsible for the Capital Markets division of the Bank is Mr. Richard Wainwright of 28 Villa Torino, Cumberland Road, Bryanston, South Africa. He is the global head of the Financial Products business unit of the Investec Group and the head of the Capital Markets division of the Bank in South Africa. Mr. Wainwright has a Bachelor of Commerce degree (University of Cape Town, 1982), a Bachelor of Commerce Honours degree (University of Cape Town, 1983), a Certificate in Theory of Accountancy (University of Cape Town, 1984) and is a qualified Chartered Accountant (qualified in 1987). Mr. Wainwright worked as an auditor at PriceWaterhouse for seven years, and has worked at the Bank since March 1995. He has been involved in structured finance, project finance, debt capital market and derivatives structuring.

The Bank is a wholly owned subsidiary of Investec Limited ("**Investec**") (previously Investec Group Limited), and the Bank is one of the 5 largest banks in South Africa. Investec was founded in South Africa in 1974 and is an independent international banking group that provides a specialised range of products and services to its select clients. It has expanded through a combination of substantial organic growth and a series of strategic acquisitions in South Africa, the United Kingdom and other countries in which the Investec Group operates. In July 2002, Investec implemented a Dual Listed Companies structure with listings in Johannesburg and London. For the year ended 31 March 2009, Investec had GBP 48.8 billion assets under administration.

The Capital Markets Division of the Bank provides a wide range of products, services and value added solutions to select corporate clients, public sector bodies, financial institutions, local and foreign banks and financial brokers. The Capital Markets Division specializes in the creation of financial products and derivative instruments, which are designed to enhance investment values and minimize or remove potential downside risk for investors. In view of the foregoing the Bank has the necessary expertise and experience available to fulfill its obligations under the Investment Advisory Agreement, as the investments to be entered into by the Company, as described in this Prospectus, are of a specialized nature.

The Administrator, Custodian and Secretary

The Administrator, Custodian and Secretary of the Company is Praxis Property Fund Services Limited (“Praxis”). The Praxis group (“**Praxis Group**”) is a privately owned group of financial services companies based in Guernsey and since 1983 has established itself as one of the leading offshore professional practices in the Channel Islands. The Praxis Group employs over 120 people and has offices in Guernsey, Malta, Switzerland and Luxembourg.

The directors and managers of the Praxis Group are highly qualified members of their respective professional disciplines which include Chartered and Certified Accountants, Lawyers, Chartered Secretaries and members of the Institute of Taxation.

Through its subsidiaries, the Praxis Group offers a wide range of financial services to its private and corporate clients, including a comprehensive range of fiduciary services, traditional audit, accountancy and tax services, fund administration and offshore bond solutions.

The Praxis Group is associated with PKF International currently representing PKF in the Channel Islands. PKF is an association of over 380 legally independent accountant and consulting practices located in 119 countries, with an annual turnover of USD 1.2 billion.

Praxis Group employ 32 staff in fund administration, split across three fund jurisdictions, namely Guernsey Malta and Luxembourg. In 2009 Praxis Property Fund Services, formerly Investec Administration Services was acquired by Praxis Fund Services, a specialist fund administration company within the Praxis Group. The combined fund administration companies service 63 funds with an aggregate net asset value of around USD 2.5 billion. These funds include several Alternative Investment Market and London Stock Exchange listed funds.

Praxis provide a range of administration services including entity establishment and project management, corporate governance and company secretarial services, transaction administration, accounting and financial management/reporting, safe custody, Shareholder services and investor reporting, stock exchange sponsorship and outsourcing management.

Subscription, Sale Arrangements and Redemptions

Subscription for Shares

The procedure for the subscription of Shares is as described under the section "Procedure for Application" in this Prospectus.

The subscription price is AUD 1,000.00 per Share. The minimum investment per individual investor on the Closing Date is the Minimum Subscription Amount provided that the Directors may, at their sole discretion, accept applications for less than the Minimum Subscription Amount, provided always that the minimum investment per Subscriber shall be greater than ZAR 100,000. Should investors subscribe for the Shares in any currency other than in AUD, then such monies shall be converted to AUD upon receipt by the Guernsey bankers at the prevailing bank rate on receipt.

Any subscription monies remaining after a whole number of Shares has been issued will not be returned to the applicant and instead fractions of Shares will be issued. Fractions of a Share shall be rounded to three decimal places and shall carry the corresponding proportion of rights, liabilities and other attributes of the whole Shares.

The Company will not accept any application from an investor subject to the Employee Retirement Income Security Act of 1974, as amended or Section 4975 of the Internal Revenue Code of 1986, as amended.

Payment for Shares must be made as set out in the Procedure for Application. It is the investor's responsibility to ensure funds are received by the Company in its nominated bank account prior to the offer deadline. Any interest earned on the subscription account will be for the benefit of the Company.

The Administrator will send a contract note to each successful applicant detailing the amount invested, the issue price, number of Shares issued and personal log on information, within ten Business Days after the Closing Date. Share certificates will not be issued other than pursuant to a specific request. No charge will be levied to issue a certificate except in accordance with the Articles.

Transfer/Sale Arrangements

The Administrator has agreed to use its best endeavors to make a market in the Shares on a matched basis. In order to assist this process the Trust has declared its willingness to purchase Shares (although the Trust is not obliged to do so).

If a Shareholder wishes to sell their Shares, there are provisions to do so at the discretion of the Directors. Upon receipt of a request to sell Shares and assuming normal market conditions the Directors expect that a Shareholder that wants to sell Shares will be able to do so at any time prior to the Redemption Date. The Administrator will immediately notify the Trust and the Investment Adviser. The Trust will provide the Administrator with the indicative price that it is willing to pay for the Shares. Should a Distributor have a client that wants to purchase the Shares, it will notify the Administrator of the price that its client is willing to pay for the Shares.

No sale to the Trust of less than 10 Shares per transaction will be permitted, nor any disposal as a result of which a Shareholder will hold less than 10 Shares in the Company, except where a Shareholder disposes of all his Shares.

A seller of Shares wishing to accept the price offered by a purchaser must complete a share transfer form available from the Administrator and lodge the Share certificate (if any) in respect of the Shares at the Administrator's offices. Upon receipt of all documents the Administrator shall have 10 Business Days to effect the sale.

The Administrator shall be entitled to an administration fee of AUD 250 for facilitating the cash flow of the sale per Shareholder transaction effected through the Company account or client money account. This fee shall be deducted by the Administrator from the proceeds due to the seller. Any proposed increase in this fee is subject to negotiation with the Investment Adviser.

The sale proceeds, less applicable fees agreed at the time of sale, will be paid by the Administrator to the relevant Shareholder. In line with Guernsey regulatory requirements the Administrator will not make any third party payments.

The Administrator shall not be liable to a seller of Shares for any failure on the part of the buyer of the Shares to make payment of the sale proceeds to the Administrator timeously or at all.

All other transfers of Shares effected by the Administrator will be free and the Administrator will not charge any fees or charges for such transfers. No transfer of Shares will be effected without an original completed transfer form, signed by the seller of the Shares and this must be received by the Administrator.

Transfers of Shares may be restricted and Shares may become subject to compulsory repurchase in certain circumstances if, inter alia, new Subscribers would cause the Company an economic, tax or regulatory disadvantage.

In the case of all transfers and sales, the Administrator will effect payments by electronic transfer into the account specified by such Shareholder in the original Application Form or the Share transfer form, as the case may be. It is the Shareholder's responsibility to ensure the receiving account accepts the specified currency and that the nominated account accepts all telegraphic transfers. All currency exchange risk is borne by the Shareholder. The Administrator will not make any third party payments.

Redemption Arrangements prior to the Redemption Date

It should be noted that prior to the Redemption Date there is no entitlement in favor of Shareholders to have their Shares redeemed by the Company. Redemptions are wholly at the discretion of the Directors and any request for redemption may be refused in whole or in part. Should Director consent be granted, and assuming normal market conditions a portion of the Company's assets will be realised in a manner determined by the Directors as may be required to enable it to effect such redemptions at a fair market price.

If the Directors consent to a redemption prior to the Redemption Date, the Administrator must receive all required documentation and this must be completed correctly. Upon receipt of all completed documents, the Administrator will have 10 Business Days to effect the redemption. Redemption proceeds less applicable fees agreed at the time of redemption will be paid by the Administrator to the relevant Shareholder into the account specified in the original Application Form or in the redemption instruction, subject to the Shareholder accepting the offered price. It is the Shareholders responsibility to ensure the receiving account accepts the specified currency and that the nominated account accepts all telegraphic transfers. All currency exchange risk is borne by the Shareholder. The Administrator will not make any third party payments.

Unless a redemption request specifies a particular number of Shares to be redeemed, it will be deemed to apply in respect of the total holding of the relevant Shareholder.

Prior to the Redemption Date no redemption of less than 10 Shares will be permitted, except where a redemption request applies in respect of the total holding of the relevant Shareholder.

All redemptions of Shares prior to the Redemption Date will be subject to a settlement and registration fee of up to 1% of the total value of the applicable transaction of which 0.5% of the total value of the applicable transaction is payable to and for the account of the Investment Adviser and 0.5% of the total value of the applicable transaction is payable to and for the account of the Administrator. This fee will be deducted by the Administrator from the redemption proceeds due to the applicable Shareholder.

Redemption Policy

Subject to their overall discretion, the Directors have determined to operate the following policy in respect of redemptions:

- (a) Redemption of the Shares which are the subject of a redemption request shall take place at the redemption price agreed to between the relevant Shareholder and the Company;
- (b) No redemptions prior to the Redemption Date will be approved by Directors where in the opinion of the Directors the redemptions may be prejudicial to the Company or other Shareholders;
- (c) No redemptions prior to the Redemption Date will be approved by Directors where such redemption would render the Company insolvent;
- (d) No redemptions prior to the Redemption Date will be approved by Directors where such redemption would or might leave the Company with insufficient funds to meet any future contemplated obligations or contingencies.

Redemption on the Redemption Date

The Shares shall be redeemed on the Redemption Date, subject to the Debt Issuer or the counterparty(ies) having fulfilled all its/their repayment obligations in respect of the Equity Linked Investment and Debt Instrument(s), as the case may be. Should such repayments not have been made, then the redemption may be deferred until all obligations have been met.

The redemption price shall be determined by the Auditor, acting in a reasonable manner and in accordance with market practice, which price shall represent the Fair Market Value of the Share(s).

No settlement and registration fees will be payable in respect of redemptions effected on the Redemption Date. The Administrator will pay the redemption proceeds to the relevant Shareholder, by no later than 10 Business Days after the Redemption Date, by electronic transfer into an account in the name of the Shareholder provided sufficient bank account details have been received by the Administrator. In the event that the redemption proceeds cannot for any reason be paid to the relevant Shareholder by telegraphic transfer within 10 Business Days after the Redemption Date, the money will be transferred to the Trust which will hold it until claimed by the relevant Shareholder or until three years after the Redemption Date, whichever is the earlier, and if not claimed by the Shareholder on such date, then it will be paid to a registered charitable institution in Guernsey.

Valuation of Assets

One of the factors that may influence the price of a Share may be the value of the underlying investments of the Company. To assist Shareholders and parties interested in investing in the Shares in assessing potential returns on the Shares, the Investment Adviser will value the Company's assets on the first Business Day of each month at fair market price and notify the Administrator of the Fair Market Value per Share. This valuation will be based on the prices supplied by Investec Bank plc and the International Bank in relation to the investments made by the Company. Valuations will be made available to Shareholders and interested parties on the website www.pfs.gg (under Fund Information) and on request from the offices of the Administrator, the Bermuda Stock Exchange (www.bsx.com) and the Company's Bermuda annual sponsoring broker, namely First Bermuda Group Limited.

Temporary Suspension of Valuation, Issue, Redemption and Transfer of Shares

The Directors may, from time to time, temporarily suspend both the calculation and valuation of the underlying investments of the Company and the issue, redemption and transfer of Shares in any of the following instances:-

- (a) in any period during which any market in which a significant portion of the underlying investments are currently quoted or traded is closed, other than for customary holidays and weekends, or during which dealings therein are restricted or suspended; or
- (b) when, as a result of political, economic, military or monetary events or any circumstances outside the control, responsibility and power of the Directors, disposal or valuation of the underlying investments is not reasonably practicable without being seriously detrimental to the interests of Shareholders or if, for reasons of illiquidity or other constraints on realisation of underlying investments, monies to meet redemption proceeds are not immediately available or if, in the opinion of the Directors, redemption prices cannot fairly be calculated; or
- (c) in the case of a breakdown in the means of communication normally employed in determining the price of the underlying investments or other assets or when for any other reason the current prices on any market or stock exchange or any assets of the Company cannot be promptly and accurately ascertained; or
- (d) if the Company is unable to repatriate assets required for the purpose of making payments on the redemption of Shares or during any period in which the transfer of assets involved in the realisation or acquisition of underlying investments or payments due on the redemption of Shares cannot, in the opinion of the Directors, be effected at normal prices nor normal rates of exchange.

Notice of any such suspension and notice of the determination of any such suspension shall be given to Shareholders if in the opinion of the Directors it is likely to exceed five (5) days and will be notified to applicants for Shares or to Shareholders requesting the redemption of Shares at the time of application or filing of the written request for such redemption. Where the Shares of the Company are listed on a recognised stock exchange, notice of any such suspension and notice of the determination of any such suspension shall be given immediately to the recognised stock exchange. Where possible, all reasonable steps will be taken to bring any period of suspension to an end as soon as possible.

Expenses and Fees

Front End Fees

The Distributor is entitled to an amount not exceeding 2% (plus South African value added tax where applicable) of the subscription amount subscribed for by Subscribers introduced by the Distributor.

Expenses

The Expense Provision will be utilised to meet all expenses of the Company for the period from the Closing Date to the Redemption Date. The expenses exclude the annual fees of service providers but will include the following:

The Company

The Expense Provision will be utilised to meet all the expenses incurred in the operation of the Company including, but not limited to, legal and professional expenses, audit fees, public relations fees, fees for listing the Shares on the Bermuda Stock Exchange, printing and distribution expenses, including costs of producing certificates of ownership and the half-yearly and annual accounts, expenses of holding Shareholders' and Directors' meetings, taxes, duties, penalties, government charges, banking fees, printing, posting and dispatching of Share certificates, annual filing fee and exempt company fee.

Issue of Shares

The Expense Provision will be utilised to meet the costs, charges, expenses and commissions payable in respect of Shares.

Initial and Ongoing Expenses

The Expense Provision will be utilised to meet the payment or reimbursement of the initial expenses, the ongoing expenses and any other expenses of the Company as the same become payable by the Company from time to time. Such ongoing expenses will include, without limitation, a take on fee payable to the Administrator of AUD 7,500 and a winding up fee to be agreed in writing with the Investment Adviser to cover the time reasonably spent by the Administrator on winding up the Company.

Any surplus or shortfall of the Expense Provision will be attributed to or borne by the ordinary Shareholders of the Company. This would be pro-rata and on redemption. If necessary any shortfall will be provided for using an interim loan facility approved by the Directors.

Share Transfer and Redemption Fees

Fees payable on the transfer or redemption of Shares prior to the Redemption Date are described more fully under the section "Subscription, Sale Arrangements and Redemptions" in this Prospectus.

Directors

There will be no Directors emoluments paid and there are no outstanding Director's fees due to be paid at the date of this Prospectus.

The Directors are indemnified through directors and officers insurance which includes professional indemnity cover for all work undertaken on behalf of the Company. None of the Directors has entered into or proposes to enter into any service contract with the Company.

Fees Payable Annually

Annual Fee of the Investment Adviser

The Investment Adviser is entitled, for its services as investment adviser, to receive an annual fee of 0.6% of the Company's Funds (as reduced by any redemptions of Shares prior to the Redemption Date) payable in advance on the first Business Day of each year, until the Redemption Date. The Investment Adviser's Agreement does not contain any provisions for the alteration of the Investment Adviser's remuneration. The Investment Adviser shall also be paid an amount equal to the amount of interest earned by the Company on such amount, calculated from and including the date on which the Investments (as defined in the Investment Advisory Agreement) have been made until but excluding the date of payment of the relevant amount to the Investment Adviser.

Annual fee of the Administrator, Custodian and Secretary

Under the Administration and Secretarial Agreement, the Company has agreed to pay or procure to be paid to the Administrator, for its services as Administrator, Secretary, Custodian and Registrar, an annual fee of 0.15% of the Company's Funds (as reduced by any redemptions of Shares prior to the Redemption Date), subject to a minimum of AUD 30,000, payable in advance each year until the Redemption Date. The Administrator shall also be paid an amount equal to the amount of interest earned by the Company on such amount, calculated from and including the date on which the Investments (as defined in the Administration, Custodian and Secretarial Agreement) have been made until but excluding the date of payment of the relevant amount to the Administrator.

Annual fee of the Distributors

An annual fee of 0.7% of the Company's funds will be payable to the Distributor on that portion of the Company's Funds that is derived from the subscription amount subscribed for by Subscribers introduced by the Distributor (as reduced by any redemptions of such Shares prior to the Redemption Date) in terms of the relevant Distribution Agreement. These fees are independent of any transfer fees payable on sales as described in the section "Subscription, Sale Arrangements and Redemptions" in this Prospectus.

Summary of Fees Payable Annually (included in the estimated 1.45% of the Company's Funds);

Administrator	0.15% per annum subject to a minimum of AUD 30,000 per annum
Investment Adviser	0.60% per annum
Distributor	0.70% per annum

Conflicts of Interest

The Company and the Investment Adviser may place orders and otherwise transact business with or through any company within the Investec Group. In addition, any cash of the Company may be deposited with the Investec Group or invested in certificates of deposit or banking instruments issued by the Investec Group. Banking and similar transactions may also be undertaken with or through any such company.

There will be no obligation on the part of the Investment Adviser or any other company within the Investec Group to account to the Company or Shareholders for any benefits so arising and any such benefits may be retained by the relevant party provided that such transactions are carried out as if effected on normal commercial terms negotiated at arm's length and are consistent with the best interests of Shareholders and:

- (a) a certified valuation of such transaction by a person approved by the Administrator as being independent and competent has been obtained; or
- (b) such transaction has been executed on best terms on an organised investment exchange in accordance with the rules of such investment exchange; or
- (c) where compliance with (a) or (b) is not practical, such transaction has been executed on terms which the Directors and Administrator are satisfied conform with the principle that such transactions be carried out as if effected on normal commercial terms negotiated at arm's length and are consistent with the best interests of Shareholders.

Any company within the Investec Group may deal in Shares as principal or on an agency basis and retain any benefits so arising.

The Investment Adviser may, in the course of its respective businesses, have conflicts of interests with the Company. Should a conflict of interest actually arise, the Directors and the Investment Adviser will use their best endeavours to ensure that it is resolved fairly.

In allocating investment opportunities between its clients, the Investment Adviser will at all times act in the best interests of its clients (including the Company) and will allocate investment opportunities in a manner it considers fair and reasonable.

The Investment Adviser when selecting brokers or dealers to execute transactions must solicit competitive bids and has an obligation to seek the lowest available commission cost.

Certain interests of the Directors are set out under the section "The Board of Directors" in this Prospectus and the Articles of Incorporation of the Company specify circumstances in which a Director may or may not vote in relation to a matter in which he may be interested, as described in paragraph (c) of the section "Articles of Incorporation" in this Prospectus. The Directors are also Directors of the Administrator. A Director may own Shares and declare such interest to the Company and to the Guernsey Financial Services Commission. A Director may own Shares, but there is no requirement that he or she does so. Other than as disclosed in this Prospectus, the Company does not know of any person who, directly or indirectly, has an interest in the Company's capital or voting rights which is notifiable under Guernsey law. None of the Directors have any contract or arrangement existing at the date of this Prospectus in which the Director is materially interested and which is material in relation to the business of the Company, save for as disclosed in this Prospectus and the Investment Management Agreement.

Dividend Policy

The Company may pay dividends. The Directors will consider declaring a dividend if such dividend appears to be justified by the financial position of the Company. Any dividends paid will only be paid in line with the policy of the Bermuda Stock Exchange and the Law.

Accounting Policy

The audited accounts of the Company will be prepared under UK generally accepted accounting practice.

Taxation

Introduction

The following summary of the anticipated tax treatment in Guernsey applies to persons holding Shares as an investment. The summary does not constitute legal or tax advice and is based on taxation law and practice at the date of this Prospectus. Prospective investors should be aware that the level and bases of taxation may change from those described and should consult their own professional advisers on the implications of making an investment in, holding or disposing of, Shares under the laws of the countries in which they are liable to taxation.

Guernsey

(i) *The Company*

The Company has applied for tax exempt status to the Administrator of Income Tax in Guernsey pursuant to the Income Tax (Exempt Bodies) (Guernsey) Ordinance, 1989. The Company will need to reapply annually for exempt status, an application that currently incurs a fee of GBP 600 per annum.

Provided exempt status is granted, the Company will not be considered resident in Guernsey for Guernsey income tax purposes and will be exempt from tax in Guernsey on both bank deposit interest and any income that does not have its source in Guernsey. It is not anticipated that any income other than bank interest will arise in Guernsey and therefore the Company is not expected to incur any additional liability to Guernsey tax. Payments of dividends and interest by a company that has exempt status for Guernsey tax purposes are regarded as having their source outside Guernsey and hence are payable without deduction of tax in Guernsey. In the absence of exempt status, the Company would be treated as resident in Guernsey for Guernsey income tax purposes and would be subject to a zero rate of income tax, as described below.

In response to the review carried out by the European Union Code of Conduct Group, the States of Guernsey originally agreed to abolish exempt tax status for the majority of companies and to introduce a zero rate of tax for companies carrying on all but a few specified types of regulated business from January 2008. However, the States of Guernsey also agreed that, because closed-ended investment companies was not one of the regimes in Guernsey that was classified by the EU Code of Conduct Group as being harmful, such companies would continue to be able to apply for exempt status for Guernsey income tax purposes after 31 December 2007. It is therefore expected that the Company will continue to apply for exempt status on an annual basis.

In keeping with its ongoing commitment to meeting international standards, the States of Guernsey is currently undertaking a review of its tax regime with the expectation of implementing any required revisions to the regime in the period between 2012 and 2015. At this point in time, the key features of any revised regime have yet to be determined. The Policy Council of the States of Guernsey has stated that it may consider further revenue raising measures in the future, including the possible introduction of a goods and services tax, depending on the state of Guernsey's public finances at the time.

Capital Taxes and Stamp Duty

At present Guernsey does not levy taxes upon capital inheritances, capital gains (with the exception of a dwellings profit tax) gifts, sales or turnover, nor are there any estate duties, save for an ad valorem fee for the grant of probate or letters of administration. No stamp duty is chargeable in Guernsey on the issue, transfer, switching or redemption of Shares in the Company.

(ii) *Shareholders*

Shareholders resident outside Guernsey will not be subject to any income tax in Guernsey in respect of any Shares owned by them. Any Shareholders who are resident for tax purposes in Guernsey, Alderney or Herm will incur Guernsey income tax on any dividends paid on Shares owned by them but will suffer no deduction of tax by the Company from any such dividends payable by the Company where the Company is granted exempt status. The Company is required to provide details of distributions made to Shareholders resident in the Islands of Guernsey, Alderney and Herm to the Administrator of Income Tax in Guernsey.

Non-Guernsey resident Shareholders will not be subject to Guernsey tax on the redemption or disposal of their holding of Shares.

Investor Taxation

As the investment is in the Shares of the Company, the taxability of returns will depend on the nature and status of each investor. If any potential investor is in any doubt about the taxation consequences of acquiring, holding, disposing, transferring or redeeming of the Shares, he should seek advice from his own independent professional adviser.

South African tax residents will be taxed in South Africa under current South African tax regulation on any dividends and other returns received by them from the Company.

Risk Factors

Attention is drawn to the following specific risk factors:-

Making an investment carries a level of inherent risk. Prospective investors should carefully consider the risks associated with investing in the Company and seek professional advice before making any decision to invest in the Company. Set out below are some of the potential risks which should be considered in determining whether an investment in Shares is a suitable investment. The risk factors set out below are not, and are not intended to be, a complete list of all the risks relevant to a decision to purchase or hold the Shares. There may be other risks that a prospective investor should consider that are relevant to their own particular circumstances or more generally.

(a) Suitability of Investment

Prospective investors are not to construe the contents of this Prospectus as investment, tax, business or legal advice. Prior to offering to acquire Shares, a prospective investor should consult with his own legal, business and tax advisers to determine the appropriateness and consequences of an investment in the Company.

An investment in the Company is only suitable for sophisticated investors who appreciate the risks involved, which may include the loss of their entire investment. An investment in the Company is not suitable for investors who may wish to realise their investment at short notice.

Prospective investors in the Shares should make their own independent decision to invest in the Shares and as to whether an investment in the Shares is appropriate or proper for them based upon their own judgment and upon advice from such advisers as they may deem necessary. Prospective investors in the Shares should not rely on any communication (written or oral) of the Company, the Investment Adviser or any of their affiliates or their respective directors, officers or agents as investment advice or as a recommendation to invest in the Shares, it being understood that information and explanations relating to the Shares will not be considered to be investment advice or a recommendation to invest in the Shares. No communication (written or oral) received from the Company, the Investment Adviser or any of their affiliates or their respective directors, officers or agents will be deemed to be an assurance or guarantee as to the expected results of an investment in the Shares.

(b) Counterparty and Credit Risk

There is credit risk on the Debt Issuer and the International Bank that provides the Equity Linked Investment. The bankruptcy, refusal to pay or any other default by any such party(ies) may cause the value of such investment of the Company to be reduced or to become zero, which may adversely affect the Share price or cause the Shares to become worthless.

Shareholders should be aware that any such breach or default by any party in relation to an investment made by the Company may adversely affect the ability of the Company to meet its investment objectives.

If any of the Company's investments are terminated early for any reason the Directors will take such steps as they, in their sole discretion, consider practicable in order to enable the Company to achieve its investment objectives. There can be no assurance that this will be possible.

(c) Litigation Risk

Investment in the Company involves certain risks normally associated with investment in equity securities, which includes for example the risk that a party may successfully litigate against the Company, which may result in a reduction in the assets of the Company. The Directors are not aware of any pending litigation against the Company.

(d) Failure to Achieve Investment Objective

There can be no assurance that the Company will achieve its investment objective.

(e) Restricted Liquidity in Shares

Prior to the Redemption Date, Shareholders have no right to have the Shares in the Company redeemed by the Company and the only way to realise an investment in the Company will be by selling Shares in the secondary market. The Directors do not expect an active secondary market to develop in the Shares and an investment in the Company is therefore only appropriate for investors who are prepared to commit their investment on a medium term basis for at least 5 years.

Shares carry no rights for the holder to require the Company to redeem or repurchase Shares, although the Directors have power to repurchase or require the transfer of Shares (see the section "Articles of Incorporation" - Compulsory transfer or repurchase of Shares in this Prospectus) and the Trust has indicated its willingness to buy Shares which Shareholders wish to sell (although it is not obliged to do so).

In the event that a Shareholder wishes to sell his Shares, the Administrator will endeavour to facilitate the sale of the relevant Shares to the Trust. The Shares will be listed on the Bermuda Stock Exchange but the Directors do not expect that an active secondary market will develop.

(f) Sophisticated Investors

Whilst investment in the Company can offer the potential for higher than average returns it also involves a correspondingly higher degree of risk and is only considered appropriate for Sophisticated Investors who can afford to take that risk, which may include the risk of the loss of the entire investment. A Sophisticated Investor must have extensive knowledge and experience in financial and business matters and be capable of evaluating such merits and risks. Each investor represents, as part of his application for Shares, that he satisfies these criteria and that he is acquiring the Shares for investment.

(g) Tax and Regulatory Changes

The tax consequences to the Company and to Shareholders (in respect of both levels and bases of taxation), the ability of the Company to repatriate its assets (including any income and profit earned on those assets) and other operations of the Company are based on regulations which are subject to change through legislative, judicial or administrative action in the jurisdictions in which the Company, the Administrator and the Investment Adviser, or their affiliates operate.

(h) Exchange Rate Risk

The Shares are denominated in AUD. Any investor who anticipates a return in a currency other than AUD will bear the risk of an adverse change in the exchange rate between the AUD and that other currency and any resultant reduction in the value of the investment when denominated in that other currency.

(i) Lack of Liquidity of Portfolio Investments

The investments may be illiquid, difficult to value and subject to legal and other restrictions on transfer. There can be no assurances that the Company will be able to liquidate a particular interest at the time and on the terms it desires.

The investments made by the Company as described in this Prospectus will be long-term and of an illiquid nature. The acquisition of Shares in the Company should be regarded as a medium to long-term investment, as the value of the Company's assets prior to the maturity of the Company's investments (described under the section "Investment Strategy" in this Prospectus) may be significantly less than the Company's Funds and the price of the Shares may accordingly be adversely affected.

(j) Risks associated with investments linked to an Index

Performance of an index may be adversely affected by the volatility in the prices of a small number of companies included within the index. Where there is no positive growth of the basket of indices over the Investment Period then the Equity Linked Investment will expire without any value and the Company shall receive no return (including, for the avoidance of doubt, the Company's Funds invested in the Equity Linked Investment) in respect of the Equity Linked Investment.

(k) Risks associated with early redemption of the Debt Instrument(s)

If an event of default occurs in respect of the Debt Instrument(s) it may be necessary for the Company to request early redemption of the instrument, prior to its scheduled maturity date. Assuming that early redemption occurs and the early redemption proceeds (if any) are received and retained by the Company, the Company will then invest the early redemption proceeds in another Debt Instrument(s). In this regard prospective investors should take note of the counterparty and Credit Risk factors described in (b) above. There can be no assurance, upon the early redemption of the Debt Instrument(s) that the Company will have sufficient funds to redeem or repurchase all of the Shares in full.

(l) Fixed Income Investment

The percentage of the Company's Funds that need to be invested in the debt Instrument with the intention of providing Capital Preservation to Subscribers will be dependent on market conditions and may exceed 75% of the Company's Funds and consequently a reduced amount may be invested in the Equity Linked Investment.

(m) Forward Looking Statements and Forecasts

To the extent that this Prospectus contains forward looking statements, (including, without limitation, statements containing the words "believes", "estimates", "anticipates", "expects", "intends", "may", "will", or "should" or, in each case, their negative or other variations or similar expressions), such forward looking statements involve unknown risk, uncertainties and other factors which may cause the actual results, financial condition, performance or achievement of the Company to be materially different from any potential future results, performance or achievements expressed or implied by such forward looking statements.

Given these uncertainties, prospective investors are cautioned not to place any undue reliance on any forward looking statements contained in this Prospectus.

Procedure for Application

An investor that wants to apply for Shares must obtain an Application Form from the Distributor or Administrator, complete the Application Form in accordance with the instructions printed thereon and send it together with payment in full by bank draft or telegraphic transfer as follows:-

To Praxis Property Fund Services Limited, Sarnia House, Le Truchot, St Peter Port, Guernsey, GY1 4NA and marked China Seas Basket Limited. **Applications must be sent so as to be received not later than 5 Business Days prior to the Closing Date.** The fully completed original application form, original certified copy of passports, source of funds questionnaire and any other required documentation must be received together with the complete application form. Any monies received in a currency other than AUD will be converted to AUD at the prevailing spot rate available to the Company at the date of receipt of said monies.

Bank drafts should be made payable to China Seas Basket Limited and crossed "Not Negotiable". Monies sent by telegraphic transfer should be sent to:-

Bank Account Details for the Transfer of Australian Dollars – For Bankers Use

SWIFT Field 56	Correspondent bank:	National Australia Bank Melbourne Australia
	SWIFT address:	NATAAU33
	BSB:	083-011
SWIFT Field 57	For credit to:	
	Account number:	1803 068888 500
	Account Name:	Investec Bank (Channel Islands) Limited
	Address:	Investec House, La Plaiderie, St Peter Port Guernsey
	SWIFT address:	GMGUGGSP
SWIFT Field 59	Beneficiary:	<u>02299601</u> Account number at Investec Bank (Channel Islands) Ltd
		<u>PPFS China Seas Basket Limited Client Monies AUD</u> Account name at Investec Bank (Channel Islands) Ltd
	Currency:	AUD (Australian Dollars)
	IBAN:	GB64GMGU40481502299601
	Sort Code:	40-48-15
	REFERENCE:	INVESTOR'S NAME

Please ensure the remitting bank sends the funds via an **MT103** to ensure funds are applied correctly.

Only Australian Dollars may be transferred to and applied to China Seas Basket Limited's account at Investec Bank (Channel Islands) Limited in Guernsey. Any other currency may be returned to the sender after deduction of bank charges or converted at an exchange rate for which Investec Bank (Channel Islands) Limited and National Australia Bank cannot be held liable should any consequential loss occur.

An application will not be valid unless all the above requirements have been fulfilled and cheques and bank drafts presented for payment are honoured on first presentation, prior to the Closing Date. All cheques will be presented on receipt by the Administrator.

Applicant undertakings

By completing and delivering an Application Form together with payment in full for the Shares applied for, each applicant agrees with the Company as follows:

- (a) the Directors shall be entitled to accept or refuse any application in whole or in part, in such manner as they may in their sole and absolute discretion decide;
- (b) the Company shall be entitled to scale down applications and to reject applications in whole or in part. In such case application monies will be returned to applicants by electronic transfer into the account specified by the applicant in the Application Form without interest;
- (c) any application shall be irrevocable and any cheque or bank draft presented for payment will be honoured on first presentation;
- (d) the application and any issue of Shares are made on and subject to the terms and conditions of this Prospectus, the Application Form and the Articles;
- (e) the application for Shares is based solely upon the information in this Prospectus and no other information or representation has been relied upon;
- (f) any monies returned to the applicant will not include any interest which may have been earned while the Administrator held such monies;
- (g) all risks in respect of the method of payment will be borne solely by the applicant;
- (h) that accounts and notices from the Company will be sent by email and the applicant shall provide a valid email address for this purpose;
- (i) the Company shall be notified, by the applicant, in writing of any change in registered address, email or bank account details; and
- (j) applicants should endeavour to ensure that monies transferred are sent rounded to a thousand AUD. Amounts in excess of this will be used to purchase a fraction of a Share and will therefore not be refunded.

Appendix / General Information

Additional Information

Commencement of Business

The Company was incorporated on 26 May 2010.

Incorporation and Share Capital

- (a) The Company was incorporated with limited liability in the Island of Guernsey under the provisions of the Laws as a private company limited by created Shares and as a closed ended investment company (Registered Number 51929) on 26 May 2010. Each Share in the Company will carry with it all the rights and privileges as contemplated in the Memorandum and Articles of Incorporation but nothing in this Prospectus shall be construed as granting any Shareholder any right, title and interest in or to the assets or investments of the Company.
- (b) The Company has an authorised share capital of AUD 10,000 divided into 10 Management Shares of AUD 1.00 each and 999,000 Shares of AUD 0.01 each. One Management Share is in issue and was issued at par and is held by the Trust.

The Directors may issue fractions of Shares, and, if so issued, a fraction of a Share (calculated to three decimal places) shall be subject to and carry the corresponding fraction of liabilities (whether with respect to any unpaid amount thereon, contribution, calls or otherwise), limitations, preferences, privileges, qualifications, restrictions, rights (including, without limitation, voting and participation rights) and other attributes of a whole Share.

- (c) Except as disclosed above, no Share or loan capital of the Company has been issued or agreed to be issued and no Share or loan capital of the Company is proposed to be issued or is under option or agreed unconditionally to be put under option. So far as the Directors are aware no person, other than the Trust has a direct or indirect interest of 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstance at general meetings of the Company.
- (d) There are no provisions of Guernsey law which confer pre-emption rights on existing Shareholders on the allotment of equity securities for cash.
- (e) Since the date of incorporation of the Company, the Company has not commenced operations, no financial accounts have been drafted and no dividends have been declared or paid.

Duration of the Company

The Shares shall be redeemed on the Redemption Date. With regard to redemption arrangements prior to the Redemption Date, refer to the section "Subscription, Sale Arrangements and Redemptions" in this Prospectus. The Company may also be wound up in accordance with the Law.

Summary of the Company's Objects

Clause 3 of the Company's Memorandum of Incorporation provides that the Company's objects are unrestricted.

Articles of Incorporation

The Articles of Incorporation of the Company contain, *inter alia*, provisions to the following effect:

- (a) *Variation of rights, alteration of capital, liens, calls, forfeiture and surrender of shares:*
- (1) If at any time the share capital is divided into different classes of shares, the rights attached to any class for the time being issued (unless otherwise provided by the terms of issue) may whether or not the Company is being wound up be altered, abrogated or varied with the consent in writing of the holders of not less than three-fourths of the issued shares of that class or with the sanction of a special resolution of the holders of the shares of that class. To any separate general meeting of a class the provisions of the Articles relating to general meetings shall apply but so that the necessary quorum shall be:
- (i) for a meeting other than an adjourned meeting, two persons present in person or by proxy holding at least one-third of the voting rights of the class in question;
 - (ii) for an adjourned meeting, one person present holding shares of the class in question; or
 - (iii) where the class has only one Shareholder, that Shareholder
- and that any holder of shares of that class present in person or by proxy may demand a poll.
- (2) The Company may by ordinary resolution:-
- (i) consolidate and divide all or any of its share capital into shares of larger amounts than its existing shares;
 - (ii) subdivide all or any of its shares into shares of a smaller amount provided that the proportion between the amount paid and the amount, if any, unpaid on each reduced share shall be the same as that proportion in the case of the share from which the reduced share was derived;
 - (iii) cancel shares which, at the date of the passing of the resolution, have not been taken up or agreed to be taken up by any person, and diminish the amount of its share capital by the amount of the shares so cancelled;
 - (iv) convert all or any of its shares the nominal amount of which is expressed in a particular currency or former currency into shares of a nominal amount of a different currency, the conversion being effected at the rate of exchange (calculated to not less than 3 significant figures) current on the date of the resolution or on such other day as may be specified therein;
 - (v) where its share capital is expressed in a particular currency or former currency, denominate or redenominate it, whether by expressing its amount in units or subdivisions of that currency or former currency, or otherwise.
- (3) The Company may reduce its share capital, any capital account or any share premium account in any manner subject to any authorisation and/or consent required by the Law. Subject to the provisions of the Law, the Company may at the discretion of the Board purchase any of its own shares (including redeemable shares) in

any manner permitted by the Law. Shares repurchased by the Company may be held as treasury shares and dealt with by the Directors to the fullest extent permitted by the Law.

(4) Issue of shares:

Subject to the Law and the provisions of the Articles, the unissued shares shall be at the disposal of the Board which may allot, grant options over, or otherwise dispose of them to such persons on such terms and conditions and at such times as the Board determines. To the extent required by Sections 292 and 293 of the Law, the Board is authorised to issue the unissued shares which authority shall expire five (5) years after the date of adoption of the Articles; in the event that the restrictions in Section 292(3)(a) and/or (b)(i) are amended or removed, such authority shall be to the extent and for as long as is legally permissible. This authority may be further extended in accordance with the provisions of the Law. Fractions of shares may be issued or purchased by the Company.

(5) Liens, calls on and forfeiture of shares:

(i) The Company shall have a first and paramount lien (extending to all dividends payable) on all shares (not being fully paid) for all moneys whether presently payable or not called or payable at a fixed time in respect of those shares and for all the debts and liabilities of the holder to the Company and that whether the same shall have been incurred before or after notice to the Company of any equitable or other interest of any person (other than such holder) and whether the time for payment or discharge shall have arrived or not and notwithstanding that the same are joint debts or liabilities of such holder and any other person (whether a Shareholder of the Company or not).

(ii) For the purpose of enforcing such lien the Company may sell, in such manner as the Directors think fit, any shares on which the Company has a lien, but no sale shall be made unless some sum in respect of which the lien exists is presently payable, nor until the expiration of fourteen clear days after a notice in writing, stating and demanding payment of the sum presently payable, and giving notice of intention to sell in default, shall have been served on the holder for the time being of the shares or the person entitled by reason of his death or bankruptcy to the shares. For the purpose of giving effect to any such sale the Directors may authorise some person to transfer to the purchaser thereof the shares so sold.

(iii) The net proceeds of such sale, after payment of the costs of such sale, shall be applied in or towards payment or satisfaction of the debt or liability in respect whereof the lien exists, so far as the same is presently payable and any residue shall (upon surrender to the Company for cancellation of the certificate for the shares sold and subject to a like lien for

debts or liabilities not presently payable as existed upon the shares prior to the sale) be paid to the person entitled to the shares at the time of the sale. The purchaser shall be registered as the holder of the shares so transferred and he shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in relation to the sale.

(iv) The Board may at any time make calls upon the Shareholders in respect of any moneys unpaid on their shares (whether on account of the nominal value or by way of premium and not by the conditions of allotment made payable at fixed times) and each Shareholder shall pay to the Company at the time and place appointed the amount called. A call may be revoked or postponed in whole or in part. A call may

be required to be made by installments. A person on whom a call is made shall remain liable for calls made upon him notwithstanding the subsequent transfer of the shares in respect of which the call was made.

- (v) Joint holders shall be jointly and severally liable to pay calls.
- (vi) If a sum called in respect of a share is not paid before or on the day appointed the person from whom the sum is due shall pay interest from the day appointed to the time of actual payment at such rate as the Board may determine.
- (vii) Any sum which by the terms of issue of a share becomes payable on allotment or at any fixed date shall for the purposes of the Articles be deemed to be a call duly made and payable on the date on which by the terms of issue the same becomes payable and in the case of non-payment all the relevant provisions of the Articles as to payment of interest and expenses forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.
- (viii) The Directors may, if they think fit, receive from any Shareholder willing to advance the same all or any part of the money uncalled and unpaid upon the shares held by him beyond the sums actually called up thereon as payment in advance of calls, and such payment in advance of calls shall extinguish, so far as the same shall extend, the liability upon the shares in respect of which it is advanced, and upon the money so received or so much thereof as from time to time exceeds the amount of the calls then made upon the shares in respect of which it has been received, the Company may (until the same would, but for such advance, become presently payable) pay interest at such rate as the Shareholder paying such sum and the Directors agree upon **PROVIDED THAT** any amount paid up in advance of calls shall not entitle the holder of the shares upon which such amount is paid to participate in respect thereof in any dividend until the same would but for such advance become presently payable.
- (ix) The Board may on an issue of shares differentiate between holders as to amount of calls and times of payment.
- (x) If a Shareholder fails to pay any call or installment on the day appointed the Board may at any time during such period as any part remains unpaid serve notice requiring payment of

so much of the call or installment as is unpaid together with any interest which may have accrued and any expenses which may have been incurred by the Company by reason of non-payment.
- (xi) The notice shall state a further day on or before which the payment required by the notice is to be made and the place where the payment is to be made and that in the event of non-payment the shares in respect of which the call was made or installment is payable shall be liable to be forfeited. If the requirements of any such notice are not complied with any share in respect of which the notice has been given may at any time before payment has been made be forfeited by a resolution of the Board to that effect. Such forfeiture shall include all dividends declared in respect of the forfeited share and not actually paid before the forfeiture.
- (xii) Notice of forfeiture shall forthwith be given to the former holder and an entry of such notice and forfeiture shall forthwith be made and dated in the Register opposite the entry of the share; but no forfeiture shall be in any manner invalidated by any omission or neglect to give notice or to make entry.

- (xiii) A forfeited share shall be deemed to be the property of the Company and may be sold re-allotted or otherwise disposed of on such terms as the Board shall think fit with or without all or any part of the amount previously paid on the share being credited as paid and at any time before a sale or disposition the forfeiture may be cancelled.
- (xiv) A person whose shares have been forfeited shall cease to be a Shareholder in respect of those shares but shall notwithstanding remain liable to pay to the Company all moneys which at the date of forfeiture were payable in respect of the shares with interest at such rate as the Board may determine. The Board may enforce payment without any allowance for the value of the shares at the time of forfeiture or for any consideration received on their disposal.
- (xv) The forfeiture of a share shall extinguish all interest in and all claims and demands against the Company in respect of the share and all other rights and liabilities incidental to the share as between the holder and the Company.
- (xvi) The Board may accept from any Shareholder on such terms as shall be agreed a surrender of any shares in respect of which there is a liability for calls. Any surrendered share may be disposed of in the same manner as a forfeited share.
- (xvii) A declaration in writing by a Director or the Secretary that a share has been duly forfeited or surrendered on the date stated in the declaration shall be conclusive evidence of the facts therein as against all persons claiming to be entitled to the shares.
- (xviii) The Company may receive the consideration given for any share on any sale or disposition and may execute a transfer of the share in favour of the person to whom the same is sold or disposed of and he shall thereupon be registered as the holder and shall not be bound to see to the application of the purchase money nor shall his title be affected by any irregularity or invalidity in forfeiture sale re-allotment or disposal.

(b) *Voting and other rights:*

(1) Rights attaching to the Management Shares:

The holders of Management Shares shall have the following rights:

(i) Dividends

The holders of Management Shares shall have no rights to receive or participate in any distributions of the Company, subject to paragraph (e) below (Rights on a winding up).

(ii) Winding up

Subject to paragraph (e) below (Rights on a winding up), on a winding up and after satisfaction of the costs associated with the liquidation and payment of all the creditors of the Company and after payment of the nominal amount of the Shares has been paid to the holders of the Shares, the nominal value of the Management Shares shall be paid to the holders of the Management Shares.

(iii) Voting

The holders of the Management Shares will have the right to receive notice of and to attend and to vote at any general meeting of the Company. Each holder of a Management Share who is present in person or by proxy (or being a corporation, by a duly authorized representative) at a general meeting will have on a show of hands one vote and on a poll every such holder who is present in person or by proxy (or being a corporation, by a duly authorised representative) will have 10,000 votes in respect of each Management Share held by them.

(2) Rights attaching to the Shares

The holders of Shares shall have the following rights:

(i) Dividends

The holders of Shares are entitled to receive, and participate in, any distributions that are resolved to be distributed in respect of any financial year or other income or right to participate therein.

(ii) Winding up

Subject to paragraph (e) below (Rights on a winding up), on a winding up and after satisfaction of the costs associated with the liquidation and payment of all the creditors of the Company, the nominal value of the Shares shall be paid to the holders of the Shares. After payment of the nominal amount of the Management Shares has been paid to the holders of the Management Shares, the holders of Shares shall be entitled to any surplus.

(iii) Voting

The holders of the Shares will have the right to receive notice of and to attend and to vote at any general meeting of the Company. Each holder of a Share who is present in person or by proxy (or being a corporation, by a duly authorised representative) at a general meeting will have on a show of hands one vote and on a poll every such holder who is present in person or by proxy (or being a corporation, by a duly authorised representative) will have one vote in respect of each Share held by them.

(c) *Directors:*

(1) Number and appointment of Directors

(i) The first Directors of the Company shall be appointed by the subscribers to the Memorandum. Unless otherwise determined by ordinary resolution of the Company the Directors (disregarding alternate Directors) will not be less than 3 (three) or more than 10 (ten). At no time shall a majority of Directors be resident in either the United Kingdom or in the Republic of South Africa.

(ii) The Board shall have power at any time to appoint any person to be a Director either to fill a casual vacancy or as an addition to the existing Directors but so that the total number of Directors shall not at

any time exceed the number (if any) fixed pursuant to the Articles. Any Director so appointed shall hold office only until the next following annual general meeting and shall then be eligible for re-election.

- (iii) No person other than a Director retiring at an annual general meeting shall unless recommended by the Directors be eligible for election by the Company to the office of Director unless not less than four nor more than twenty-eight clear days before the date appointed for the general meeting there shall have given to the secretary of the Company notice in writing signed by a Shareholder duly qualified to attend and vote at the meeting for which such notice is given of his intention to propose such person for election together with notice in writing signed by that person of his willingness to be elected. There is no provision for the retirement of Directors on their attaining a certain age.
- (iv) The Company at the meeting at which a Director retires in manner aforesaid may fill the vacated office by appointing a person thereto by ordinary resolution and in default the retiring Director shall, if willing to act, be deemed to have been re-appointed unless at such meeting it is expressly resolved not to fill the vacated office or a resolution for the re-appointment of such Director shall have been put to the meeting and lost. The Company at such meeting may also (subject to Article 78) fill any other vacancies.
- (v) Without prejudice to the powers of the Board the Company in general meeting may appoint any person to be a Director either to fill a casual vacancy or as an additional Director.
- (vi) At a general meeting a motion for the appointment of two or more persons as Directors of the Company by a single resolution shall not be made unless a resolution that it shall be so made has been first agreed to by the meeting without any vote being given against it.

(2) Qualification and remuneration of Directors

- (i) A Director need not be a Shareholder of the Company.
- (ii) No fee will be paid to the Directors save as provided in paragraph (2)(iii).
- (iii) Notwithstanding paragraph (2)(ii), if any Director having been requested by the Board shall render or perform extra or special services or shall travel or go to or reside in any country not his usual place of residence for any business or purpose of the Company he shall be entitled to receive such sum as the Board may think fit for expenses and also such remuneration as the Board may think fit either as a fixed sum or as a percentage of profits or otherwise and such remuneration may, as the Board shall determine, be either in addition to or in substitution for any other remuneration which he may be entitled to receive.

(3) Other powers and duties of the board

- (i) The business of the Company shall be managed by the Board who may exercise all such powers of the Company as are not required to be exercised by the Company in a general meeting subject nevertheless to the Articles and to the Law and to such regulations as may be prescribed by the Company in a general meeting but no regulation so made shall invalidate any prior act of the Board. The general powers given by this Article shall not be limited or restricted by any special authority or power given to the Board by any other Article.

- (ii) The Board may arrange that any branch of the business carried on by the Company or any other business in which the Company may be interested shall be carried on by or through one or more subsidiary companies and the Board may on behalf of the Company make such arrangements as it thinks advisable for taking the profits or bearing the losses of any branch or business so carried on or for financing assisting or subsidising any such subsidiary company or guaranteeing its contracts obligations or liabilities.
- (iii) The Board may establish any local boards or agencies for managing any of the affairs of the Company and may appoint any one or more of its number or any other persons to be Shareholders of such local Boards or any managers or agents and may fix their remuneration and may delegate to any local board manager or agent any of the powers authorities and discretions vested in the Board with power to sub-delegate and may authorise the Shareholders of any local board to fill any vacancies and to act notwithstanding vacancies and any such appointment or delegation may be made upon such terms and subject to such conditions as the Board may think fit and the Board may remove any person so appointed and may annul or vary any such delegation but no person dealing in good faith and without notice of any such annulment or variation shall be affected thereby.
- (iv) The Board may at any time by power of attorney given under the hand of such person or persons duly authorised in that behalf appoint any person or any fluctuating body of persons whether nominated directly or indirectly by the Board to be the attorney of the Company for such purposes and with such powers and discretions and for such periods and subject to such conditions as the Board may think fit and any such power of attorney may contain such provisions for the protection and convenience of persons dealing with any attorney as the Board may think fit and may also authorise any attorney to sub-delegate all or any of his powers and discretions.
- (v) All cheques promissory notes drafts bills of exchange and other negotiable instruments and all receipts for moneys paid to the Company shall be signed drawn accepted endorsed or otherwise executed in such manner as the Board shall at any time determine.
- (vi) The Board shall cause minutes to be made and maintained at the Office in books provided for the purpose:-
 - (A) of all resolutions and proceedings at meetings of the Board and of Board committees in accordance with Section 154 of the Law; and
 - (B) of all proceedings at general meetings of the Company or otherwise and all decisions of a sole Shareholder in accordance with Sections 228 and 230 of the Law.

Any such minutes if purporting to be signed by the Chairman of the meeting at which the proceedings took place, or by the Chairman of the next succeeding meeting, shall be evidence of their proceedings.

(4) Disqualification and removal of Directors

- (i) The office of a Director shall ipso facto be vacated:-

- (A) if he (not being a person holding for a fixed term an executive office subject to termination if he cease from any cause to be a Director) resigns his office by written notice signed by him sent to or deposited at the Office;
 - (B) if he shall have absented himself (such absence not being absence with leave or by arrangement with the Board on the affairs of the Company) from meetings of the Board for a consecutive period of twelve months and the Board resolves that his office shall be vacated;
 - (C) if he becomes of unsound mind or incapable;
 - (D) if he becomes insolvent suspends payment or compounds with his creditors;
 - (E) if he is requested to resign by written notice signed by all his co-Directors;
 - (F) if the Company in general meeting shall declare that he shall cease to be a Director;
 - (G) if he becomes prohibited from acting as Director pursuant to the Law; or
 - (H) if he becomes resident in the United Kingdom or in the Republic of South Africa and, as a result thereof, a majority of the Directors are resident in the United Kingdom or in the Republic of South Africa.
- (ii) If the Company in general meeting removes any Director before the expiration of his period of office it may by an ordinary resolution appoint another person to be a Director in his stead who shall retain his office so long only as the Director in whose stead he is appointed would have held the same if he had not been removed. Such removal shall be without prejudice to any claims such Director may have for damages for breach of any contract of service between him and the Company.
- (5) Proceedings of Directors
- (i) The Board may meet for the dispatch of business adjourn and otherwise regulate its meetings as it thinks fit. Questions arising at any meeting shall be decided by a majority of votes. In case of an equality of votes the Chairman at the meeting shall have a second or casting vote. All meetings of Directors shall take place outside of the United Kingdom and the Republic of South Africa and any decision reached or resolution passed by the Directors at any meeting held within the United Kingdom or in the Republic of South Africa or at which a majority of United Kingdom or South African resident Directors is present shall be invalid and of no effect.
 - (ii) A video link or telephone conference call or other electronic or telephonic means of communication in which a quorum of Directors participates and all participants can hear and speak to each other shall be a valid meeting **PROVIDED THAT** no Directors physically present in the United Kingdom or in the Republic of South Africa at the time of any such meeting may participate in a meeting by means of video link, telephone conference call or other electronic or telephonic means of communication.
 - (iii) The Board shall also determine the notice necessary for its meetings and the persons to whom such notice shall be given.

- (iv) A meeting of the Board at which a quorum is present shall be competent to exercise all powers and discretions exercisable by the Board.
 - (v) The continuing Directors may act notwithstanding any vacancy but if and so long as their number is reduced below the minimum number fixed pursuant to the Articles the continuing Directors may act for the purpose of increasing the number of Directors to that number or of summoning a general meeting but for no other purpose. If there be no Directors able or willing to act then any holder may summon a general meeting for the purpose of appointing Directors.
 - (vi) The Board may elect one of their number as Chairman of their meetings who will hold office only for the duration of the meeting at which he was elected. If no such Chairman be elected

or if at any meeting the Chairman be not present within five minutes after the time appointed for holding the same the Directors present may choose one of their number to be Chairman of the meeting.
 - (vii) The Board may delegate any of their powers to committees consisting of such one or more Directors as they think fit. Such Committees shall meet only outside the United Kingdom and the Republic of South Africa. Any committee so formed shall in the exercise of the powers so delegated conform to any regulations that may be imposed on it by the Board.
 - (viii) The quorum necessary for the transaction of the business of the Board may be fixed by the Board and unless so fixed shall be two except that where the minimum number of Directors has been fixed at one a sole Director shall be deemed to form a quorum. For the purposes of this Article an alternate appointed by a Director shall be counted in a quorum at a meeting at which the Director appointing him is not present.
- (6) Executive Director
- (i) The Board may at any time appoint one or more of their body (who is resident outside the United Kingdom and the Republic of South Africa) to be holder of any executive office including the office of Managing Director for such periods and upon such terms as the Board may determine and may revoke or terminate any such appointments. Any such revocation or termination as aforesaid shall be without prejudice to any claim for damages that such Director may have against the Company or the Company may have against such Director for any breach of any contract of service between him and the Company which may be involved in such revocation or termination.
 - (ii) The Board may entrust to and confer upon a Director holding any executive office any of the powers exercisable by the Board upon such terms and conditions and with such restrictions as it thinks fit either collaterally with or to the exclusion of their own powers and may at any time revoke withdraw alter or vary all or any of such powers.
- (7) (i) A Director must, immediately after becoming aware of the fact that he is interested in a transaction or proposed transaction with the Company, disclose to the Board in accordance with Section 162 of the Law:-
- (A) if the monetary value of the Director's interest is quantifiable, the nature and monetary value of that interest; or

- (B) if the monetary value of the Director's interest is not quantifiable, the nature and extent of that interest.
- (ii) Paragraph (7)(i) does not apply if:-
 - (A) the transaction or proposed transaction is between the Director and the Company; and
 - (B) the transaction or proposed transaction is or is to be entered into in the ordinary course of the Company's business and on usual terms and conditions.
 - (iii) A general disclosure to the Board to the effect that a Director has an interest (as director, officer, employee, Shareholder or otherwise) in a party and is to be regarded as interested in any transaction which may after the date of the disclosure be entered into with that party is sufficient disclosure of interest in relation to that transaction.
 - (iv) Nothing in paragraphs 7(i), (ii) and (iii) of this section applies in relation to:-
 - (A) remuneration or other benefit given to a Director;
 - (B) insurance purchased or maintained for a Director in accordance with Section 158 of the Law; or
 - (C) qualifying third party indemnity provision provided for a Director in accordance with Section 159 of the Law.
 - (v) A Director who is interested in a transaction entered into, or to be entered into, by the Company, may:-
 - (A) vote on a matter relating to the transaction;
 - (B) attend a meeting of Directors at which a matter relating to the transaction arises and be included among the Directors present at the meeting for the purpose of a quorum;
 - (C) sign a document relating to the transaction on behalf of the Company; and
 - (D) do any other thing in his capacity as a Director in relation to the transaction;

as if the Director was not interested in the transaction.
 - (8) (i) Subject to paragraph (8)(ii) of this section, a Director is interested in a transaction to which the Company is a party if the Director:-
 - (A) is a party to, or may derive a material benefit from, the transaction;
 - (B) has a material financial interest in another party to the transaction;
 - (C) is a director, officer, employee or Shareholder of another party (other than a party which is an associated company) who may derive a material financial benefit from the transaction;

- (D) is the parent, child or spouse of another party who may derive a material financial benefit from the transaction; or
 - (E) is otherwise directly or indirectly materially interested in the transaction.
- (ii) A Director is not interested in a transaction to which the Company is a party if the transaction comprises only the giving by the Company of security to a third party which has no connection with the Director, at the request of the third party, in respect of a debt or obligation of the Company for which the Director or another person has personally assumed responsibility in whole or in part under a guarantee, indemnity or security.
- (9) A Director may hold any other office or place of profit under the Company (other than Auditor) in conjunction with his office of Director for such period and on such terms (as to remuneration and otherwise) as the Board may determine and no Director or intending Director shall be disqualified by his office from contracting with the Company, either with regard to his tenure of any such other office or place of profit or as vendor purchaser or otherwise, nor shall any such contract or any contract or arrangement entered into by or on behalf of the Company in which any Director is in any way interested be liable to be avoided nor shall any Director so contracting or being so interested be liable to account to the Company for any profits realised by any such contract or arrangement by reason of such Director holding that office or of the fiduciary relationship thereby established.
- (10) Any Director may act by himself or his firm in a professional capacity for the Company and he or his firm shall be entitled to remuneration for professional services as if he were not a Director.
- (d) *Dividends:*
- (1) Subject to the Law the Company in general meeting may at any time declare dividends but no dividend shall exceed the amount recommended by the Board. All dividends will be paid in accordance with the policy of the Bermuda Stock Exchange.
- (2) Subject to the Law the method of payment of dividends shall be at the discretion of the Board.
- (3) Subject to any direction of the board to the contrary, unless and to the extent that the rights attached to any Shares or the terms of issue thereof otherwise provide, all dividends shall be declared and paid according to the amounts paid up or credited as paid-up on the Shares in respect whereof the dividend is paid.
- (4) The Directors may at any time if they think fit declare and pay such interim dividends as appear to be justified by the position of the Company.
- (5) With the sanction of the Company in general meeting, any dividend may be paid wholly or in part by the distribution of specific assets and, in particular, of paid-up Shares of the Company. Where any difficulty arises in regard to such distribution the Board may settle the same as it thinks expedient and in particular may issue fractional Shares and fix the value for distribution of such specific assets and may determine that cash payments shall be made to any Shareholders upon the footing of the value so fixed in order to adjust the rights of Shareholders and may vest any such specific assets in trustees for the Shareholders entitled as may seem expedient to the Board.

- (6) The Board may deduct from any dividend payable to any Shareholder on or in respect of a Share all sums of money (if any) presently payable by him to the Company on account of calls or otherwise.
 - (7) The Board may retain any dividend or other moneys payable on or in respect of a Share on which the Company has a lien and may apply the same in or towards satisfaction of the liabilities or obligations in respect of which the lien exists.
 - (8) The Board may retain dividends payable upon Shares in respect of which any person is entitled to become a Shareholder until such person has become a Shareholder.
 - (9) Any dividend interest or other moneys payable in cash in respect of Shares may be paid by cheque or warrant sent through the post at the risk of the person entitled to the money represented thereby to the registered address of the holder or in the case of joint holders to the registered address of that one of the joint holders who is first named on the Register. Any one of two or more joint holders may give effectual receipts for any dividends interest bonuses or other moneys payable in respect of their joint holdings.
 - (10) No dividend or other moneys payable on or in respect of a Share shall bear interest against the Company.
 - (11) All unclaimed dividends may be invested or otherwise made use of by the Board for the benefit of the Company until claimed. No dividends will bear interest against the Company. All dividends unclaimed for a period of six years after having been declared or became due for payment shall be forfeited and shall revert to the Company and the payment by the Directors of any unclaimed dividend or other monies payable on or in respect of a Share into a separate account will not constitute the Company a trustee in respect thereof.
- (e) *Rights on a winding-up:*
- (1) In the event of the Company being wound up, the Liquidator will apply the assets of the Company, subject to the provisions of the Law, in satisfaction of the costs associated with the liquidation and creditors' claims in such manner and order as he thinks fit.
 - (2) The assets available for distribution among the Shareholders shall then be applied in the following priority:-
 - (i) firstly, in payment to the holders of Ordinary Shares a sum equal to the nominal amount of the Ordinary Shares held by such holders respectively;
 - (ii) secondly, in the payment to holders of Management Shares of sums up to the nominal amount paid up thereon; and
 - (iii) thirdly, in payment to the holders of Ordinary Shares of any balance then remaining, such payment being made in proportion to the number of Shares held.
 - (3) If the Company shall be wound up whether voluntarily or otherwise the Liquidator may with the authority of a special resolution divide among the holders of Ordinary Shares in specie the whole or any part of the assets of the Company and whether or not the assets shall consist of property of a single kind and may for such purposes set such value as he deems fair upon any one or more class or classes or property and may determine how such division shall be carried out as between the Shareholders or different classes of Shareholders. The

Liquidator may with the like authority vest any part of the assets in trustees upon such trusts for the benefit of Shareholders as the Liquidator with the like authority shall think fit and the liquidation of the Company may be closed and the Company dissolved but so that no Shareholder shall be compelled to accept any Shares or other assets in respect of which there is any outstanding liability.

- (4) If thought expedient subject to the obtaining of any necessary consents or sanctions any such division made in accordance with paragraph (2) above may be otherwise than in accordance with the then existing rights of the Shareholders and in particular any class may be given preferential or special rights or may be excluded altogether or in part but in default of any such provision the assets shall subject to the rights of the holders of Shares issued with special rights or privileges or on special conditions be distributed rateably according to the amount paid up on the Shares.
 - (5) In case any of the Shares to be divided as aforesaid involve a liability to calls or otherwise any person entitled under such division to any of the said Shares may within fourteen days after the passing of the special resolution by notice in writing direct the Liquidator to sell his proportion and pay him the net proceeds and the Liquidator shall if practicable act accordingly.
 - (6) Where the Company is proposed to be or is in course of being wound up and the whole or part of its business or property is proposed to be transferred or sold to another company (the "**transferee**") the Liquidator of the Company may, with the sanction of an ordinary resolution, conferring either a general authority on the Liquidator or an authority in respect of any particular arrangement, receive in compensation or part compensation for the transfer or sale, Shares policies or other like interests in the transferee for distribution among the Shareholders of the Company or may enter into any other arrangement whereby the Shareholders of the Company may, in lieu of receiving cash, Shares, policies or other like interests, or in addition thereto, participate in the profits of or receive any other benefits from the transferee.
- (f) *Compulsory transfer or repurchase of Shares:*
- (1) The Board shall have power (but shall not be under any duty) to impose such restrictions as it may think necessary for the purpose of ensuring that no Share is acquired or held by:-
 - (i) any US person other than pursuant to an exemption available under the United States Securities Act of 1933, as amended (the "**1933 Act**") and any other relevant securities Law of the United States; or
 - (ii) any person whose holding of Shares would or might result in the Company having more than 80 beneficial owners of Shares (whether directly or by attribution pursuant to Section 3 (c)(1)(A) of the United States Investment Company Act of 1940, as amended (the "**Investment Company Act**") who are US persons or any person whose holding would require the Company to register as an "investment company" under the Investment Company Act; or
 - (iii) any person subject to the Employee Retirement Income Security Act of 1974, as amended or Section 4975 of the Internal Revenue Code of 1986, as amended; or
 - (iv) any person in breach of any law or requirement of any country or governmental authority or by virtue of which such person is not qualified to hold such Shares or any money laundering regulations; or

- (v) any person or persons in circumstances which (whether directly or indirectly affecting such person or persons and whether taken alone or in conjunction with any other person or persons connected or not, or any other circumstances appearing to the Board to be relevant), in the opinion of the Board, might cause or be likely to cause the Company or Shareholders as a whole some legal, regulatory, pecuniary, tax or material administrative disadvantage which the Company or Shareholders might not otherwise have incurred or suffered; or
- (vi) any person where the total subscription monies in AUD, received in relation to the subscription for Ordinary Shares, from such investor amounts to less than the greater of AUD 30,000 or ZAR 100,000 on Closing Date, however the Directors may at their sole discretion accept a subscription amount which is less than AUD 30,000, provided always that the minimum investment per person shall be ZAR 100,000; or
- (vii) any person whose holdings of Shares would or might result in a South African resident holding 5% or more of the issued Shares in the Company.

In this connection, the Board may: (i) reject in its discretion any subscription for Shares or any transfer of Shares to any persons who are so excluded from purchasing or holding Shares; and (ii) pursuant to paragraph (4) below at any time repurchase or require the transfer of Shares held by persons who are so excluded from purchasing or holding Shares.

- (2) For this purpose the terms "US person" and "United States" as used herein shall have the meanings ascribed such terms in Section 902 (g) of Regulation S under the 1933 Act.
- (3) The Board shall, unless any Director has reason to believe otherwise, be entitled to assume without enquiry that none of the Shares is held in such a way as to entitle the Board to give a notice in respect thereof pursuant to sub-paragraph (4)(i) below. The Board may, however, upon an application for Shares or at any other time and from time to time require such evidence and/or undertakings to be furnished to it in connection with the matters stated in sub-paragraph (1) above as it shall in its discretion deem sufficient or as it may require for the purpose of any restriction imposed pursuant thereto. In the event of such evidence and/or undertakings not being so provided within such reasonable period (not being less than 21 clear days after service of notice requiring the same) as may be specified by the Board in the said notice, the Board may, in its absolute discretion, treat any Shares held by such a holder or joint holder as being held in such a way as to entitle them to give a notice in respect thereof pursuant to sub-paragraph (4)(i) below.
- (4) Notice and compulsory transfer
 - (i) If it comes to the notice of the Board that any Shares are or may be owned or held directly or indirectly or beneficially by any person or persons in breach of any restrictions imposed under (1) above (the "**Relevant Shares**"), the Board may give notice to the person or persons in whose names the Relevant Shares are registered requiring him to transfer (and/or procure the disposal of interests in) the Relevant Shares to a person who is in the opinion of the Board a person who is eligible to hold them or (in the Board's discretion) to give notice in writing accepting the repurchase of the Relevant Shares in accordance with the Articles. If any person upon whom such a notice is served pursuant to this sub-paragraph does not within 21 clear days after the giving of such notice (or such extended time as the Board in its absolute discretion shall consider reasonable) transfer the Relevant Shares to a person who is eligible to hold them or (as appropriate) give notice as to the repurchase of the Relevant Shares or

establish to the satisfaction of the Board (whose judgement shall be final and binding) that he is not subject to such restrictions the Board may in its absolute discretion upon the expiration of such 21 clear days arrange for the repurchase of all the Relevant Shares or arrange and approve the transfer of all the Relevant Shares to a person who is eligible to hold them in accordance with sub-paragraph (iii) below and the holder of the Relevant Shares shall be bound forthwith to deliver his Share certificate or certificates (if any) to the Board and the Board shall be entitled to appoint any person to sign on his behalf such documents as may be required for the purpose of the repurchase or transfer of the Relevant Shares by the Company.

- (ii) A person who becomes aware that he is holding or owning Relevant Shares shall forthwith unless he has already received a notice pursuant to sub-paragraph (i) above either transfer all his Relevant Shares to a person who is eligible to hold them or give a request in writing for the repurchase of all his Relevant Shares in accordance with the Articles.
- (iii) A transfer of Relevant Shares arranged by the Board pursuant to sub-paragraph (a) above shall be by way of sale at the best price reasonably obtainable and may be of all or part only of the Relevant Shares with a balance available for repurchase or transfer to other persons who are eligible to hold them. Any payment received by the Company for the Relevant Shares so transferred shall be paid to the person whose Shares have been so transferred subject to sub-paragraph (iv) below.
- (iv) Payment of any amount due to such person pursuant to sub-paragraph (i), (ii) or (iii) above shall be subject to any requisite exchange control consents first having been obtained and the amount due to such person shall be deposited by the Company in a bank for payment to such person upon such consents being obtained against surrender of the certificate or certificates representing the Relevant Shares previously held by such person. Upon deposit of such amount as aforesaid such person shall have no further interest in such Relevant Shares or any of them or any claim against the Company in respect thereof except the right to receive such amount so deposited (without interest) upon such consents as aforesaid being obtained.
- (v) The Board shall not be required to give any decisions, determination or declaration taken or made in accordance with these provisions. The exercise of the powers conferred by these provisions shall not be questioned or invalidated in any case on the grounds that there was

insufficient evidence of direct or beneficial ownership of Shares by any persons or that the true, direct or beneficial owner of any Shares was otherwise than appeared to the Board at the relevant date
PROVIDED THAT the powers shall be exercised in good faith.

(g) *General Meetings*

(1) Timing and participation

- (i) The first general meeting of the Company shall be held within such time as may be required by the Law and thereafter general meetings shall be held once at least in each subsequent calendar year but so that not more than 15 months may elapse between one annual general meeting and the next. Other meetings of the Company shall be called extraordinary general meetings. General meetings shall be held in Guernsey.

- (ii) A Shareholder participating by video link or telephone conference call or other electronic or telephonic means of communication in a meeting at which a quorum is present shall be treated as having attended that meeting **PROVIDED THAT** the Shareholders present at the meeting can hear and speak to the participating Shareholder.
 - (iii) A video link or telephone conference call or other electronic or telephonic means of communication in which a quorum of Shareholders participates and all participants can hear and speak to each other shall be a valid meeting which shall be deemed to take place where the Chairman is present unless the Shareholders resolve otherwise.
- (2) Any general meeting convened by the Board unless its time shall have been fixed by the Company in general meeting or unless convened in pursuance of a requisition may be postponed by the Board by notice in writing and the meeting shall subject to any further postponement or adjournment be held at the postponed date for the purpose of transacting the business covered by the original notice.
- (3) The Board may whenever it thinks fit and shall on the requisition in writing of one or more holders representing not less than one-tenth of the issued share capital of the Company upon which all calls or other sums then due have been paid forthwith proceed to convene an extraordinary general meeting.
- (4) The requisition shall be dated and shall state the object of the meeting and shall be signed by the requisitionists and deposited at the Office and may consist of several documents in like form each signed by one or more of the requisitionists.
- (5) If the Board does not proceed to call a general meeting within twenty-one days from the date of the requisition being so deposited to be held within 28 days after the date of the notice convening the meeting, the requisitionists or any of them representing more than one half of the total voting rights of the requisitionists may themselves convene the meeting.
- (6) Any meeting convened by requisitionists shall be convened in the same manner (as nearly as possible) as that in which meetings are convened by the Board.
- (7) Not less than twenty one clear days' notice specifying the time and place of an annual general meeting and not less than fourteen clear days' notice in respect of any other general meeting shall be given by notice (which may be published on a website in accordance with Section 208 of the Law) to every Shareholder and every Director **PROVIDED THAT** with the consent in writing of all the Shareholders entitled to attend and vote, the meeting may be convened by a shorter notice or at no notice and in any manner they think fit. In every notice there shall appear:
 - (i) the time and date of the meeting;
 - (ii) the place of the meeting;
 - (iii) a statement of the general nature of the business to be dealt with at the meeting;
 - (iv) where the notice contains a resolution to be passed as a special resolution, a waiver resolution or a unanimous resolution, the text of the resolution and the intention to propose the resolution as a special, waiver or unanimous resolution (as the case may be).

- (v) contain a statement that the Shareholder who is entitled to attend and vote is entitled to appoint one or more proxies to attend and vote instead of him and that a proxy need not be a Shareholder.
- (8) The accidental omission to give notice of any meeting to or the non-receipt of such notice by any Shareholder shall not invalidate any resolution (or any proposed resolution otherwise duly approved) passed or proceeding at any meeting.
- (h) *Proceedings at general meetings*
- (1) The ordinary business of a general meeting shall be to receive and consider the profit and loss account and the balance sheet of the Company and the reports of the Directors and the Auditors to elect Directors and appoint Auditors in the place of those retiring to fix the remuneration of the Auditors to sanction or declare dividends (if required by the Articles) and to transact any other ordinary business which ought to be transacted at such meeting. All other business shall be deemed special and shall be subject to notice as hereinbefore provided.
- (2) The quorum for a general meeting shall be two (2) or more Shareholders holding 5% or more of the voting rights applicable at such meeting present in person or by proxy provided that, if the Company shall have only one (1) Shareholder entitled to attend and vote at the general meeting, that Shareholder shall constitute a quorum.
- (3) If within half an hour after the time appointed for the meeting a quorum is not present the meeting if convened by or upon a requisition shall be dissolved. If otherwise convened it shall stand adjourned for seven days at the same time and place or to such other day and at such other time and place as the Board may determine and (subject to Article 60) no notice of adjournment need be given. On the resumption of an adjourned meeting, those Shareholders entitled to attend and vote present in person or by proxy shall constitute the quorum.
- (4) The Chairman (if any) or, if absent, the Deputy Chairman (if any) of the Board or, failing him, some other Director nominated by the Directors shall preside as Chairman at every general meeting of the Company, but if at any meeting none of the Chairman nor the Deputy Chairman nor such other Director be present within fifteen minutes after the time appointed for holding the meeting, or if none of them be willing to act as Chairman, the Directors present shall choose some Director present to be Chairman, or if no Directors be present, or if all the Directors present decline to take the chair the Shareholders entitled to attend and vote present in person or by proxy shall choose some Shareholder present to be Chairman.
- (5) The Chairman may with the consent of any meeting at which a quorum is present and shall if so directed by the meeting adjourn the meeting at any time and to any place but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. When a meeting is adjourned for thirty days or more notice of the adjourned meeting shall be given as in the case of an original meeting. Save as aforesaid it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.
- (6) At any meeting a resolution put to the vote shall be decided by a show of hands or by a poll at the option of the Chairman. Nevertheless before or on the declaration of the result a poll may be demanded:-
 - (i) by the Chairman; or

- (ii) by not less than five (5) Shareholders having the right to vote on the resolution; or
- (iii) by a Shareholder or Shareholders representing not less than ten (10) percent of the total voting rights of all Shareholders having the right to vote on the resolution.

The demand for a poll may be withdrawn. Unless a poll be demanded a declaration by the Chairman that a resolution has on a show of hands been carried or carried unanimously or by a particular majority or lost and an entry to that effect in the minute book shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded.

- (7) A poll if demanded shall be taken at the meeting at which the same is demanded or at such other time and place as the Chairman shall direct and the result shall be deemed the resolution of the meeting.
- (8) If a poll is duly demanded, it shall be taken in such manner and at such place as the Chairman may direct (including the use of ballot or voting papers or tickets) and the result of a poll shall be deemed to be the resolution of the meeting at which the poll was demanded. The Chairman may, in the event of a poll appoint scrutineers and may adjourn the meeting to some place and time fixed by him for the purpose of declaring the result of the poll.
- (9) A poll demanded on the election of a Chairman and a poll demanded on a question of adjournment shall be taken forthwith. A poll demanded on any other question shall be taken at such time and place as the Chairman directs not being more than thirty days from the date of the meeting or adjourned meeting at which the poll was demanded.
- (10) In case of an equality of votes on a show of hands or on a poll the Chairman shall have a second or casting vote.

(i) Notices

- (1) A notice may be given by the Company to any Shareholder either personally or electronically (including publication on a website in accordance with Section 208 of the Law) or by sending it by prepaid post addressed to such Shareholder at his registered address or if he desires that notices shall be sent to some other address or person to the address or person nominated for such purpose. Notices to be posted to addresses outside the Channel Islands and the United Kingdom shall so far as practicable be forwarded by prepaid airmail.
- (2) All Shareholders shall be deemed to have agreed to accept communication from the Company by electronic means in accordance with Section 526 and Schedule 3 of the Law unless a Shareholder notifies the Company otherwise. Notice under this Article must be in writing and signed by the Shareholder and delivered to the Company's Office or such other place as the Board directs.

Litigation and Arbitration

At the date of this Prospectus the Company is not involved in any litigation or arbitration nor are the Directors aware of any pending or threatened litigation or arbitration since incorporation.

Material Contracts

The following contracts, not being contracts entered into in the ordinary course of business, have been entered into by the Company since its incorporation and are, or may be, material:

- (a) the Administration and Secretarial Agreement dated on or about the date of this Prospectus between the Company and the Administrator provides that the appointment of the Administrator will continue until terminated by any party giving to the others not less than a minimum of 3 months' notice although the agreement may be terminated forthwith by notice in writing from any party to the others, where a party goes into liquidation or ceases to be able to pay its debts or breaches its obligations under the agreement (not having remedied such breach within 30 days of notice requiring it to do so) or where it is no longer lawful for the Administrator to perform its obligations under the agreement or where the Administrator ceases to hold any license or consent necessary for the conduct of its business. The agreement provides that in the absence of fraud, gross negligence or willful default by the Administrator the Company is obliged to indemnify the Administrator for any losses it suffers in the proper performance of its duties under the agreement (see also the section "Administrator, Custodian and Secretary" in this Prospectus).
- (b) the Investment Advisory Agreement dated on or about the date of this Prospectus between the Company and the Investment Adviser. This agreement provides that the appointment of the Investment Adviser will continue until terminated by either party giving to the other not less than 90 days' written notice or forthwith in the event of the insolvency of the other party or the breach by the other party of its obligations under the agreement (not having remedied the breach within 30 days of notice requiring it to do so) or where the Investment Adviser ceases to hold any license or consent necessary for the conduct of its business. The agreement provides that, in the absence of fraud, gross negligence, willful default or breach of the agreement by the Investment Adviser the Company is to indemnify the Investment Adviser against all costs, actions, claims and expenses, which may be incurred by it or made against it in connection with the agreement.

Proposed Arrangements

As described under the section "Investment Criteria" in this Prospectus the Company will after the Closing Date and subject to allotting the Initial Minimum enter into the following agreements:

- (a) The written instrument(s) entered into between the Company and the Debt Issuer with regard to the Debt Instrument(s);
- (b) Appropriate contractual arrangements to reflect the transactions between the Company and the International Bank with regard to the Equity Linked Investment.

Inspection of Documents

Copies of the following documents are available for inspection free of charge, for a period of not less than 14 days from the date of this Prospectus at any time during normal business hours on any day, except Saturdays, Sundays and public holidays, and copies of them may be obtained on payment of a reasonable fee, at the registered office of the Company and, also at the offices of First Bermuda Group Limited of Maxwell R Roberts Building, 1 Church Street, Hamilton HM11, Bermuda:

- (a) the Memorandum and Articles of Incorporation of the Company;
- (b) the contracts referred to under the heading "Material Contracts" above;

- (c) copies of the most recent annual reports;
- (d) the Law;
- (e) a list of past and present directorships and partnerships held by each Director over the last five years; and
- (f) a copy of the Prospectus.

The Register of Members of the Company is available for inspection at any time during normal business hours on any day, except Saturdays, Sundays and public holidays, at the offices of the Administrator.

Reports

The Accounting Period of the Company is from 1 October to 30 September in respect of each year. Electronic copies of audited financial statements will be sent to Shareholders at their registered email address. Audited financial statements will not be posted other than pursuant to receipt by the Administrator of a specific written or emailed request. The annual report will be published within six months of the end of the annual Accounting Period. Annual accounts will also be available through personal log on at the Administrator's Website www.pfs.gg which will be issued to new investors.

The Company maintains its books and records in AUD and declares and pays dividends in AUD.

Share Certificates

Shares will be in registered form. Certificates will only be issued upon request from registered Shareholders. The register of Shareholders will be maintained at the office of the Administrator.

Miscellaneous

- (a) No person has, or is entitled to be given, an option to subscribe for Shares.
- (b) No Shares have been or will be issued as partly paid-up, and no Shares have been issued or agreed to be issued otherwise than in cash.
- (c) The Company does not have a place of business in the United Kingdom or South Africa.
- (d) Copies of all Material Contracts are held by the Administrator (or its nominated agent) on behalf of the Company.
- (e) The Company does not have any hedging powers.
- (f) Any dispute resulting from this Prospectus will be governed by Guernsey law.

General

- (a) The Company does not have and does not expect to have, nor has it since its incorporation had, any employees.
- (b) The Company is responsible for all its operating expenses including, without limitation, Directors' expenses, legal costs, bank charges, auditors' remuneration and expenses, costs of dealing in the assets of the Company, interest on any

borrowings effected by the Company, the fees of the Guernsey Financial Services Commission and the costs and expenses of the preparation, printing and, where applicable, distribution or publishing of certificates, tax vouchers, warrants, proxy cards, contract notes, this Prospectus and annual or half yearly financial statements and all other documents in connection with the Company.

- (c) The Company may be subject to withholding tax on distributions received in respect of its investments, which withholding tax may not be recoverable.
- (d) No Share or loan capital of the Company has been issued, or agreed to be issued, as fully or partly paid up otherwise than in cash.
- (e) Save as disclosed under "Expenses and Fees", no amount or benefit has been paid or given or is intended to be paid or given to any promoter of the Company nor has any prior right been granted to a distribution or the profits or assets of the Company.
- (f) Save as disclosed under "Expenses and Fees", no commissions, discounts, brokerages or other special terms have been granted by the Company in connection with the issue or sale of any Share or loan capital.
- (g) There is neither any pending or threatened litigation or claims of material importance against the Company.
- (h) As at the date of this Prospectus the Company has neither any loan capital (including term loans) outstanding or created but unissued, or any outstanding mortgages, charges, debentures or other borrowings or indebtedness in the nature of borrowings, including bank overdrafts, liabilities under acceptance or acceptance credits, obligations under finance leases, hire purchase commitments, guarantees or other contingent liabilities.
- (i) All consents, approvals, authorisations or other orders of all regulatory authorities (if any) required by the Company under the laws of Guernsey for the offering of the Shares, for the Administrator to undertake its obligations under the Administration agreement and for the establishment and management of the Company have been given.
- (j) Annual reports of the Company will be sent to the Company Announcements Office of the Bermuda Stock Exchange within six months of the end of the period to which they relate.

The Shares are offered and will be issued pursuant to a resolution of the Directors dated on or about the date of this Prospectus and as provided for in the Articles of Incorporation.