

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. IT CONTAINS PROPOSALS RELATING TO THE SCHEME OF ARRANGEMENT OF UTILICO EMERGING MARKETS LIMITED ON WHICH YOU ARE BEING ASKED TO VOTE. If you are in any doubt as to the action you should take, you are recommended immediately to seek your own personal financial advice from your stockbroker, solicitor, accountant, bank manager or an appropriately qualified independent adviser authorised under the Financial Services and Markets Act 2000 (FSMA) if you are in the United Kingdom, or from another appropriately authorised independent financial adviser if you are outside the United Kingdom.

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

The definitions used in this document are set out on pages 44 to 47.

Utilico Emerging Markets Limited

(Incorporated in Bermuda under the Companies Act 1981, as amended with company number 36914)

Recommended proposals for the reorganisation of UEM Bermuda in order to effect its re-domiciliation to the United Kingdom pursuant to a scheme of arrangement under section 99 of the Companies Act 1981 of Bermuda

and

Notice of Special Court-Ordered Scheme Meeting

This document should be read in conjunction with the accompanying UEM Trust Prospectus which has been prepared in accordance with the Prospectus Rules, approved by the Financial Conduct Authority in accordance with section 73A of FSMA, and made available to the public in accordance with the Prospectus Rules. In relation to UEM Trust, this document is an advertisement and not a prospectus and does not constitute an offer of any securities for sale or subscription. A copy of the UEM Trust Prospectus is enclosed unless the recipient is a Restricted Shareholder.

The Reorganisation Proposal and Scheme described in this document are conditional, *inter alia*, on Shareholder approval. Your attention is drawn to the letter from the Chairman of the Company set out in Part I of this document which contains the recommendation of the Directors that Shareholders should vote in favour of the Scheme Resolution which is to be proposed at the Scheme Meeting referred to below.

Notice of a special court-ordered scheme meeting of the shareholders of the Company (the **Scheme Meeting**) to be held at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda on 20 March 2018 at 10.00 a.m. (Bermuda time) is set out at the end of this document. Shareholders are requested to complete and return the Form of Proxy or Form of Instruction (as appropriate) accompanying this document for use at the Scheme Meeting as soon as possible.

To be valid, a Form of Proxy for use at the Scheme Meeting and the power of attorney or other authority (if any) under which it is signed, or a notarially certified or office copy of such power or authority, must be deposited with the Registrars, Computershare Investor Services (Bermuda) Limited, c/o The Pavilions, Bridgwater Road, Bristol BS99 6ZY, by not later than 1.00 p.m. (London time) on 16 March 2018. In view of this requirement, investors holding Ordinary Shares in the Company through Depositary Interests in uncertificated form should ensure that Forms of Instruction are returned to the DI Depositary, Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS99 6ZY by not later than 4.00 p.m. (London time) on 15 March 2018. For Depositary Interest holders to give an instruction via the CREST system, CREST messages must be received by the issuer's agent (ID number 3RA50) by not later than 4.00 p.m. (London time) on 15 March 2018. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp generated by the CREST system) from which the issuer's agent is able to retrieve the message. The Company may treat as invalid an appointment sent by CREST in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

Your attention is drawn to the section "Action to be taken" in Part I of this document.

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

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SUMMARY

This summary is derived from, and should be read in conjunction with, the full text of this document and the accompanying UEM Trust Prospectus.

KEY FEATURES OF THE REORGANISATION PROPOSAL

On 14 February 2018 your Board announced proposals to re-domicile UEM Bermuda to the United Kingdom. The re-domiciliation will be effected by implementing the Reorganisation Proposal pursuant to a scheme of arrangement under section 99 of the Bermuda Companies Act (the **Scheme**).

The key features of the Reorganisation Proposal are as follows:

- If the Scheme becomes effective and is implemented in accordance with its terms, Shareholders will exchange all their Ordinary Shares held as at the Scheme Record Date for ordinary shares in Utilico Emerging Markets Trust plc (**UEM Trust**) on a one for one basis, and the Company will become a wholly-owned subsidiary of UEM Trust. As a result, UEM Trust will indirectly acquire all of the Company's assets and liabilities (including its investment portfolio) upon the successful implementation of the Scheme.
- UEM Trust is a newly incorporated closed ended investment trust established in the United Kingdom for the specific purpose of carrying on the existing business and operations of the Company upon the Scheme being implemented in accordance with its terms and will have the same investment objective and the same investment policy as the Company.
- The Scheme will not result in any change to the existing management arrangements because the UEM Trust Board will be identical to your existing Board and ICM Investment Management will continue to act as alternative investment fund manager and, together with ICM Limited, as joint portfolio managers, on the same terms as the existing management agreement (including as to the amount of management and performance fees payable to the Joint Portfolio Managers).
- UEM Trust intends to pursue the Company's existing dividend policy with the intention to grow progressively the dividends which have been paid by the Company, although there is no guarantee of any particular level of profits or returns being achieved.
- UEM Trust's ongoing charges are not expected to change materially and are therefore expected to be in line with the ongoing charges of the Company.
- Consistent with the Company's existing continuation arrangements, UEM Trust will have an indefinite life and a continuation vote will be proposed at UEM Trust's annual general meeting to be held in 2021 and at every fifth annual general meeting thereafter.
- UEM Trust Shares issued pursuant to the Scheme will be admitted to the premium listing segment of the Official List and to trading on the London Stock Exchange's main market for listed securities and the existing listing of the Company's shares will be cancelled at the same time.
- Implementation of the Scheme is conditional, *inter alia*, on the passing, by the requisite majorities, of the resolution to be proposed at the Scheme Meeting and also on the Court sanctioning the Scheme.
- If any of the conditions to the Scheme are not satisfied, the Reorganisation Proposal will not be implemented and Shareholders will continue to hold their Ordinary Shares in the Company.
- Subscription Shareholders will not be entitled to vote on, or participate in, the Scheme in respect of their holdings of Subscription Shares as the final date on which any outstanding Subscription Share Rights can be exercised by Subscription Shareholders is 28 February 2018. However, holders of any Ordinary Shares issued upon the exercise of the outstanding Subscription Share Rights (whether by the relevant Subscription Shareholders on 28 February 2018 or thereafter by the Final Subscription Trustee) will be able to vote at the Scheme Meeting and will participate in the Scheme on the same basis as existing Ordinary Shareholders.

Benefits of the Reorganisation Proposal

Since the launch of the Company in 2005 there have been a number of positive developments in the UK investment trust rules and requirements, particularly in relation to investment flexibility. In light of the recognition of UK investment trusts as an attractive structure with an established long track record of spreading investment risk, the Directors believe that redomiciling the Company's business and operations to the United Kingdom is likely to increase its marketing appeal. Furthermore, where shareholders wish to hold shares electronically, a UK investment trust will avoid the need to have the complexity of a share structure involving depositary interests.

In addition to the marketing benefits of redomiciling the Company to the UK, as a UK incorporated and tax resident company, UEM Trust should be able to benefit from the United Kingdom's extensive network of double tax treaties. The Directors are also aware of the developments over the life of the Company in the approach taken by some countries to the taxation of capital gains of certain offshore based investors, including Bermuda. The Company has historically suffered a very low or insignificant charge to overseas capital gains tax, but in recent years such charge has become material and had the Company been incorporated in the United Kingdom and approved by HMRC as an investment trust, the material taxation charges reported in recent years would have been reduced substantially.

RISK FACTORS

The risks referred to in this section are the material risks known to the Directors as at the date of this document which the Directors believe Ordinary Shareholders should consider prior to deciding how to cast their vote on the Scheme Resolution to be proposed at the Scheme Meeting.

Shareholders who are in any doubt as to the action they should take are recommended immediately to consult their stockbroker, solicitor, accountant, bank manager or an appropriately qualified independent adviser authorised under the FSMA if they are in the United Kingdom, or from another appropriately authorised independent financial adviser if they are outside the United Kingdom.

RISKS ASSOCIATED WITH THE SCHEME

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

Implementation of the Scheme is conditional, *inter alia*, on the passing, by the requisite majorities, of the special resolution to be proposed at the Scheme Meeting and also on the Court sanctioning the Scheme.

If any of the conditions to the Scheme are not satisfied, the Reorganisation Proposal will not be implemented. Shareholders will continue to hold their Ordinary Shares and the Company will be responsible for the payment of all costs and fees which will have been incurred in connection with the proposed implementation of the Reorganisation Proposal.

RISKS ASSOCIATED WITH UEM TRUST

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

An investment in UEM Trust will be governed by the UEM Trust Prospectus which accompanies this document. Accordingly, Ordinary Shareholders should read the UEM Trust Prospectus, including the risk factors contained therein, prior to deciding how to cast their vote on the Scheme Resolution.

TAXATION

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

The Company has been advised that, for the purposes of UK taxation of chargeable gains, the exchange of Ordinary Shares for UEM Trust Shares pursuant to the share for share exchange effected pursuant to the Scheme should not constitute a disposal by Shareholders of their Ordinary Shares for the purposes of UK taxation of chargeable gains. The UEM Trust Shares issued pursuant to the Scheme should instead be treated for the purposes of the UK taxation of chargeable gains as replacing the Ordinary Shares for which they were exchanged and should be treated as acquired at the same time and for the same base cost as the exchanged Ordinary Shares. Shareholders who hold, alone or together with persons connected with them, more than 5 per cent. of the Ordinary Shares are advised that a clearance has been obtained from HMRC pursuant to section 138 of the Taxation of Chargeable Gains Act 1992 that this treatment is not to be prevented, by virtue of section 137(1) of that Act, from applying to them.

A subsequent disposal of UEM Trust Shares will constitute a disposal for tax purposes and may, depending on a Shareholder's particular circumstances, give rise to a liability to UK taxation of chargeable gains.

Transfers of the Company's Ordinary Shares and of Depositary Interests in respect of the Company's Ordinary Shares within CREST are not liable to UK stamp duty/SDRT unless the instrument of transfer is executed within the UK or the Ordinary Shares are registered in a register of the Company kept in the UK. In contrast, any transfer of UEM Trust Shares will be liable to *ad valorem* stamp duty at the rate of 0.5 per cent. (rounded up to the nearest £5) or (if an unconditional agreement to transfer the UEM Trust Shares is not completed by a duly stamped transfer) SDRT at the rate of 0.5 per cent. of the consideration paid. Paperless transfers of UEM Trust Shares within CREST will liable to SDRT (usually at the rate of 0.5 per cent. of the consideration paid) rather than stamp duty. Such SDRT is reported through the CREST system and is collected by CREST.

ACTION TO BE TAKEN BY ORDINARY SHAREHOLDERS

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

The Scheme requires Ordinary Shareholders to vote on the Scheme at the Scheme Meeting and Ordinary Shareholders are urged to do so.

Shareholders who hold their Ordinary Shares in certificated form	→	Complete and return the Form of Proxy for the Scheme Meeting so as to be received as soon as possible, but in any event by no later than 1.00 p.m. (London time) on 16 March 2018
Shareholders who hold their Ordinary Shares through Depository Interests in uncertificated form	→	Complete and return the Form of Instruction for the Scheme Meeting so as to be received as soon as possible, but in any event by no later than 4.00 p.m. (London time) on 15 March 2018
Shareholders who hold their Ordinary Shares through Depository Interests in uncertificated form and who wish to give an instruction via the CREST system	→	CREST messages must be received by the issuer's agent (ID number 3RA50) by no later than 4.00 p.m. (London time) on 15 March 2018

If you have any questions relating to the completion and return of your Form of Proxy and/or Form of Instruction or submitting an instruction via the CREST system please contact Computershare Investor Services PLC on +44 (0370) 707 1375. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. The helpline is open between 8.30 a.m. to 5.30 p.m., Monday to Friday excluding public holidays in England and Wales. Please note that Computershare Investor Services PLC cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes.

Notice to Subscription Shareholders

As the final date for Subscription Shareholders to exercise the Subscription Share Rights attaching to their Subscription Shares is 28 February 2018, Subscription Shareholders will not be entitled to vote on, or participate in, the Scheme in respect of their holdings of Subscription Shares.

However, the Company intends to use its reasonable endeavours to procure that all Ordinary Shares issued upon the exercise of the outstanding Subscription Share Rights (whether by the relevant Subscription Shareholders on 28 February 2018 or thereafter by the Final Subscription Trustee) will be issued prior to the Scheme Meeting Record Date, so that the holders of the relevant Ordinary Shares will be entitled to vote at the Scheme Meeting.

EXPECTED TIMETABLE

2018

Publication of this document and the UEM Trust Prospectus	23 February
Final Subscription Date	28 February
Latest time and date for receipt of Forms of Instruction from holders of Depository Interests in respect of the Scheme Meeting	4.00 p.m. on 15 March
Latest time and date for receipt of Forms of Proxy from Shareholders in respect of the Scheme Meeting	1.00 p.m. on 16 March
Scheme Meeting Record Date	6.00 p.m. on 16 March
Scheme Meeting	10.00 a.m. (Bermuda time) on 20 March
Scheme Record Date	6.00 p.m. on 27 March
Suspension of Ordinary Shares	7.30 a.m. on 28 March
Court hearing to sanction the Scheme	28 March
Scheme Effective Date	28 March
Listing hearing to consider the applications for Admission of the UEM Trust Shares	29 March
Date on which the Scheme is implemented and Admission and unconditional dealings in UEM Trust Shares commence	3 April
Crediting of CREST accounts in respect of the UEM Trust Shares issued pursuant to the Scheme	3 April
Share certificates in respect of UEM Trust Shares issued in certificated form despatched by post	the week commencing 2 April or as soon as practicable thereafter

Notes:

- (1) Unless otherwise stated, all references to times in this document are to London times.
- (2) All times and dates in the Expected Timetable and in this document (where permitted by law) may be subject to adjustment. Any changes to the Expected Timetable set out above will be notified through an RIS.

PART I

LETTER FROM THE CHAIRMAN

Utilico Emerging Markets Limited

(Incorporated in Bermuda under the Companies Act 1981, as amended, with company number 36941)

Directors:

John Rennocks (Chairman)
Susan Hansen
Garry Madeiros OBE
Garth Milne
Anthony Muh

Registered Office:

34 Bermudiana Road
Hamilton HM11
Bermuda

23 February 2018

To holders of Ordinary Shares and Depositary Interests, and, for information only, Subscription Shares

Recommended proposals for the reorganisation of UEM Bermuda in order to effect its re-domiciliation to the United Kingdom pursuant to a scheme of arrangement under section 99 of the Companies Act 1981 of Bermuda

and

Notice of Special Court-Ordered Scheme Meeting

INTRODUCTION

On 14 February 2018 your Board announced proposals to re-domicile UEM Bermuda to the United Kingdom. It is intended that the proposed re-domiciliation will be effected by implementing the Reorganisation Proposal pursuant to a scheme of arrangement under section 99 of the Bermuda Companies Act (the **Scheme**).

Implementation of the Scheme is conditional, among other things, on the passing, by the requisite majorities, of the resolution (the **Scheme Resolution**) to be proposed at the special court-ordered scheme meeting of the Ordinary Shareholders (the **Scheme Meeting**) to be held on 20 March 2018, notice of which is set out at the end of this document.

The purpose of this document is to set out the background to and reasons for the Reorganisation Proposal, and explain why your Board considers the Reorganisation Proposal to be in the best interests of the Company and Shareholders as a whole and why your Board recommends that you vote in favour of the Scheme Resolution.

Subject to satisfaction of all the conditions to the Scheme (other than Admission), the Scheme is expected to become effective on 28 March 2018 and, subject to Admission, the Scheme will be implemented, and dealings in the UEM Trust Shares are expected to commence, on 3 April 2018.

BACKGROUND TO AND REASONS FOR THE REORGANISATION PROPOSAL

The Company is an exempted, closed ended Bermuda incorporated investment company that was incorporated on 9 June 2005. Its ordinary shares are admitted to the premium listing segment of the Official List and to trading on the London Stock Exchange's main market for listed securities.

The Net Asset Value performance of the Company and, for comparison purposes, the MSCI Emerging Markets Index (GBP adjusted), from the Company's inception in June 2005 to 31 January 2018 is set out in the table below:

	6 months (%)	1 year (%)	3 years (%)	5 years (%)	Inception (%)
Company – total return	4.9	17.9	39.5	65.3	313.9
MSCI Emerging Markets index (GBP adjusted) – total return	10.2	25.0	48.1	48.0	245.5

Source: Company, Datastream and MSCI.

Since the launch of the Company in 2005 there have been a number of positive developments in the UK investment trust rules and requirements, particularly in relation to investment flexibility. In light of the recognition of UK investment trusts as an attractive structure with an established long track record of spreading investment risk, the Directors believe that redomiciling the Company's business and operations to the United Kingdom is likely to increase its marketing appeal. Furthermore, where shareholders wish to hold shares electronically, a UK investment trust will avoid the need to have the complexity of a share structure involving depositary interests.

In addition to the marketing benefits of redomiciling the Company to the UK, as a UK incorporated and tax resident company, UEM Trust should be able to benefit from the United Kingdom's extensive network of double tax treaties. The Directors are also aware of the developments over the life of the Company in the approach taken by some countries to the taxation of capital gains of certain offshore based investors, including Bermuda. The Company has historically suffered a very low or insignificant charge to overseas capital gains tax, but in recent years such charge has become material and had the Company been incorporated in the United Kingdom and approved by HMRC as an investment trust, the material taxation charges reported in recent years would have been reduced substantially.

THE SCHEME

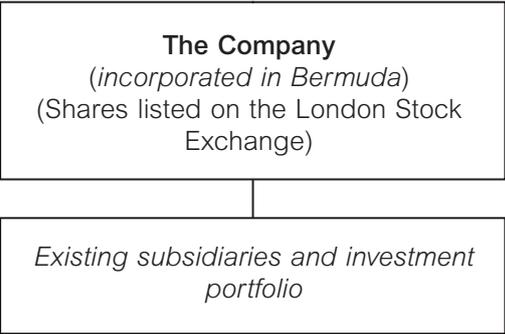
The Reorganisation Proposal will be implemented by way of a scheme of arrangement pursuant to section 99 of the Bermuda Companies Act. Upon the implementation of the Scheme:

- Ordinary Shareholders will exchange all their Ordinary Shares for UEM Trust Shares on the basis of one UEM Trust Share for every Ordinary Share held as at the Scheme Record Date (including any Ordinary Shares issued prior to the Scheme Record Date upon the exercise of the Subscription Share Rights attaching to the issued and outstanding Subscription Shares (whether by the relevant Subscription Shareholders on 28 February 2018 or thereafter by the Final Subscription Trustee)). UEM Trust Shares issued pursuant to the Scheme will be admitted to the premium listing segment of the Official List and to trading on the London Stock Exchange's main market for listed securities. The existing listing of the Company's shares will be cancelled at the same time; and
- the Company will become a wholly-owned subsidiary of UEM Trust, a newly incorporated closed ended investment trust established in the United Kingdom. As a result UEM Trust will indirectly acquire all of the Company's assets and liabilities (including its investment portfolio) as at the date of Admission. UEM Trust will carry on the business and operations of the Company and will have the same investment objective and the same investment policy as the Company.

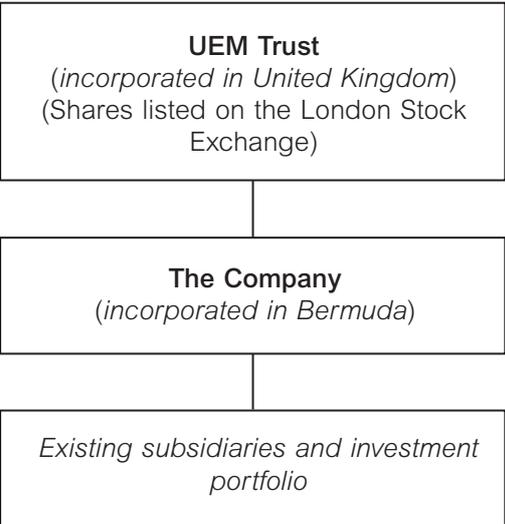
Accordingly, as a result of the Scheme, Ordinary Shareholders will cease to hold any shares in the Company and (other than certain Overseas Shareholders) in place of their holdings of the Company's Ordinary Shares will instead hold the same number of UEM Trust Shares, with UEM Trust acting as the successor vehicle of the Company.

Set out below are the simplified structures of the UEM Group: (a) as at the date of this document and as expected to be immediately before completion of the Reorganisation Proposal; and (b) as expected to be immediately following completion of the Reorganisation Proposal respectively.

As at the date of this document and as expected to be immediately before completion of the Reorganisation Proposal



As expected to be immediately following completion of the Reorganisation Proposal



It is intended that, as soon as reasonably practicable following implementation of the Scheme, all the Company’s assets will be distributed *in specie* to UEM Trust, either through the liquidation of the Company or in consideration for the buy-back of the Company’s Ordinary Shares from UEM Trust.

Conditions of the Scheme

Implementation of the Scheme is conditional on:

- the Scheme being approved by a majority in number representing not less than three-fourths in value of the Ordinary Shareholders present and voting in person or by proxy at the Scheme Meeting;
- the Scheme, with or without modification, being sanctioned by the Court;
- the Directors of the Company not resolving to abandon the Scheme prior to the order of the Court sanctioning the Scheme under section 99(3) of the Bermuda Companies Act being delivered to the Registrar of Companies in Bermuda for registration. The Directors have discretion to determine that the Scheme should no longer proceed if they consider that it is no longer in the best interests of the Company and Shareholders as a whole;
- a copy of the Court order being delivered to the Registrar of Companies in Bermuda for registration; and
- Admission of the UEM Trust Shares to be issued pursuant to the Scheme.

The Scheme will become effective, as a matter of Bermuda law, as soon as a copy of the order of the Court sanctioning the Scheme has been delivered to the Registrar of Companies in Bermuda as required by section 99(3) of the Bermuda Companies Act. However, the Scheme will only be implemented upon Admission of the UEM Trust Shares to be issued pursuant to the Scheme, at which time the UEM Trust Shares will be unconditionally allotted and issued to Shareholders in accordance with the Scheme and the Company will become a wholly-owned subsidiary of UEM Trust.

If the Scheme does not become effective or Admission does not occur by 30 April 2018, the Reorganisation Proposal will not proceed and Shareholders will continue to hold Ordinary Shares in the Company.

The full terms of the Scheme are set out in Part III of this document.

UEM TRUST

UEM Trust is a newly established public limited company incorporated in England and Wales on 7 December 2017 with registered number 11102129. UEM Trust is registered as an investment company under section 833 UK Companies Act and intends to carry on its business at all times so that it qualifies for approval as an investment trust in accordance with section 1158 of the Corporation Tax Act 2010 (as amended). The registered address of UEM Trust is The Cottage, Ridgeway, The Ridge, Epsom, Surrey KT18 7EP.

UEM Trust has been established for the specific purpose of carrying on the existing business and operations of the Company upon the Scheme becoming effective and implemented in accordance with its terms and Ordinary Shareholders should note the following:

- UEM Trust will have the same investment objective and the same investment policy as the Company;
- UEM Trust's Board will be identical to the Company's Board, with John Rennocks continuing to act as Chairman. There are no agreements or arrangements under which the remuneration and benefits or terms of service of any Director will be changed as a result of implementation of the Scheme;
- the Company's existing management agreement will be novated to UEM Trust so that ICMIM will act as the alternative investment fund manager of UEM Trust, with sole responsibility for risk management, and ICMIM and ICM will act as joint portfolio managers of UEM Trust on the same terms as the existing management agreement (including as to the amount of management and performance fees payable to the Joint Portfolio Managers);
- the administrator of UEM Trust will be JPMorgan Chase Bank N.A. – London Branch in place of F&C Management Limited which currently acts as administrator to the Company. Additional administrative support services will be procured by ICMIM, at the cost of the Company, from Waverton Investment Management Limited;
- UEM Trust's ongoing charges are not expected to change materially and are therefore expected to be in line with the ongoing charges of the Company;
- UEM Trust intends to pursue the Company's dividend policy with the intention to grow progressively the dividends which have been paid by the Company, although there is no guarantee of any particular level of profits or returns being achieved by UEM Trust in the future;
- consistent with the Company's existing continuation arrangements, UEM Trust will have an indefinite life and a continuation vote will be proposed at UEM Trust's annual general meeting to be held in 2021 and at every fifth annual general meeting thereafter;
- the UK tax treatment on receipt of dividends or gains on a disposal of UEM Trust Shares for a UK tax resident Shareholder who holds their shares as an investment will be the same as the UK tax position on dividends and capital gains received in respect of the Company; and

- Ordinary Shareholders (other than certain Overseas Shareholders) will hold the same proportionate interests in UEM Trust as they hold in the Company as at the Scheme Record Date.

Further details of UEM Trust are set out in Part IV of this document and in the accompanying UEM Trust Prospectus.

A summary of the UEM Trust Articles is set out in paragraph 4 of Part VII of the accompanying UEM Trust Prospectus. A copy of the UEM Trust Articles is available for inspection as mentioned in the section headed “Documents available for inspection” in Part V of this document.

LEGAL, REGULATORY AND TAX IMPACT OF THE REORGANISATION PROPOSAL

There are number of legal, regulatory and tax consequences resulting from UEM Trust being incorporated in the United Kingdom as compared to the Company which is incorporated in Bermuda. The most material differences are:

- as a public company incorporated in the United Kingdom, UEM Trust will be subject to the UK City Code on Takeovers and Mergers, including the requirement for a mandatory bid to be made for the UEM Trust Shares in the circumstances described in paragraph 5.1 of Part VII of the accompanying UEM Trust Prospectus;
- as a company incorporated under the UK Companies Act:
 - UEM Trust will be subject to statutory pre-emption rights which apply on certain issues of new shares for cash unless dis-applied by a special resolution of UEM Trust Shareholders; and
 - compulsory acquisition rights will apply if an offeror for UEM Trust acquires or contracts to acquire not less than 90 per cent. of the UEM Trust Shares (in value and by voting rights) to which such offer relates, as described in paragraph 5.2 of Part VII of the UEM Trust Prospectus;
- the Company’s Ordinary Shares cannot be admitted as participating securities in CREST and instead Shareholders wishing to hold their Ordinary Shares in uncertificated form through CREST must do so in the form of Depository Interests. In contrast, UEM Trust Shares may be held in uncertificated form directly through the CREST system and it will not be necessary for such shares to be held in the form of Depository Interests;
- as the UEM Trust Shares will be admitted to the premium listing segment of the Official List and to trading on the main market for listed securities of the London Stock Exchange UEM Trust will be subject to the Listing Rules, the Disclosure Guidance and Transparency Rules and the Market Abuse Regulation which also apply to the Company. However, as UEM Trust is incorporated in the United Kingdom, unlike the Company, it will not be categorised as a “non-UK issuer” for the purposes of the Disclosure Guidance and Transparency Rules and the application of the relevant rules to UEM Trust will reflect this;
- the Company is categorised as a non-EU alternative investment fund (**AIF**) managed by an EU alternative investment fund manager (**AIFM**) for the purposes of the AIFM Directive, whereas UEM Trust will be categorised as an EU AIF managed by an EU AIFM. In addition to enabling UEM Trust to take advantage of the EU marketing passport which applies to EU AIFs managed by EU AIFMs (at least for so long as the United Kingdom remains within the EEA), the principal consequence of this change in categorisation is that J.P. Morgan Europe Limited, as UEM Trust’s depository, will provide its services on the basis that UEM Trust is within the full scope of the AIFM Directive and not on a “depo-lite” basis as currently permitted in the case of the Company;
- as a UK incorporated and tax resident company, UEM Trust should be able to benefit from the United Kingdom’s extensive network of double tax treaties;
- in order to maintain its approval as an investment trust, UEM Trust will need to distribute at least 85 per cent. of its distributable income earned in each financial year by way of dividends; and

- transfers of the Company's Ordinary Shares and of Depositary Interests in respect of the Company's Ordinary Shares within CREST are not liable to UK stamp duty/SDRT unless the instrument of transfer is executed within the UK or the Ordinary Shares are registered in a register of the Company kept in the UK. In contrast, any transfer of UEM Trust Shares will be liable to *ad valorem* stamp duty at the rate of 0.5 per cent. (rounded up to the nearest £5) or (if an unconditional agreement to transfer the UEM Trust Shares is not completed by a duly stamped transfer) SDRT at the rate of 0.5 per cent. of the consideration paid. Paperless transfers of UEM Trust Shares within CREST will be liable to SDRT (usually at the rate of 0.5 per cent. of the consideration paid) rather than stamp duty. Such SDRT is reported through the CREST system and is collected by CREST.

ILLUSTRATIVE FINANCIAL EFFECTS OF THE SCHEME

For illustrative purpose only, had both the Scheme Effective Date and the date of Admission been 21 February 2018 (being the latest practicable date prior to the publication of this document) but assuming that all the Subscription Share Rights attaching to the issued and outstanding Subscription Shares have been exercised prior to that date, the Directors estimate that:

- the Net Asset Value of UEM Trust would be £605.2 million; and
- the Net Asset Value per UEM Trust Share would be 252.93 pence.

Therefore, had both the Scheme Effective Date and the date of Admission been 21 February 2018 (being the latest practicable date prior to the publication of this document), for every 1,000 Ordinary Shares held on the Scheme Record Date, an Ordinary Shareholder (other than certain Overseas Shareholders) would receive 1,000 UEM Trust Shares, with a Net Asset Value per UEM Trust Share of 252.93 pence and a total value on the Scheme Effective Date and the date of Admission of £2529.29.

In addition, provisions for capital gains taxation which are not expected to be payable due to UEM Trust complying with the requirements of the UK investment trust regime would also be written back. The impact on Net Asset Value of UEM Trust and Net Asset Value per UEM Trust Share will be dependent on the valuations of individual securities at that time.

The above illustration is based on the following figures and estimates: the Net Asset Value of the Company as at 21 February 2018 (being the latest practicable date prior to the publication of this document) of £553.4 million; the assumed receipt by the Company of approximately £52.8 million upon the exercise of all the Subscription Share Rights attaching to the issued and outstanding Subscription Shares; the anticipated costs of the Reorganisation Proposal estimated at approximately £0.4 million (plus applicable VAT) (which have not yet been reflected in the Company's Net Asset Value); and a total of 239,271,920 Ordinary Shares in issue (which includes the maximum number of Ordinary Shares which will be issued if all the outstanding Subscription Share Rights are exercised).

The above figures are provided for illustrative purposes only and do not represent forecasts. The Net Asset Value of a UEM Trust Share as at the date of Admission may be materially different from the illustrative figures set out above as a result of, *inter alia*, changes in the value of the Company's investments and the number of new Ordinary Shares (if any) issued upon the exercise of the outstanding Subscription Share Rights.

SUBSCRIPTION SHARES

Shareholders will not be entitled to vote on, or participate in, the Scheme in respect of their holdings of Subscription Shares as the final date on which any outstanding Subscription Share Rights can be exercised by Subscription Shareholders is 28 February 2018 (the **Final Subscription Date**). However, holders of any Ordinary Shares issued upon the exercise of the outstanding Subscription Share Rights (whether by the relevant Subscription Shareholders on 28 February 2018 or thereafter by the Final Subscription Trustee, as described below) will be able to vote at the Scheme Meeting and will participate in the Scheme on the same basis as existing Ordinary Shareholders.

In accordance with the terms and conditions on which the Subscription Shares were issued, the Company shall appoint a trustee (the **Final Subscription Trustee**) within seven days of the Final Subscription Date.

If, in the opinion of the Final Subscription Trustee, the net proceeds of sale after deduction of all costs and expenses incurred by, including any fee payable to, the Final Subscription Trustee will exceed the costs of exercising the issued and outstanding Subscription Share Rights, the Final Subscription Trustee shall within 14 days following the Final Subscription Date exercise all (or such proportion as it may in its absolute discretion determine) of the Subscription Share Rights which have not been exercised on the same terms as they could have been exercised by the relevant Subscription Shareholders on the Final Subscription Date and sell the Ordinary Shares resulting from such exercise in the market. The Final Subscription Trustee will distribute the net proceeds of any such sale (after deduction of the costs and expenses) to the relevant Subscription Shareholders at the risk of such persons within 56 days of the Final Subscription Date, provided that entitlements of under £5.00 per Subscription Shareholder shall be retained for the benefit of the Company.

The subscription price payable on the exercise of each Subscription Share Right is 183 pence. Given that as at 21 February 2018 (being the latest practicable date prior to the issue of this document) the closing price of an Ordinary Share was 218.00 pence, the Directors currently anticipate that the Final Subscription Trustee is likely to exercise all outstanding Subscription Share Rights and sell the Ordinary Shares arising on such exercise in the market. Assuming that all the outstanding Subscription Share Rights are exercised (whether by the relevant Subscription Shareholders or by the Final Subscription Trustee) an additional 28,865,465 Ordinary Shares will be allotted and issued prior to the Scheme Effective Date. The Company intends to use its reasonable endeavours to procure that all Ordinary Shares issued upon the exercise of the issued and outstanding Subscription Share Rights (whether by the relevant Subscription Shareholders on 28 February 2018 or thereafter by the Final Subscription Trustee) will be issued prior to the Scheme Meeting Record Date, so that the holders of the relevant Ordinary Shares will be entitled to vote at the Scheme Meeting.

The Chairman of the Scheme Meeting will confirm the additional number of Ordinary Shares that have been issued and paid up credited as fully paid at or prior to the Scheme Meeting and the Scheme will be amended at Recital (E) accordingly.

DIVIDENDS

The Directors have declared a third quarterly interim dividend of 1.80p per Ordinary Share in respect of the year ending 31 March 2018, which will be paid on 1 March 2018 to Ordinary Shareholders on the register on 16 February 2018.

As set out in the Company's half yearly report for the six month period ended 30 September 2017, in the absence of unforeseen circumstances, the Directors intended to declare a dividend for the fourth quarter of the year ending 31 March 2018 of 1.80p per Ordinary Share. This dividend would typically have been paid in June 2018. However, in light of the Reorganisation Proposal and the expected timeframe for UEM Trust to complete a proposed capital reduction which will create a distributable reserve, the Directors have decided to bring the payment of that dividend forward and today declared a fourth quarterly interim dividend of 1.80p per Ordinary Share in respect of the year ending 31 March 2018. This fourth quarterly interim dividend will be paid on 13 April 2018 to Ordinary Shareholders on the register on 23 March 2018. Accordingly, it is expected that the dividend for the first quarter of the year ending 31 March 2019 will be declared by the UEM Trust Directors in August 2018 for payment in September 2018.

BORROWINGS

The Company's £50 million secured multicurrency revolving bank facility with Scotiabank Europe plc is due for repayment on 27 April 2018. As at 21 February 2018 (being the latest practicable date prior to the publication of this document), £47.6 million was drawn down under the facility in US Dollars and Euros. It is intended that this facility will be repaid in full prior to the Scheme Effective Date using the proceeds from the final exercise of the issued and outstanding Subscription Share Rights.

UEM Trust has received credit approval from Scotiabank Europe plc for a new three year £50 million unsecured multicurrency revolving bank facility which it is expected will be entered into either on or within a short period following Admission of the UEM Trust Shares issued pursuant to the Scheme.

COSTS OF THE REORGANISATION PROPOSAL

The total costs of implementing the Reorganisation Proposal are expected to be approximately £1.0 million (plus applicable VAT), of which it is expected that approximately £0.4 million will be paid by the Company and the balance (plus applicable VAT) will be paid by UEM Trust.

ANNOUNCEMENTS

It is expected that the Company will make an announcement through an RIS setting out the result of the Scheme Meeting shortly after the conclusion of the Scheme Meeting (or any adjournment thereof) on 20 March 2018.

The Company will also make an announcement through an RIS stating whether or not the Scheme has been sanctioned by the Court and, if applicable, the Scheme Effective Date, the expected date of Admission and the total number of UEM Trust Shares to be issued pursuant to the Scheme, on or around 29 March 2018 and in any event prior to Admission.

OVERSEAS SHAREHOLDERS

Overseas Shareholders should refer to the section headed "Overseas Shareholders" in Part II of this document.

The terms of the Scheme, as they relate to Overseas Shareholders, may be affected by the laws of the relevant jurisdiction. Overseas Shareholders should inform themselves about and observe any applicable legal requirements. Restricted Shareholders will not receive the UEM Trust Prospectus.

TAXATION

You are advised to read carefully the section headed "Taxation in the United Kingdom" in paragraph 5 of Part V of this document which sets out a general guide to certain aspects of UK taxation law and HMRC published practice.

If you are in any doubt as to your tax position, or you may be subject to taxation in a jurisdiction other than the United Kingdom, you are recommended to seek immediately your own personal tax advice from an independent professional adviser.

SCHEME MEETING

In accordance with the direction of the Court, the Scheme Meeting has been convened for 10.00 a.m. (Bermuda time) on 20 March 2018 for the purpose of considering and, if thought fit, passing a resolution to approve the Scheme (with or without modification).

The notice convening the Scheme Meeting and the resolution to be put to the Scheme Meeting is set out at the end of this document and is also described in Part II of this document in the section headed "The Scheme Meeting". The Scheme Meeting will be held at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda.

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

The Scheme Resolution will require the approval of a majority in number representing not less than three-fourths in value of the Ordinary Shareholders present and voting in person or by proxy at the Scheme Meeting.

If the Scheme Resolution is approved by the requisite majorities, the Company will apply to the Court by a petition seeking the Court's sanction for the Scheme. Persons who object to the order being made may appear and be heard at the hearing of the petition.

CONSEQUENCES OF THE SCHEME NOT PROCEEDING

The action necessary to make the Scheme become effective and/or to implement the Scheme will not be taken unless the Directors are satisfied that the Scheme has been duly approved by Ordinary Shareholders and sanctioned by the Court.

Under Bermuda law, the Directors may terminate or abandon the Scheme at any time prior to the Sanction Hearing. The Directors may also terminate or abandon the Scheme if the conditions to the Scheme (including Admission) are not satisfied or waived.

It is a condition of the Scheme that the Directors have not resolved to abandon the Scheme prior to a copy of the order sanctioning the Scheme being delivered to the Registrar of Companies in Bermuda for registration and the Directors have discretion to determine that the Scheme should no longer proceed if they consider that it is no longer in the best interests of the Company and Shareholders as a whole.

If all the conditions to the Scheme (including Admission) are not satisfied by 30 April 2018, the Scheme and the Reorganisation Proposal will not be implemented and Shareholders will continue to hold their Ordinary Shares in the Company.

ACTION TO BE TAKEN

Before taking any action, Ordinary Shareholders are recommended to read the further information set out in this document and the accompanying UEM Trust Prospectus.

Shareholders should note that they will be bound by the outcome of the Scheme Meeting whether or not they complete a Form of Proxy or Form of Instruction and/or attend the Scheme Meeting in person.

Shareholders who hold Ordinary Shares in certificated form

Shareholders who hold their Ordinary Shares in certificated form will find enclosed with this document a Form of Proxy for use in relation to the Scheme Meeting. Whether or not you intend to be present at the Scheme Meeting, Shareholders who hold their Ordinary Shares in certificated form are urged to complete and return the Form of Proxy so as to be received by the Company's Registrars, Computershare Investor Services (Bermuda) Limited, c/o The Pavilions, Bridgwater Road, Bristol BS99 6ZY, by not later than 1.00 p.m. (London time) on 16 March 2018.

Submitting a Form of Proxy will not preclude an Ordinary Shareholder from attending the Scheme Meeting and voting in person should they so wish. In such event, the returned Form of Proxy will be deemed to have been revoked.

Shareholders who hold Ordinary Shares through Depositary Interests

Shareholders who hold their Ordinary Shares through Depositary Interests in uncertificated form will find enclosed a Form of Instruction for use at the Scheme Meeting to instruct the DI Depositary how to vote on their behalf. Such Shareholders are urged to complete and return the Form of Instruction so as to be received by the Company's DI Depositary, Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS99 6ZY by not later than 4.00 p.m. (London time) on 15 March 2018.

For Depositary Interest holders to give an instruction via the CREST system, CREST messages must be received by the issuer's agent (ID number 3RA50) by not later than 4.00 p.m. (London time) on 15 March 2018. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp generated by the CREST system) from which the issuer's agent is able to retrieve the message. The Company may treat as invalid an appointment sent by CREST in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

RECOMMENDATION

The Board considers the Reorganisation Proposal and Scheme to be in the best interests of the Company and Shareholders as a whole. Accordingly, the Board unanimously recommends Shareholders vote in favour of the Scheme Resolution to be proposed at the Scheme Meeting and

that they complete and return their Forms of Proxy and/or Forms of Instruction accordingly, whether or not they intend to attend the Scheme Meeting.

The Directors intend to vote in favour of the Scheme Resolution in respect of their beneficial holdings amounting in aggregate to 1,227,870 Ordinary Shares representing 0.6 per cent. of the total voting rights attaching to the Ordinary Shares as at the date of this document.

If you are in any doubt as to the action you should take, you are recommended immediately to seek your own personal financial advice from your stockbroker, solicitor, accountant, bank manager or an appropriately qualified independent adviser authorised under the Financial Services and Markets Act 2000 (FSMA) if you are in the United Kingdom, or from another appropriately authorised independent financial adviser if you are outside the United Kingdom.

FURTHER INFORMATION

Your attention is drawn to Parts II to V of this document and to the risk factors set out on pages 5 to 6 of this document.

Yours sincerely

John Rennocks
(Chairman)

PART II

DETAILS OF THE REORGANISATION PROPOSAL

IMPLEMENTATION OF THE REORGANISATION PROPOSAL

The implementation of the Reorganisation Proposal involves a scheme of arrangement under section 99 of the Bermuda Companies Act.

Pursuant to the Scheme and subject to it becoming effective and implemented in accordance with its terms, Shareholders (other than ICM as described below, and certain Overseas Shareholders) will exchange their Ordinary Shares in the Company for UEM Trust Shares on the basis of one UEM Trust Share for every Ordinary Share held as at the Scheme Record Date (including any Ordinary Shares issued prior to the Scheme Record Date upon the exercise of the Subscription Share Rights attaching to the issued and outstanding Subscription Shares (whether by the relevant Subscription Shareholders on 28 February 2018 or thereafter by the Final Subscription Trustee)).

As ICM currently holds 100 UEM Trust Shares in connection with UEM Trust's incorporation, ICM has agreed that it will waive its entitlement to receive 100 UEM Trust Shares that would otherwise have been issued to it under the Scheme so as to ensure that following the Scheme becoming effective and implemented in accordance with its terms the number of UEM Trust Shares that ICM owns will be equal to those it formerly held in the Company.

Implementation of the Scheme is conditional on:

- the Scheme being approved by a majority in number representing not less than three-fourths in value of the Ordinary Shareholders present and voting in person or by proxy at the Scheme Meeting;
- the Scheme, with or without modification, being sanctioned by the Court;
- the Directors of the Company not resolving to abandon the Scheme prior to the order of the Court sanctioning the Scheme under section 99(3) of the Bermuda Companies Act being delivered to the Registrar of Companies in Bermuda for registration. The Directors have discretion to determine that the Scheme should no longer proceed if they consider that it is no longer in the best interests of the Company and Shareholders as a whole;
- a copy of the Court order being delivered to the Registrar of Companies in Bermuda for registration; and
- Admission of the UEM Trust Shares to be issued pursuant to the Scheme.

If all the conditions to the Scheme (including Admission) are not satisfied by 30 April 2018, the Scheme and the Reorganisation Proposal will not be implemented and Shareholders will continue to hold their Ordinary Shares in the Company.

THE SCHEME MEETING

The implementation of the Scheme will require Shareholders to vote in favour of the Scheme Resolution.

In accordance with the direction of the Court, the Scheme Meeting has been convened for 10.00 a.m. (Bermuda time) on 20 March 2018 for the purpose of considering and, if thought fit, passing a resolution to approve the Scheme (with or without modification). The Scheme Meeting will be held at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda.

The notice convening the Scheme Meeting and the resolution to be put to the Scheme Meeting is set out at the end of this document.

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

In accordance with the Bye-laws, all Ordinary Shareholders present in person (or being a corporation, by representative) or by proxy shall upon a show of hands have one vote and upon a poll shall have one vote in respect of every Ordinary Share held. In order to ensure that a quorum is present at the Scheme Meeting, it is necessary for at least two Ordinary Shareholders entitled to vote to be present, whether in person or by proxy (or, if a corporation, by a representative).

The Scheme Resolution will require the approval of a majority in number representing not less than three-fourths in value of the Ordinary Shareholders present and voting in person or by proxy at the Scheme Meeting.

Voting at the Scheme Meeting will be taken by a poll. In accordance with the direction from the Court, for the purposes of calculating the "majority in number" at the Scheme Meeting, the DI Depository will be counted as one vote which should be exercised for or against the Scheme according to the majority of voting instructions received. The number of votes cast in favour of the Scheme and the number of Depository Interest Holders on whose instructions they are cast and the number of votes cast against the Scheme and the number of Depository Interest Holders on whose instructions they are cast will be disclosed to the Court and may be taken into account in deciding whether or not the Court should exercise its discretion to sanction the Scheme.

SANCTIONING OF THE SCHEME

The implementation of the Scheme requires the Court to sanction the Scheme and a copy of the Court order being delivered to the Registrar of Companies in Bermuda for registration. The Court hearing to sanction the Scheme has been convened for 28 March 2018. Persons who object to the order being made may appear and be heard at the hearing of the petition.

At the Sanction Hearing, the Court may impose such conditions as it deems appropriate in relation to the Scheme, but may not impose any material changes without the joint consent of the Company and UEM Trust. In determining whether to exercise its discretion to approve the Scheme, the Court will determine, among other things, whether the Scheme is fair to the holders of the Company's Shareholders in general.

Once the Scheme is effective, the Court will have exclusive jurisdiction to hear and determine any suit, action or proceeding and to settle any dispute which arises out of or is connected to the terms of the Scheme or its implementation or out of any action taken or omitted to be taken under the Scheme or in connection with the administration of the Scheme. A Shareholder who wishes to enforce any rights under the Scheme after such time must notify the Company in writing of its intention at least five business days prior to commencing a new proceeding. After the effective time of the Scheme, no Shareholder may commence a proceeding against the Company or UEM Trust in respect of or arising from the Scheme except to enforce its rights under the Scheme where a party has failed to perform its obligations under the Scheme.

When under any provision of the Scheme after the effective time of the Scheme a matter is to be determined by the Company, then the Company will have discretion to interpret those matters under the Scheme in a manner that it considers fair and reasonable, and its decisions will be binding on all concerned.

The Company may consent to any modification of the Scheme on behalf of the Shareholders which the Court may think fit to approve or impose.

SCHEME EFFECTIVE DATE

The Scheme will become effective as a matter of Bermuda law and will therefore be binding on the Company and all Shareholders as soon as a copy of the Order of the Court sanctioning this Scheme under section 99(3) of the Companies Act has been delivered to the Registrar of Companies in Bermuda for registration.

However, in accordance with the terms of the Scheme, implementation of the Scheme will be conditional on Admission of the UEM Trust Shares to be issued under the Scheme. It is expected that Admission will occur, and that dealings in the UEM Trust Shares, will commence on 3 April 2018, but if Admission has not occurred by 30 April 2018, the Scheme will lapse and Shareholders will continue to hold their Ordinary Shares in the Company.

DEALINGS IN ORDINARY SHARES

Only Ordinary Shareholders on the register on the Scheme Meeting Record Date will be entitled to attend at the Scheme Meeting. Accordingly, in order to qualify to vote at the Scheme Meeting (other than by way of holding a proxy from a transferor), all transfers of Ordinary Shares in certificated form, accompanied by the relevant share certificate must be lodged with the Company's Registrars, Computershare Investor Services (Bermuda) Limited, c/o The Pavilions, Bridgwater Road, Bristol BS99 6ZY by not later than 1.00 p.m. (London time) on 16 March 2018.

The Depository Interests representing Ordinary Shares will be disabled in CREST at 6.00 p.m. on 27 March 2018. The last day for trading in the Ordinary Shares on the London Stock Exchange for normal settlement will be 23 March 2018. After 23 March 2018, dealings will be for cash settlement only and, in the case of certificated Ordinary Shares, will only be registered if documents of title are delivered immediately.

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

Conditional upon the Scheme Resolution being passed, an application will be made to the UK Listing Authority for the listing of the Ordinary Shares to be suspended at 7.30 a.m. on 28 March 2018 and it is intended that subject to the Scheme becoming unconditional and implemented in accordance with its terms, such listing will be cancelled on or around 3 April 2018.

DEALINGS AND SETTLEMENT IN UEM TRUST SHARES

Applications will be made to the UK Listing Authority for the UEM Trust Shares to be issued pursuant to the Scheme to be admitted to the premium listing segment of the Official List and to the London Stock Exchange for such shares to be admitted to trading on the London Stock Exchange's main market for listed securities.

If the Scheme becomes effective and is implemented in accordance with its terms, the first day of dealings in the UEM Trust Shares issued under the Scheme is expected to be 3 April 2018.

The UEM Trust Shares will be in registered form and may be held in either certificated or uncertificated form.

As the Company is incorporated in Bermuda, its shares are ineligible for transfer within the CREST system. To address this, the Company has appointed the DI Depository to issue dematerialised Depository Interests representing its shares, which are eligible for settlement through CREST. The DI Depository holds the Company's shares on trust for the respective Depository Interest Holders.

Shareholders who hold their Ordinary Shares in certificated form at the Scheme Effective Date will receive their UEM Trust Shares in certificated form. It is expected that share certificates in respect of such UEM Trust Shares will be despatched to the Shareholders entitled to them during the week commencing 2 April 2018 or as soon as practicable thereafter.

As UEM Trust is incorporated in the United Kingdom there is no requirement for the UEM Trust Shares to be held as Depository Interests in order for them to be settled through CREST. Shareholders who hold their Ordinary Shares as Depository Interests in uncertificated form as at the Scheme Effective Date will receive their UEM Trust Shares in uncertificated form, although UEM Trust reserves the right to issue such shares in certificated form. In normal circumstances this is only likely to be exercised in the event of an interruption, failure or breakdown of CREST or of the facilities or system operated by UEM Trust's registrar in connection with CREST. UEM Trust will procure that instructions are given to credit the appropriate stock accounts in the CREST system with the relevant entitlements to UEM Trust Shares in uncertificated form.

It is expected that CREST stock accounts will be credited with the UEM Trust Shares on or around 3 April 2018.

EXISTING MANDATES

Each mandate in force duly notified to the Company as at the Scheme Record Date relating to payment of dividends in relation to the Ordinary Shares held in certificated form (including the

Company's Dividend Reinvestment Plan) and each instruction relating to the Ordinary Shares held in certificated form then in force as to notices and communication preferences from the Company will, unless and until varied or revoked, be deemed, from and including Admission, to be a valid and effective mandate or instruction to UEM Trust in respect of the UEM Trust Shares to be allotted and issued pursuant to the Scheme.

However, in the case of Ordinary Shares held in uncertificated form, that is in the form of Depositary Interests, all existing mandates and other instructions in force on the Scheme Effective Date (including the Company's Dividend Reinvestment Plan) shall cease to be valid and shall not be deemed to be a valid and effective instruction to UEM Trust in relation to the UEM Trust Shares issued in respect of the Scheme Shares allotted and issued to Depositary Interest Holders pursuant to the Scheme. Depositary Interest Holders who would like their Dividend Reinvestment Plan instructions to continue to apply to the UEM Trust Shares will need to submit a new instructions following the receipt of their UEM Trust Shares pursuant to the Scheme.

OVERSEAS SHAREHOLDERS

The terms of the Scheme, as they relate to Overseas Shareholders, may be affected by the laws of the relevant jurisdiction. Overseas Shareholders should inform themselves about and observe any applicable legal requirements. Restricted Shareholders will not receive the UEM Trust Prospectus.

It is the responsibility of Overseas Shareholders (including Restricted Shareholders) to satisfy themselves as to full observance of the laws of the relevant jurisdiction in connection with the Scheme, including obtaining any governmental or other consents which may be required, compliance with all necessary formalities and payment of any issue, transfer or other taxes due to such jurisdiction.

Unless the UEM Trust Directors are satisfied that any Overseas Shareholders (including any Restricted Shareholders) can be allotted and issued UEM Trust Shares pursuant to the Scheme without breaching any relevant securities law or regulations, the UEM Trust Shares to which such Overseas Shareholders would otherwise have been entitled will be allotted and issued to a nominee appointed by UEM Trust and such nominee shall sell the UEM Trust Shares in the market as soon as reasonably practicable and in any event not more than 15 Business Days after the date of Admission, at such price and on such other terms as the nominee determines in good faith (and at the risk of the relevant Overseas Shareholders). The proceeds of such sales will be paid to the relevant Overseas Shareholders entitled to them within 10 Business Days of the date of sale, save that entitlements of less than £5.00 per Overseas Shareholder will be retained by UEM Trust for its own account.

No action has been taken to permit the distribution of the UEM Trust Prospectus in any jurisdiction outside the United Kingdom and the Channel Islands. The UEM Trust Prospectus may therefore not be used for the purpose of, and does not constitute, an offer or solicitation by anyone in any jurisdiction or in any circumstances in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation. Accordingly, no person who receives a copy of the UEM Trust Prospectus in any territory other than the United Kingdom and the Channel Islands may treat the same as constituting an offer or invitation to him to acquire, subscribe for or purchase UEM Trust Shares.

The UEM Trust Shares have not been and will not be, registered under the United States Securities Act of 1933, as amended, or under the applicable state securities laws of the United States and no steps have been taken to qualify the UEM Trust Shares for distribution in Japan, the Republic of South Africa, or any province or territory of Canada and no prospectus in relation to the UEM Trust Shares has been, or will be, lodged with or registered by the Australian Securities Commission. Accordingly, unless an exemption under the relevant securities law is available, UEM Trust Shares may not be directly or indirectly offered, sold or delivered in or into the United States, Canada, Australia, Japan or the Republic of South Africa or to or for the account of a person (including an individual, partnership, unincorporated syndicate, limited liability company, unincorporated organisation, trust, trustee, executor, administrator or other legal representative) in, or resident in, the United States, Canada, Australia, Japan or the Republic of South Africa or a US Person.

PART III
THE SCHEME

**IN THE SUPREME COURT OF BERMUDA
CIVIL JURISDICTION
(COMMERCIAL COURT)
2018: No. 26**

IN THE MATTER OF UTILICO EMERGING MARKETS LIMITED

and

IN THE MATTER OF THE COMPANIES ACT 1981

SCHEME OF ARRANGEMENT
(under section 99 of the Companies Act 1981)

Between

UTILICO EMERGING MARKETS LIMITED

(an exempted company incorporated with limited liability and registered under the laws of Bermuda with registration number 36941)

and

THE SCHEME SHAREHOLDERS

(as hereinafter defined)

PART I
PRELIMINARY

Recitals

DEFINITIONS

(A) In this Scheme, unless the context otherwise requires or unless otherwise expressly provided for, the following expressions shall bear the following meanings:

Admission	admission of the UEM Trust Shares to be issued pursuant to this Scheme (being the Scheme Consideration) to listing on the premium listing segment of the Official List and to trading on the London Stock Exchange's main market for listed securities becoming effective in accordance with the Listing Rules and the admission and disclosure standards of the London Stock Exchange;
Business Day	any day on which banks are open for business in London (excluding Saturdays and Sundays);
Companies Act	the Companies Act 1981 of Bermuda, as amended, supplemented or otherwise modified from time to time;
Company	Utilico Emerging Markets Limited, an exempted company incorporated with limited liability under the laws of Bermuda with registration number 36941, the shares of which are listed on the premium listing segment of the Official List and traded on the main market for listed securities of the London Stock Exchange;
Court	the Supreme Court of Bermuda;
Depository Interests	dematerialised depository interests issued by the DI Depository representing the underlying Scheme Shares;
Depository Interest Holders	holders of Depository Interests appearing on the register of Depository Interests immediately prior to the Effective Time;
DI Depository	Computershare Investor Services PLC;
Effective Time	the date and time at which an office copy of the Order of the Court sanctioning this Scheme and making such facilitating orders as are appropriate pursuant to section 99 of the Companies Act shall have been delivered to the Registrar of Companies in Bermuda for registration, at which time this Scheme shall become effective;
Final Subscription Date	28 February 2018, being the final date on which the Subscription Share Rights attaching to the Subscription Shares could have been exercised by Subscription Shareholders;
Final Subscription Trustee	the trustee appointed by the Company following the Final Subscription Date in accordance with such Subscription Share Rights;
GBP£	pounds sterling, the lawful currency of the United Kingdom;
ICM	ICM Limited, a private limited company incorporated in Bermuda with registered number 44350;

Latest Practicable Date	21 February 2018, being the latest date upon which it was practicable to ascertain certain information contained herein;
Listing Rules	the listing rules of the UK Listing Authority made pursuant to section 73A of the UK Financial Services and Markets Act 2000 (as amended);
London Stock Exchange	London Stock Exchange plc;
Official List	the Official List of the UK Listing Authority;
Overseas Shareholders	a Scheme Shareholder or a Depositary Interest Holder who has a registered address outside the United Kingdom or the Channel Islands or who is a citizen of, or resident in, a jurisdiction other than the United Kingdom and the Channel Islands;
Register of Members	the branch register of members of the Company kept in accordance with section 65 of the Companies Act by Computershare Investor Services (Bermuda) Limited;
Regulatory Information Service	a regulatory information service approved by the UK Financial Conduct Authority and on the list of regulatory information services maintained by the UK Financial Conduct Authority;
Restricted Shareholders	a Scheme Shareholder or a Depositary Interest Holder with a registered address in the United States, Australia, Canada, Japan or the Republic of South Africa or any other jurisdiction where in the view of the UEM Trust Directors, receipt of UEM Trust Shares pursuant to the Scheme may violate the relevant laws and/or regulations of that jurisdiction;
Scheme	this scheme of arrangement in respect of the Company under section 99 of the Companies Act in its present form or with or subject to any modifications, additions or conditions that are consented to by Company and UEM Trust and that the Court may approve or impose;
Scheme Consideration	one UEM Trust Share to be issued and allotted by UEM Trust in exchange for each Scheme Share held immediately prior to the Effective Time by a Scheme Shareholder (other than to ICM and certain Overseas Shareholders, including Restricted Shareholders, as provided for in this Scheme);
Scheme Meeting	the meeting of Scheme Shareholders to be convened at the direction of the Court at which the Scheme (with or without modification) will be voted upon, or any postponement or adjournment thereof;
Scheme Meeting Record Date	6.00 p.m. (London time) on 16 March 2018, being the record time for determining the entitlement of Scheme Shareholders to vote at the Scheme Meeting;
Scheme Record Date	6.00 p.m. (London time) on 27 March 2018, being the record time for determining the entitlement of Scheme Shareholders under this Scheme;
Scheme Shareholders	the holders of Scheme Shares appearing on the Register of Members immediately prior to the Effective Time;

Scheme Share	all of the Shares in issue as at the Effective Time (including any Shares issued prior to the Scheme Record Date upon the exercise of the Subscription Share Rights attaching to the issued and outstanding Subscription Shares (whether by the relevant Subscription Shareholders on the Final Subscription Date or thereafter by the Final Subscription Trustee);
Shareholder Circular	the circular to Shareholders dated 23 February 2018 published by the Company, containing details of this Scheme and representing the Explanatory Statement issued pursuant to section 100 of the Companies Act, and including a notice of the Scheme Meeting;
Shares	ordinary shares of GBP£0.10 nominal value each in the capital of the Company;
Subscription Shares	subscription shares of GBP£0.00005 each in the capital of the Company;
Subscription Share Rights	the rights that attached to the Subscription Shares as set out in the Company's Bye-laws, including the right that attached to each Subscription Share to subscribe for one Ordinary Share at the subscription price, being 183p per Ordinary Share on the Final Subscription Date;
UEM Trust	Utilico Emerging Markets Trust plc, a public limited company incorporated under the laws of England and Wales, with its registered office at The Cottage, Ridgeway, The Ridge, Epsom, Surrey KT18 7EP and with registered number 11102129;
UEM Trust Directors	the directors of UEM Trust;
UEM Trust Shares	ordinary shares of GBP£0.01 nominal value each in the capital of UEM Trust; and
UK Listing Authority	the UK Financial Conduct Authority acting in its capacity as the competent authority for the purposes of admissions to the Official List.

INTERPRETATION

- (B) In this Scheme, unless the context otherwise requires or otherwise expressly provides:
- (1) references to Recitals, Parts, clauses and sub-clauses are references to the Recitals, Parts, clauses and sub-clauses respectively of this Scheme;
 - (2) references to a "person" include references to an individual, firm, partnership, company, corporation, other legal entity, unincorporated body of persons or any state or state agency;
 - (3) references to a statute or a statutory provision include the same as subsequently modified, amended or re-enacted from time to time;
 - (4) references to an agreement, deed or document shall be deemed also to refer to such agreement, deed or document as amended, supplemented, restated, verified, replaced and/or novated (in whole or in part) from time to time and to any agreement, deed or document executed pursuant thereto;
 - (5) the singular includes the plural and vice versa and words importing one gender shall include all genders;
 - (6) headings to Recitals, Parts, clauses and sub-clauses are for ease of reference only and shall not affect the interpretation of this Scheme; and

- (7) to the extent that there shall be any conflict or inconsistency between the terms of this Scheme and the Shareholder Circular then the terms of this Scheme shall prevail.
- (C) The Company was incorporated with limited liability in Bermuda on 7 June 2005 as an exempted limited liability company with registration number 36941.
- (D) As at the Latest Practicable Date the Company had an authorised share capital of GBP£135,005,000 divided into 1,350,010,000 Shares and 80,000,000 Subscription Shares, of which 210,406,455 Shares and 28,865,465 Subscription Shares had been issued and were fully paid up or credited as fully paid up, and the remainder remained unissued.
- (E) In accordance with the Subscription Share Rights attached to the issued and outstanding Subscription Shares, upon the exercise of the Subscription Share Rights attaching to all the issued and outstanding Subscription Shares (whether by the relevant Subscription Shareholder on the Final Subscription Date or by the Final Subscription Trustee) an additional [●] Shares were issued and paid up or credited as fully paid on or around [●] March 2018. Following the Final Subscription Date, the Subscription Share Rights lapsed.
- (F) UEM Trust was incorporated as a public limited company under the laws of England and Wales on 7 December 2017 for the specific purpose of carrying on the existing business and operations of the Company upon this Scheme becoming effective and being implemented in accordance with its terms and will have the same investment objective and the same investment policy as the Company.

THE PURPOSE OF THIS SCHEME

- (G) The purpose of this Scheme is to effect the exchange of each issued Scheme Share for one issued, fully paid and non-assessable UEM Trust Share. With effect from Admission each Scheme Share issued and outstanding immediately prior to the Effective Time shall be transferred to UEM Trust and the Company shall procure that UEM Trust shall issue and allot to each Scheme Shareholder, one new UEM Trust Share as consideration for each Scheme Share held by Scheme Shareholders or, in the case of Scheme Shares held by the DI Depository, one new UEM Trust Share for each Depository Interest held by each Depository Interest Holder (other than in respect of ICM and certain Overseas Shareholders, including Restricted Shareholders, as provided for in this Scheme).
- (H) UEM Trust has agreed to appear by counsel at the hearing of the petition to sanction this Scheme and to undertake to the Court to be bound thereby and to execute and do and procure to be executed and done all such documents, acts and things as may be necessary or desirable to be executed and done by it for the purpose of giving effect to this Scheme.
- (I) In connection with UEM Trust's incorporation, ICM holds 100 UEM Trust Shares. ICM also holds Shares in the Company. To ensure that, following the Scheme, ICM holds exactly the same number of UEM Trust Shares as it currently holds Shares, ICM has agreed that on condition that the Scheme becomes effective and is implemented in accordance with its terms it will waive its entitlement to receive 100 UEM Trust Shares that would otherwise have been issued to it under the Scheme so that on the Scheme being implemented the number of UEM Trust Shares owned by UEM will be equal to the number of Scheme Shares it formerly held in the Company.

PART II

THE SCHEME

Application and effectiveness of this Scheme

1. The compromise and arrangement effected by this Scheme shall apply to all Scheme Shares and shall be binding on the Scheme Shareholders (including those who do not attend the Scheme Meeting, do not vote at the Scheme Meeting or vote against the Scheme) and on Depository Interest Holders and, to the extent of any inconsistency and to the extent permitted by law, overrides the constitution of the Company.

Effect of this Scheme

2. As at and with effect from Admission all of the right, title and interest of the Scheme Shareholders and the Depositary Interest Holders in the Scheme Shares shall be subject to the arrangement implemented by the mechanism set out in clause 3 of this Part II.

Compromise and Arrangement with Scheme Shareholders and Depositary Interest Holders

3. As at and with effect from Admission, in consideration of the rights of the Scheme Shareholders and Depositary Interest Holders under this Scheme and in exchange for all the Scheme Shares issued and outstanding immediately prior to the Effective Time and notwithstanding any term of any relevant document, the following shall occur:
 - a. all the Scheme Shares shall be transferred to UEM Trust, together with all rights and entitlements attaching to them as at the Effective Time without the need for any further act by any Scheme Shareholder or Depositary Interest Holder; and
 - b. with the exception of 100 Scheme Shares held by ICM, in exchange for the Scheme Shares the Company shall procure that UEM Trust shall allot and issue the Scheme Consideration to the Scheme Shareholders and the Depositary Interest Holders (other than certain Overseas Shareholders, including Restricted Shareholders, in accordance with clause 4 of this Part II) as follows:
 - (i) in respect of Scheme Shares held in certificated form, to each Scheme Shareholder (other than the DI Depositary) one UEM Trust Share per Scheme Share so held; and
 - (ii) in respect of Scheme Shares held in uncertificated form, that is in the form of Depositary Interests, to each Depositary Interest Holder one UEM Trust Share per Depositary Interest so held.

Overseas Shareholders

4. Unless the UEM Trust Directors are satisfied that any Overseas Shareholders (including any Restricted Shareholders) can be allotted and issued UEM Trust Shares pursuant to this Scheme without breaching any relevant securities law or regulations, the Scheme Consideration to which such Overseas Shareholders would otherwise have been entitled will be allotted and issued to a nominee appointed by UEM Trust and such nominee shall sell the UEM Trust Shares in the market as soon as reasonably practicable and in any event not more than 15 Business Days after the date of Admission, at such price and on such other terms as the nominee determines in good faith (and at the risk of the relevant Overseas Shareholders) and the proceeds of such sales will be paid to the relevant Overseas Shareholders entitled to them within 10 Business Days of the date of sale, save that entitlements of less than GBP£5.00 per Overseas Shareholder will be retained by UEM Trust for its own account.

Scheme Conditions

5. The implementation of this Scheme is conditional on:
 - a. this Scheme being approved by a majority in number representing not less than three-fourths in value of the Scheme Shareholders present and voting in person or by proxy at the Scheme Meeting;
 - b. this Scheme, with or without modification, being sanctioned by the Court;
 - c. the Directors of the Company not resolving to abandon the Scheme prior to a copy of the Order of the Court sanctioning this Scheme under section 99 of the Companies Act being delivered to the Registrar of Companies in Bermuda for registration;
 - d. a copy of the Order of the Court sanctioning this Scheme under section 99(3) of the Companies Act being delivered to the Registrar of Companies in Bermuda for registration; and
- e. Admission of the Scheme Consideration.

Delivery of the Order of the Court

6. This Scheme shall become effective as soon as a copy of the Order of the Court sanctioning this Scheme under section 99(3) of the Companies Act shall have been delivered to the Registrar of Companies in Bermuda for registration.

Implementation of this Scheme

7. The compromise and arrangement with Scheme Shareholders and Depositary Interest Holders provided for in this Scheme shall be implemented as at and with effect from Admission.

Expiry of this Scheme

8. Unless both the Effective Time and Admission shall have occurred on or before 30 April 2018 or such later date, if any, as the Company and UEM Trust may agree and the Court may allow, this Scheme shall lapse.

PART III

VOTING AT THE SCHEME MEETING

Scheme Meeting Record Date

9. The holders of Scheme Shares and the number of Scheme Shares that they hold for the purposes of voting at the Scheme Meeting shall be determined as those recorded on the Register of Members as at the Scheme Meeting Record Date.

Depositary Interests

10. The DI Depositary, as the central depositary for Shareholders holding Scheme Shares in uncertificated form, that is in the form of Depositary Interests, shall be counted as one person or member of the Company for the purposes of ascertaining whether or not the requirement that a majority in number of the Scheme Shareholders approve this Scheme under section 99(2) of the Companies Act has been satisfied and for the foregoing purposes the DI Depositary may cast one vote in favour of or against this Scheme in accordance with the majority of instructions received from Depositary Interest Holders.
11. The DI Depositary shall specify the number of votes cast in favour of this Scheme and the number of Depositary Interest Holders on whose instructions such votes are cast and the number of votes cast against this Scheme and the number of Depositary Interest Holders on whose instructions such votes are cast and this information shall be included in the report of the Chairman of the Scheme Meeting which will be provided to the Court at the hearing of the petition to sanction this Scheme.

PART IV

DISTRIBUTIONS

Distribution To Scheme Shareholders

12. As at and with effect from Admission, UEM Trust shall unconditionally allot and issue the UEM Trust Shares comprising the Scheme Consideration as follows:
 - a. in the case of Scheme Shares held in certificated form, to the Scheme Shareholders holding such Scheme Shares (other than the DI Depositary); and
 - b. in the case of Scheme Shares held in uncertificated form, that is in the form of Depositary Interests, to the Depositary Interest Holders of such Depositary Interest,

except that if the relevant Scheme Shareholder or Depositary Interest Holder is an Overseas Shareholder, the relevant UEM Trust Shares shall instead be issued to a nominee appointed by

UEM Trust and sold on behalf of such Scheme Shareholder or Depository Interest Holder in accordance with clause 4 of Part II of this Scheme.

Rights of Scheme Shareholders

13. With effect from and including Admission, each holder of Scheme Shares shall in accordance with the Scheme cease to have any rights with respect to Scheme Shares, except the right to receive the Scheme Consideration. With effect from and including Admission, all existing Scheme Shares shall be transferred to UEM Trust and the Register of Members shall be updated to reflect such transfers.

PART V

GENERAL SCHEME PROVISIONS

Effective Time and Notifications to Scheme Shareholder

14. This Scheme shall become effective at the Effective Time.
15. UEM Trust shall give notification of this Scheme having become effective by making a public announcement via a Regulatory Information Service.
16. UEM Trust shall give notice of the unconditional implementation of this Scheme by making a public announcement via a Regulatory Information Service on the date of Admission.

Dividends

17. At or after the Effective Time, UEM Trust shall pay to Scheme Shareholders from funds on hand at the Effective Time dividends declared by the Company on the Scheme Shares which remain unpaid as at the Effective Time.
18. All mandates and other instructions in force at 9.00 a.m. (London time) on the date on which this Scheme becomes effective in relation to Scheme Shares held in certificated form (including elections for payment of dividends (if any) under the Company's dividend reinvestment plan) will unless and until varied or revoked be deemed, from and including Admission, to be a valid and effective mandate or other instruction to UEM Trust in relation to the UEM Trust Shares issued in respect of such Scheme Shares.
19. All mandates and other instructions in force at 9.00 a.m. (London time) on the date on which this Scheme becomes effective in relation to Scheme Shares held in uncertificated form, that is in the form of Depository Interests, (including elections for payment of dividends (if any) under the Company's dividend reinvestment plan) shall cease to be valid as effective mandates or instructions and shall not be deemed to be a valid and effective mandate or other instruction to UEM Trust in relation to the UEM Trust Shares issued in respect of such Scheme Shares.

Scheme Costs

20. The Company shall pay in full all costs, charges, expenses, stamp duty (if any) and disbursements incurred in connection with the preparation and implementation of this Scheme (including the transfer of the Scheme Shares) including the costs of holding the Scheme Meeting and obtaining the sanction of the Court.

Existing Instruments of Transfer and certificates

21. As from the Effective Time, all instruments of transfer and certificates validly existing at the Scheme Record Date in respect of a transfer or holding of any Scheme Shares shall as from the Effective Time, cease to have effect as documents or evidence of transfer or title and every holder thereof shall be bound on the request of UEM Trust upon or following Admission to deliver up to UEM Trust the certificates(s) in respect of its, his or her entire holding of Scheme Shares.

No liability when acting in good faith

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

Modifications to this Scheme

23. The Company and UEM Trust may, at any hearing before the Court to sanction this Scheme, jointly consent for and on behalf of all concerned to any modification(s) of or addition(s) to this Scheme or to any terms or conditions which the Court may think fit to approve or impose.

Notice of Scheme Meeting

24. The accidental omission to give notice of the Scheme Meeting or the non-receipt of any such notice by the Scheme Shareholder, shall not, unless so ordered by the Court, invalidate the Scheme Meeting or the proceedings or any resolutions approved at the Scheme Meeting nor affect the provisions of this Scheme.

Transmission of documents

25. Neither the Company nor UEM Trust shall be responsible for any loss or delay in the transmission of any notices, other documents or payments posted by or to Scheme Shareholders or Depositary Interest Holders which shall be posted at the risk of the relevant Scheme Shareholder or Depositary Interest Holder, as applicable.

Exercise of Discretion

26. When under any provision of this Scheme a matter is to be determined by the Company, then it will have discretion to interpret such matter under this Scheme in a manner that it considers fair and reasonable, and its decisions will be binding on all concerned.

Governing Law and Jurisdiction

27. At and with effect from the Effective Time, the operative terms of this Scheme shall be governed by, and construed in accordance with, the laws of Bermuda and the Scheme Shareholders and Depositary Interest Holders hereby agree that the Courts of Bermuda shall have exclusive jurisdiction to hear and determine any suit, action or proceeding and to settle any dispute which arises out of or connected with the terms of this Scheme or their implementation or out of any action taken or omitted to be taken under this Scheme or in connection with the administration of this Scheme and for such purposes, the Scheme Shareholders and Depositary Interest Holders irrevocably submit to the jurisdiction of the Courts of Bermuda.
28. The terms of this Scheme and the obligations imposed on the Company hereunder shall take effect subject to any prohibition or condition imposed by any applicable law.

PART IV

UTILICO EMERGING MARKETS TRUST PLC

Any investment in UEM Trust will be governed by the UEM Trust Prospectus which accompanies this document (except where this document has been sent to Restricted Shareholders). Accordingly, Shareholders are strongly advised to read the UEM Trust Prospectus. In particular, Shareholders are strongly urged to read the risk factors contained therein, prior to deciding how to cast their vote on the Scheme.

INTRODUCTION

UEM Trust is a newly established public limited company incorporated in England and Wales on 7 December 2017 with registered number 11102129. UEM Trust is registered as an investment company under section 833 of the UK Companies Act and intends to carry on its business at all times so that it qualifies for approval as an investment trust in accordance with section 1158 of the Corporation Tax Act 2010 (as amended). The registered address of UEM Trust is The Cottage, Ridgeway, The Ridge, Espom, Surrey KT18 7EP.

UEM Trust has been established for the specific purpose of carrying on the existing business and operations of the Company upon the Scheme becoming effective and being implemented in accordance with its terms.

INVESTMENT OBJECTIVE AND POLICY

The investment objective and investment policy of UEM Trust are the same as to those of the Company, as set out below:

Investment objective

UEM Trust's investment objective is to provide long-term total return through a flexible investment policy that permits it to make investments predominantly in infrastructure, utility and related sectors, mainly in emerging markets.

Investment policy

UEM Trust's investment policy is flexible and its investments will include (but are not limited to) water, sewerage, waste, electricity, gas, telecommunications, ports, airports, service companies, rail, roads, any business with essential service or monopolistic characteristics and any new infrastructure or utilities which may arise mainly in emerging markets. UEM Trust may also invest in businesses which supply services to, or otherwise support, the infrastructure, utility and related sectors.

UEM Trust will focus on the under-developed and developing markets of Asia, Latin America, Emerging Europe and Africa but have the flexibility to invest in markets worldwide. UEM Trust will generally seek to invest in emerging market countries where the UEM Trust Directors believe that there are attributes such as political stability, economic development, an acceptable legal framework and an encouraging attitude to foreign investment.

UEM Trust will have the flexibility to invest in shares, bonds, convertibles and other types of securities, including non-investment grade bonds and to invest in unlisted securities.

UEM Trust may also use derivative instruments such as American Depositary Receipts, promissory notes, foreign currency hedges, interest rate hedges, contracts for difference, financial futures, call and put options, warrants and similar instruments for investment purposes and efficient portfolio management, including protecting UEM Trust's portfolio and balance sheet from major corrections and reducing, transferring or eliminating investment risks in its investments. These investments will be long term in nature.

Investment restrictions

- Investments in unquoted and untraded investments in aggregate must not exceed 10 per cent. of Gross Assets at the time of investment. This restriction will not apply to UEM Trust's holding

of shares linked to a segregated account of Global Equity Risk Protection Limited (**GERP**), an unquoted Bermuda segregated accounts company;

- No single investment (including any investment by the Company in GERP) may exceed 20 per cent. of Gross Assets at the time of investment;
- Investments other than in infrastructure, utility and related companies (including any investment by UEM Trust in GERP) must not exceed 20 per cent. of Gross Assets at the time of investment;
- Investments in a single country must not exceed 50 per cent. of Gross Assets at the time of investment (and for these purposes investments will be considered to have been made in the countries where the relevant investee company reports that it carries out its business operations, as determined on a look-through basis);
- Not more than 10 per cent. in aggregate of the value of the total assets of UEM Trust at the time the investment is made will be invested in other closed-ended investment funds which are listed on the Official List (except to the extent that those investment funds have stated investment policies to invest no more than 15 per cent. of their total assets in other investment companies which are listed on the Official List);
- Regardless of the investment policy of other closed-ended investment funds listed on the Official List and which are invested in by the Company, UEM Trust shall not invest in such funds more than 15 per cent. in aggregate of the value of the total assets of UEM Trust at the time the investment is made; and
- Equity markets derivative transactions will be carried out by GERP on behalf of UEM Trust to enable it to make investments more efficiently and for the purposes of efficient portfolio management. GERP spreads its investment risks by having the ability to establish an overall net short position in index options, contracts for difference, swaps and equity options. GERP may not hold more than 50 per cent. of the value of the UEM Trust's segregated portfolio in index options and GERP may not hold more than 100 per cent. of the relevant debt or of the relevant market value in foreign currency by way of foreign exchange options or forwards.

None of the above restrictions will require the realisation of any assets of UEM Trust where any restriction is breached as a result of an event outside of the control of the Joint Portfolio Managers which occurs after the investment is made, but no further relevant assets may be acquired or loans made by the Company until the relevant restriction can again be complied with.

Shareholders will be informed in the annual report and accounts of UEM Trust of the actions taken by the Joint Portfolio Managers in the event of any breach of the above investment restrictions.

Borrowing and gearing policy

UEM Trust may use bank borrowings for short-term liquidity purposes. In addition, the Board may gear UEM Trust by borrowing on a longer term basis for investment purposes.

The Board has set a current limit on gearing (being total borrowings measured against Gross Assets and excluding any portfolio gearing provided through UEM Trust's investment in GERP) not exceeding 25 per cent. at the time of drawdown.

Borrowings may be drawn down in Sterling, US Dollars or any currency for which there are corresponding assets within the portfolio (at the time of drawdown the value drawn must not exceed the value of the relevant assets in the portfolio).

UEM Trust has received credit approval from Scotiabank Europe plc for a three year £50 million unsecured multicurrency revolving bank facility which it is expected will be entered into either on or within a short period following Admission of the UEM Trust Shares issued pursuant to the Scheme.

DISTRIBUTIONS

Distributions on the UEM Trust Shares are expected to be paid quarterly each year in September, December, March and June, and, it is expected that the dividend for the first quarter of the year

ending 31 March 2019 will be declared by the UEM Trust Directors in August 2018 for payment in September 2018.

All dividends will be paid in Sterling.

THE BOARD

The UEM Trust Board has overall responsibility for UEM Trust's activities and the determination of its investment policy and strategy, including the review of investment activity and performance and the control and supervision of the Joint Portfolio Managers.

The UEM Trust Board will be identical to the Board of the Company with John Rennocks continuing to act as Chairman.

The Directors of the UEM Trust Board, all of whom are non executive, are as follows:

John Rennocks (Chairman), was appointed to the board of the Company in November 2015 and elected Chairman in September 2016, has broad experience in conventional and renewable electricity generation and in biotechnology, support services and manufacturing, having previously served as deputy chairman and senior independent director of Inmarsat plc and as finance director of a number of public limited companies (including Smith and Nephew plc, PowerGen plc, British Steel plc and Corus Group plc) and as a non-executive chairman or director of several companies, including Foreign & Colonial Investment Trust plc and JP Morgan Overseas Investment Trust plc. He is currently chairman of Bluefield Solar Income Fund Limited and AFC Energy PLC. He is a Fellow of the Institute of Chartered Accountants of England and Wales.

Susan Hansen, was appointed to the board of the Company in September 2013 and is a chartered accountant and MBA graduate and has worked in financial services since 1980. She has previous experience in chartered accountancy and investment banking and is a director of Homeloans Limited, a non-bank lending company listed on the Australian Stock Exchange, as well as the principal of a financial training organisation in New Zealand and a director of Cognitive Education Limited, a registered charity in New Zealand. She is a member of the Institute of Chartered Accountants of Australia and New Zealand.

Garry Madeiros OBE, was appointed to the board of the Company in June 2007, was formerly president and chief executive officer of BELCO Holdings Limited (now named Ascendant Group Limited) and Bermuda Electric Light Company Limited. He is a director of BF&M Limited and BF&M Life Insurance Company. He is a chartered accountant, Chairman of the Company's Audit Committee and he has served on a number of corporate, education, community and Bermudian Government boards. He is a Justice of the Peace and a fellow of the Bermuda Institute of Chartered Accountants.

Garth Milne, was re-appointed to the board of the Company in November 2014, has been involved in the investment company sector for over 40 years. He is a director of Invesco Perpetual UK Smaller Companies Investment Trust plc.

Anthony Muh, was appointed to the board of the Company in October 2010, is an investment professional with 30+ years' experience in the investment management industry. He is a Partner and executive director of H.R.L. Morrison & Co, chairman of JIDA Capital Partners Limited, a China focused sustainable infrastructure investment management company and a director of a number of its subsidiary companies in China. He previously headed up the Asia Pacific operations of Alliance Trust PLC and for over 10 years was the Asia Pacific chief investment officer at Citigroup and Salomon Brothers Asset Management. He is past Chairman and a Fellow of the Hong Kong Securities Institute and a member of the Asia Advisory Board at Euromoney Institutional Investor Plc. Anthony is the current Vice Chairman and council member of Asia Corporate Governance Association, a regional body working closely with regulators and stakeholders to improve governance standards across the region.

The Directors are independent of the Joint Portfolio Managers apart from Susan Hansen because she is a director of another company associated with ICM.

MANAGEMENT

The UEM Trust Directors will have responsibility for the determination of UEM Trust's investment objective and investment policy and have overall responsibility for its day-to-day activities, including the review of investment activity and performance.

However, pursuant to a novation of the existing management agreement made between the Company and the Joint Portfolio Managers, ICMIM will act as UEM Trust's alternative investment fund manager with sole responsibility for risk management and both ICMIM and ICM will act as joint portfolio managers with responsibility for the management of UEM Trust's assets, subject in each case to the overriding supervision of the UEM Trust Directors.

ICMIM is authorised and regulated by the FCA to act as an alternative investment fund manager pursuant to the AIFM Regulations.

ICM, UEM Trust's joint portfolio manager, is licensed to carry on business in Bermuda, including providing investment advice to UEM Trust, by the Minister of Economic Development and Tourism of Bermuda.

In addition to its duties as joint portfolio manager of UEM Trust, ICMIM will also provide company secretarial services to UEM Trust.

ICMIM has also agreed to procure the provision of certain administrative support services (including compliance oversight, dealing and middle office services) in respect and at the cost of UEM Trust.

REPURCHASE OF UEM TRUST SHARES

The UEM Trust Directors consider that it is advantageous to UEM Trust Shareholders for UEM Trust to have the authority to make purchases of its own Shares as and when the UEM Trust Board considers the timing to be favourable. The UEM Trust Directors will consider using share repurchases to assist in limiting any discount and discount volatility of the UEM Trust Shares, if and when the UEM Trust Shares trade at a level which makes their repurchase attractive. However, use of such authority will be regarded as an investment decision and will ultimately depend upon market conditions and the UEM Trust Board's judgement of its likely effectiveness in increasing Net Asset Value and/or reducing the discount.

The UEM Trust Board has been granted general authority pursuant to a special resolution dated 14 February 2018 to make market purchases of UEM Trust Shares, provided that the number of UEM Trust Shares to be acquired, other than pursuant to an offer made to UEM Trust Shareholders generally, between the date of that resolution and the first annual general meeting of UEM Trust shall not exceed 14.99 per cent. of the UEM Trust Shares issued pursuant to the Scheme.

The exercise by the UEM Trust Directors of UEM Trust's powers to repurchase UEM Trust Shares and the timing and structure of any such purchases is entirely discretionary and no expectation or reliance should be placed on the UEM Trust Directors exercising such discretion.

Tender Facility

Subject to certain limitations and the UEM Trust Directors exercising their discretion to operate the Tender Facility or any variation on any relevant occasion, UEM Trust Shareholders may request the repurchase of all or part of their holding of UEM Trust Shares for cash pursuant to the Tender Facility.

The price at which UEM Trust Shares may be tendered under the Tender Facility will usually be set at a 5 per cent. discount to the NAV per UEM Trust Share to allow for the costs of the exercise.

The maximum number of UEM Trust Shares which may be tendered pursuant to the Tender Facility in any financial year will be limited to 12.5 per cent. of the UEM Trust Shares in issue at the commencement of the relevant financial year, with any excess tender requests being scaled back *pro rata*. Any UEM Trust Shares bought back pursuant to the Tender Facility may be cancelled or held in treasury.

Subject to the limitations set out below and the UEM Trust Directors' discretion being exercised on any relevant occasion, the Tender Facility may operate annually on the Tender Date. The Tender

Facility is not expected to be made available in circumstances where the annual compound growth rate of the Gross Assets exceeds 10 per cent. or where UEM Trust's performance exceeds the Benchmark Index by 15 per cent. or more in the relevant period.

If the UEM Trust Directors choose to operate the Tender Facility on any given Tender Date, they will send UEM Trust Shareholders a circular setting out the terms and conditions of the Tender Facility, together with a Tender Form which should be completed by UEM Trust Shareholders who wish to tender their UEM Trust Shares pursuant to the Tender Facility. UEM Trust Shareholders who wish to tender their UEM Trust Shares pursuant to the Tender Facility should return their completed Tender Forms in accordance with the timetable set out in the relevant circular.

Repurchases pursuant to the Tender Facility will be effected at the average Net Asset Value per UEM Trust Share for the seven days prior to the relevant Tender Date less a discount of 5 per cent. Cheques in respect of successful tenders are expected to be despatched (at the recipient's risk) within 21 business days following the relevant Tender Date.

Shareholders and prospective investors should note that the operation of the Tender Facility is discretionary and they should place no expectation or reliance on the UEM Trust Directors exercising such discretion on any one or more occasions or the proportion of UEM Trust Shares which may be sold pursuant to the Tender Facility.

FURTHER ISSUES OF UEM TRUST SHARES

The UEM Trust Board has been granted general authority by way of a special resolution dated 14 February 2018 to allot further UEM Trust Shares following Admission in addition to those UEM Trust Shares to be issued pursuant to the Scheme representing up to 5.0 per cent. of the UEM Trust Shares in issue immediately following Admission, such authority lasting until the first annual general meeting of UEM Trust expected to be held in 2019. To the extent that this authority is used in full before the end of such period, UEM Trust may convene a general meeting to refresh the authority. A further special resolution was also passed at the same date to disapply Shareholders' pre-emption rights over this unissued share capital so that the UEM Trust Board will not be obliged to offer any such new UEM Trust Shares to UEM Trust Shareholders *pro rata* to their existing holdings.

However, except where authorised by UEM Trust Shareholders, no UEM Trust Shares will be issued at a price which is less than the NAV per UEM Trust Share at the time of their issue unless they are first offered *pro rata* to UEM Trust Shareholders on a pre-emptive basis.

LIFE OF UEM TRUST

UEM Trust has been established with an unlimited life. However, the UEM Trust Directors consider it desirable to give UEM Trust Shareholders the periodic opportunity to review the future of UEM Trust. Therefore, a resolution will be proposed that UEM Trust should continue as presently constituted at the annual general meeting of UEM Trust to be held in 2021 and at every fifth annual general meeting thereafter.

If the relevant continuation resolution is not passed, the UEM Trust Directors will be required to formulate proposals to be put to UEM Trust Shareholders relating to the future of UEM Trust having regard to, *inter alia*, prevailing market conditions and applicable regulations and legislation.

ONGOING FEES AND EXPENSES

Under the terms of the Novated and Amended Management Agreement, UEM Trust will pay the Joint Portfolio Managers an aggregate management fee of 0.65 per cent. per annum of UEM Trust's net assets attributable to its shareholders. The management fee will be calculated and payable monthly in arrears and will be apportioned between the Joint Portfolio Managers in accordance with a management services agreement between them.

In addition to the annual management fee, the Joint Portfolio Managers may become entitled to a performance related fee equal to 15 per cent. of the amount of any outperformance in that period by equity funds attributable to UEM Trust Shareholders of the higher of: (i) the post-tax yield on the FTSE Actuaries Government Securities UK Gilt 5 to 10 years Index, plus inflation (on the RPIX basis), plus 2 per cent.; and (ii) 8 per cent.

The maximum amount of a performance fee payable in respect of any financial year is 1.85 per cent. of the average net assets of UEM Trust and any performance fee in excess of this cap will be written off.

No performance fee will be payable until the Net Asset Value exceeds the high watermark established when a performance fee was last paid (including for these purposes, when a performance fee was last paid by the Company), adjusted for capital events and dividends paid since its establishment.

In addition to its duties as joint portfolio manager, ICMIM will also provide company secretarial services to UEM Trust pursuant to the Novated and Amended Management Agreement. ICMIM will receive a fee equal to 45 per cent. of the total employment costs incurred by it in employing a suitably experienced person to provide the company secretarial services to UEM Trust.

PART V

ADDITIONAL INFORMATION

1. DIRECTORS

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

John Rennocks (Chairman)
Susan Hansen
Garry Madeiros OBE
Garth Milne
Anthony Muh

all of 34 Bermudiana Road, Hamilton HM11, Bermuda.

Each of the Directors has also been appointed to act as a director of UEM Trust.

2. SHARE CAPITAL

As at the date of this document, the issued and fully paid up share capital of the Company (excluding Shares held in treasury) is 210,406,455 Ordinary Shares and 28,865,465 Subscription Shares. Assuming that all the issued and outstanding Subscription Share Rights are exercised (whether by the relevant Subscription Shareholders or by the Final Subscription Trustee) an additional 28,865,465 Ordinary Shares will be allotted and issued prior to the Scheme Effective Date.

3. DISCLOSURE OF INTERESTS

As at 21 February 2018 (being the latest practicable date prior to the publication of this document), the interests of the Directors or their immediate families in the share capital of the Company (all of which are beneficial shares unless otherwise stated):

- (a) which have been or will be required to be notified to the Company pursuant to the Disclosure Guidance and Transparency Rules; or
- (b) being interests of a person connected (within the meaning of the Disclosure Guidance and Transparency Rules) with a Director which would, if such connected person were a Director, be required to be disclosed under (a) above and the existence of which was known to or could, with reasonable due diligence, be ascertained by the Director, were as follows:

Name of Director	Ordinary Shares held	Subscription Shares held
John Rennocks (Chairman)	79,849	40,000
Susan Hansen	73,528	Nil
Garry Madeiros OBE	201,730	Nil
Garth Milne	742,672	31,342
Anthony Muh	130,091	16,406

The Directors who hold Subscription Shares as at the date of this document have indicated to the Company that they intend to exercise the Subscription Shares Rights attaching to their Subscription Shares in full on the Final Subscription Date.

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

Insofar as is known to the Company as at 21 February 2018 (being the latest practicable date prior to the publication of this document), the following persons were interested, directly or indirectly, in 5 per cent. or more of the Company's issued share capital having unrestricted voting rights:

Name	Number of Ordinary Shares	% of issued share capital
UIL Limited	31,431,037	14.9
Lazard Asset Management LLC	20,957,317	10.0
Bank of Montreal	21,558,982	10.2
Investec Wealth & Investment Limited	10,293,426	4.9
Rathbone Investment Management Limited	10,728,364	5.1

4. UEM TRUST ARTICLES

A summary of the UEM Trust Articles is set out in paragraph 4 of Part VII of the accompanying UEM Trust Prospectus. A copy of the UEM Trust Articles is available for inspection as mentioned in the section headed "Documents available for inspection" in paragraph 7 below.

5. UK TAXATION

The information set out below relates to UK taxation applicable to the Shareholders who are resident in the UK for tax purposes (and who, if individuals, are domiciled in the UK) who hold Ordinary Shares as an investment (and not as securities to be realised in the course of a trade). The information is based on existing law and HMRC practice and is, therefore, subject to any subsequent changes. The information is given by way of general summary only and does not constitute legal or tax advice to any person. If you are in any doubt about your tax position or if you may be subject to tax in a jurisdiction other than the UK, you should consult your professional adviser.

Shareholders

The Directors of the Company have been advised that, for the purposes of UK taxation of chargeable gains, a Shareholder will not be regarded as having disposed of its Ordinary Shares as a result of the share for share exchange which is to be effected pursuant to the Scheme. On the issue of UEM Trust Shares, a Shareholder's base cost allocated to the original Ordinary Shares will be attributed to the new holding and the Shareholder will be treated as acquiring the UEM Trust Shares at the same time as the original Ordinary Shares.

Shareholders who hold, alone or together with connected persons, more than 5 per cent. of the Ordinary Shares in issue are advised that a clearance has been obtained from HMRC pursuant to section 138 of the Taxation of Chargeable Gains Act 1992 that this treatment is not to be prevented, by virtue of section 137(1) of that Act, from applying to them.

Any realisation of UEM Trust Shares will constitute (in the absence of special circumstances) a disposal for the purposes of UK taxation of chargeable gains of the UEM Trust Shares concerned and may give rise to a liability to UK taxation on chargeable gains depending on the circumstances of the Shareholder concerned.

ISAs and Junior ISAs

In so far as is possible, UEM Trust intends to manage its affairs so that the UEM Trust Shares will be eligible for inclusion within the stocks and shares component of an ISA or Junior ISA. Accordingly, UEM Trust Shares allotted under the Scheme may remain within an existing ISA or Junior ISA, to the extent that a Shareholder's Ordinary Shares were so held, subject to the terms applicable to the relevant ISA or Junior ISA.

UK stamp duty and stamp duty reserve tax (SDRT)

Pursuant to the Scheme, the Ordinary Shares in the Company will be transferred to UEM Trust. The transfer of the Ordinary Shares should not attract UK stamp duty or SDRT.

No UK stamp duty or SDRT will be payable on the issue of the UEM Trust Shares. Any transfer of UEM Trust Shares will be liable to *ad valorem* stamp duty at the rate of 0.5 per cent. (rounded up to

the nearest £5) or (if an unconditional agreement to transfer the UEM Trust Shares is not completed by a duly stamped transfer) SDRT at the rate of 0.5 per cent. of the consideration paid.

Paperless transfers of UEM Trust Shares within CREST are liable to SDRT (usually at the rate of 0.5 per cent. of the consideration paid) rather than stamp duty. Such SDRT is reported through the CREST system and is collected by CREST.

6. SUMMARY OF CERTAIN DIFFERENCES BETWEEN UK AND BERMUDA COMPANY LAW

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

	UK	Bermuda
Issue of shares	Subject to a limited number of exceptions, the directors of a company must not allot shares unless they have authority to do so under the UK Companies Act by seeking shareholder authority for such allotment or incorporating such allotment authority in the company's articles of association. Such authority may be given for a specific issue of shares or for its exercise generally. The allotment authority must state the maximum amount of shares that may be allotted under it and specify the date on which it will expire which cannot exceed 5 years.	The board of a Bermuda company generally has the power to issue shares in the company without reference to the shareholders, but subject to any pre-emption or other relevant rights, which may be contained in the company's bye-laws.
Pre-emption rights	<p>Pre-emption is the name given to a right of first refusal in favour of existing shareholders for the allotment of new shares in a company. These rights are deemed to be necessary to protect shareholders against dilution of their shareholdings.</p> <p>Statutory pre-emption rights on the allotment and issue of ordinary shares or the rights to subscribe for or to convert securities into ordinary shares are imposed under the UK Companies Act.</p> <p>Unless pre-emption rights are specifically disapplied, generally, issues of ordinary shares (being equity securities) for cash must be carried out on a pre-emptive basis, with the ordinary shares being offered to holders of relevant shares in proportion to their existing holdings.</p>	Under Bermuda law, unless provided in a company's bye-laws or otherwise being a right attaching to shares, shareholders have no automatic pre-emptive rights or other rights to subscribe for additional shares.

Dividends and distributions

UK

A company may not make a distribution except out of “profits available” to make the distribution. These are often referred to as “distributable profits” or “distributable reserves”. The distribution must be justified by reference to “relevant accounts”.

In addition to having sufficient distributable reserves the UK Companies Act requires a public company’s net worth to be at least equal to the amount of its capital. Accordingly, a public company can only make a distribution:

- if, at the time that the distribution is made, the amount of its net assets (that is, the total excess of assets over liabilities) is not less than the total of its called-up share capital and undistributable reserves; and
- if, and to the extent that, the distribution itself, at the time that it is made, does not reduce the amount of the net assets to less than that total.

However, a public company which is registered as an investment company under section 833 of the UK Companies Act, such as UEM Trust, during the relevant period may make a distribution out of its accumulated realised revenue profits subject to the satisfaction of certain conditions, including that it may make such a distribution only if and to the extent that:

- its accumulated, realised revenue profits so far as not previously utilised by a distribution or capitalisation, exceed its accumulated revenue losses (whether realised or unrealised); and
- the amount of its assets (before and after payment of the distribution) is at least equal to one and a half times the aggregate of its liabilities to creditors.

Bermuda

Under Bermuda law, a company may not declare or pay dividends if there are reasonable grounds for believing that: (i) the company is, or would after the payment be, unable to pay its liabilities as they become due; or (ii) that the realisable value of its assets would thereby be less than its liabilities.

Share repurchase

UK

Under the UK Companies Act, there is no requirement for a company's articles of association to include a specific authority for the company to be able to purchase its own shares.

A company may purchase its shares by way of an "off-market" purchase or by a "market purchase".

A "market purchase" is a purchase made on a recognised investment exchange such as the London Stock Exchange and an "off-market" purchase is a purchase made otherwise than on a recognised investment exchange.

In general, off-market purchases are available to both private and public limited companies but only certain public companies are able to make market purchases.

A company may make an "off-market" purchase if the purchase is approved by a resolution of the company.

A company may make a "market" purchase if the purchase is approved by a resolution of the company. The authority may be general or limited to the purchase of shares of a particular class or description and must be unconditional or subject to conditions. The authority must specify the maximum number of shares to be purchased and determine the minimum or maximum prices which may be paid for the shares. The resolution must specify a date on which the authority is to expire which cannot be later than five years after the date on which the resolution is passed.

Bermuda

With the consent of a holder of shares, a Bermuda company may repurchase its shares pursuant to the provisions of the Bermuda Companies Act. Repurchases may be effected only provided that:

- (a) in the case of a repurchase of shares, appropriate authorisation to do so is provided in the company's constitutional documents;
- (b) the funds used for the repurchase are:
 - (A) the nominal or par value of the shares must only be paid from:
 - (i) the company's share capital account;
 - (ii) funds of the company otherwise available for payment of dividend or distributions; or
 - (iii) out of the proceeds of a fresh issue of shares made for the purpose of the share repurchase; and
 - (B) the premium, if any, payable on redemption, must only be paid from:
 - (i) funds of the company otherwise available for payment of dividend or distributions; or
 - (ii) out of the company's share premium account before the redemption date;

	UK	Bermuda
Share repurchase	<p>For companies with a premium listing of equity shares, the maximum price which can be paid for equity shares bought under a general authority to make market purchases is the higher of:</p> <ul style="list-style-type: none"> • 5 per cent. above the average market value of the company's equity shares for the five business days before the day the purchase is made; and • the higher of the price of the last independent trade and the highest current independent purchase bid on the trading venue where the purchase is carried out. <p>A share repurchase can be funded either from distributable profits or from the proceeds of a fresh issue of shares made for the purpose of financing the buyback. Public companies are not permitted to purchase their own shares out of capital.</p>	<ul style="list-style-type: none"> (c) the company must maintain its minimum statutory capital (if any); (d) board authorisation for a share repurchase must be given in accordance with the company's memorandum of association and/or bye-laws; and (e) no repurchase of shares may be made, if on the effective date, there are reasonable grounds for believing that the company is, or after the redemption/repurchase would be, unable to pay its liabilities as they become due. <p>A repurchase of shares under section 42A of the Bermuda Companies Act will not reduce the amount of the company's authorised share capital; rather, only the issued share capital is reduced.</p>

7. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection during normal business hours on any day (Saturdays, Sundays and public holidays excepted) at the offices of Norton Rose Fulbright LLP at 3 More London Riverside, London SE1 2AQ from the date of this document up to and including the close of business on the date of Admission:

- (a) the Memorandum of Association and Bye-Laws of the Company;
- (b) the audited report and accounts of the Company for the years ended 31 March 2015, 31 March 2016 and 31 March 2017 and the unaudited interim financial statements for the six month periods ended 30 September 2016 and 30 September 2017;
- (c) the UEM Trust Prospectus;
- (d) the UEM Trust Articles;
- (e) the Form of Proxy and the Form of Instruction; and
- (f) this document.

DEFINITIONS

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

Admission	admission of the UEM Trust Shares issued and to be issued under the Scheme to listing on the premium listing segment of the Official List and trading on the main market for listed securities of the London Stock Exchange becoming effective in accordance with the Listing Rules and the admission and disclosure standards of the London Stock Exchange
AIF	an alternative investment fund
AIFM	in the context of the AIFM Directive, the alternative investment fund manager from time to time appointed by the Company and/or UEM Trust, as the context may require
AIFM Directive	EU Alternative Investment Fund Managers Directive 2011/61/EU
Benchmark Index	the higher of: (i) the post-tax yield on the FTSE Actuaries Government Securities UK Gilt 5 to 10 years Index, plus inflation (on the RPIX basis), plus 2 per cent.; and (ii) 8 per cent.
Bermuda Companies Act	the Companies Act 1981 of Bermuda, as amended from time to time
Board or Directors	the board of directors of the Company or any duly constituted committee thereof
Bye-laws	the bye-laws of the Company, as amended from time to time
certificated or in certificated form	not in uncertificated form
Company	Utilico Emerging Markets Limited
Court	the Supreme Court of Bermuda
CREST	the relevant system as defined in the CREST Regulations in respect of which Euroclear UK & Ireland Limited is operator (as defined in the CREST Regulations) in accordance with which securities may be held in uncertificated form
CREST Regulations	the UK Uncertificated Securities Regulations 2001 (SI 2001 No. 2001/3755), as amended
Depository Interests	the dematerialised depository interests issued by the DI Depository representing the underlying Ordinary Shares or, as the case may be, Subscription Shares
Depository Interest Holders	holders of Depository Interests
DI Depository	Computershare Investor Services PLC
Disclosure Guidance and Transparency Rules	the disclosure guidance and transparency rules made by the FCA under Part VII of FSMA
EEA	the European Economic Area
Final Subscription Date	28 February 2018
Final Subscription Trustee	the trustee to be appointed by the Company within seven days following the Final Subscription Date (being the final date on which the Subscription Share Rights attaching to the issued and outstanding Subscription Shares may be exercised by Subscription Shareholders), in accordance with such Subscription Share Rights

Form of Instruction	the form of instruction to be used by holders of Depositary Interests in respect of Ordinary Shares to indicate to the DI Depositary how they wish their voting rights to be exercised in respect of the Scheme Meeting which accompanies this document
Form of Proxy	the form of proxy for use by Ordinary Shareholders at the Scheme Meeting which accompanies this document
FCA	the Financial Conduct Authority of the United Kingdom including any replacement or substitute therefor, and any regulatory body or person succeeding, in whole or in part, to the functions thereof
FSMA	the Financial Services and Markets Act 2000, as amended
HMRC	Her Majesty's Revenue & Customs
ICM	ICM Limited, a joint portfolio manager of the Company and UEM Trust
ICMIM	ICM Investment Management Limited, the Company's AIFM and joint portfolio manager of the Company and UEM Trust
ISA	an individual savings account maintained in accordance with the UK Individual Savings Account Regulations 1998 (as amended from time to time)
Joint Portfolio Managers	ICMIM and ICM
Junior ISA	a junior individual savings account maintained in accordance with the Individual Savings Account Regulations 1998 (as amended from time to time)
Listing Rules	the listing rules of the UKLA made pursuant to section 73A of FSMA
London Stock Exchange	London Stock Exchange plc
Market Abuse Regulation	the Market Abuse Regulation (Regulation 596/2014), as amended from time to time
NAV	the net asset value of the Company or UEM Trust (as applicable) calculated in accordance with their respective normal accounting policies
Novated and Amended Management Agreement	the existing management agreement dated 31 March 2015 made between the Company and the Joint Portfolio Managers, as amended by supplemental agreements respectively dated 19 June 2015, 30 June 2017 and 22 December 2017, as novated to UEM Trust and amended pursuant to a novation and amendment agreement dated 23 February 2018 made between the Company, UEM Trust and the Joint Portfolio Managers
Official List	the Official List of the UKLA
Ordinary Shares	Ordinary Shares of 10 pence each in the capital of the Company
Ordinary Shareholders	holders of Ordinary Shares
Overseas Shareholder	a Shareholder who has a registered address outside the United Kingdom, the Channel Islands or who is a citizen of, or resident in, a jurisdiction other than the United Kingdom and the Channel Islands
Prospectus Rules	the rules and regulations made by the FCA under Part VII of FSMA

Register	the branch register of members of the Company kept in accordance with section 65 of the Bermuda Companies Act by the Registrars, the Company's branch registrar
Registrars	Computershare Investor Services (Bermuda) Limited
Reorganisation Proposal	the proposal for Ordinary Shareholders to exchange their Ordinary Shares for UEM Trust Shares on a one for one basis and for UEM Trust to acquire all the Ordinary Shares so that the Company becomes a wholly-owned subsidiary of UEM Trust in order to effect the re-domiciliation of UEM Bermuda to the United Kingdom, as described in this document
Restricted Shareholder	a Shareholder or Depositary Interest Holder with a registered address in the United States, Australia, Canada, Japan or the Republic of South Africa or any other jurisdiction where in the view of the UEM Trust Directors, receipt of UEM Trust Shares pursuant to the Scheme may violate the relevant laws and/or regulations of that jurisdiction
RIS	a regulatory information service approved by the FCA and on the list of regulatory information services maintained by the FCA
Sanction Hearing	the hearing of the Court to sanction the Scheme, which has been convened for 28 March 2018
Scheme	the scheme of arrangement of the Company under section 99 of the Bermuda Companies Act pursuant to which Ordinary Shareholders will be issued with UEM Trust Shares in place of their existing holdings of Ordinary Shares, a copy of which is set out in Part III of this document
Scheme Effective Date	the date on which the Scheme becomes effective and therefore binding on the Company and Shareholders as a matter of Bermuda law by a copy of the Order of the Court sanctioning the Scheme under section 99(3) of the Bermuda Companies Act being delivered to the Registrar of Companies in Bermuda for registration, expected to be 28 March 2018
Scheme Meeting	the special court-ordered meeting of the Company to approve the Scheme to be held on 20 March 2018, notice of which is set out at the end of this document
Scheme Meeting Record Date	6.00 p.m. (London time) on 16 March 2018
Scheme Record Date	the record date for participating in the Scheme as an Ordinary Shareholder, expected to be 6.00 p.m. (London time) on 27 March 2018
Scheme Resolution	the resolution to be proposed at the Scheme Meeting to approve the Scheme in accordance with the Bermuda Companies Act
Securities Act	the United States Securities Act of 1933, as amended
Shares	Ordinary Shares and/or Subscription Shares as the context requires
Subscription Share Rights	the rights attaching to the Subscription Shares as set out in the Company's Bye-laws, including the right attaching to each Subscription Share to subscribe for one Ordinary Share at the subscription price, being 183 pence per Ordinary Share

Subscription Shares	the subscription shares of 0.005 pence each in the capital of the Company
Subscription Shareholders	holders of Subscription Shares
Tender Date	the first business day in each year falling 30 days after the publication of UEM Trust's annual accounts, but does not include any date on or after which a resolution to wind up UEM Trust has been passed
Tender Facility	the facility allowing UEM Trust Shareholders to tender their UEM Trust Shares for purchase by UEM Trust which will be operated by the UEM Trust Directors in their absolute discretion as described in Part IV of this document and the accompanying UEM Trust Prospectus
Tender Form	in the event that the UEM Trust Directors exercise their discretion to operate the Tender Facility, the tender form to be completed by UEM Trust Shareholders wishing to tender their UEM Trust Shares pursuant to the Tender Facility, in such form as the UEM Trust Directors shall circulate to UEM Trust Shareholders prior to each Tender Date
UEM Bermuda	the business and operations of the Company, comprising, <i>inter alia</i> , all of the Company's assets and liabilities (including its investment portfolio) as at the date of implementation of the Scheme
UEM Group	prior to Admission, the Company and its subsidiaries and with effect from Admission, UEM Trust and its subsidiaries (including the Company)
UEM Trust	Utilico Emerging Markets Trust plc
UEM Trust Articles	the articles of association of UEM Trust
UEM Trust Board or UEM Trust Directors	the board of directors of UEM Trust or any duly constituted committee thereof
UEM Trust Prospectus	the prospectus published by UEM Trust on 23 February 2018 relating to the issue and Admission of UEM Trust Shares pursuant to the Scheme
UEM Trust Shares	ordinary shares of one penny each in the capital of UEM Trust
UEM Trust Shareholders	holders of UEM Trust Shares
UK	the United Kingdom of Great Britain and Northern Ireland
UK Companies Act	the UK Companies Act 2006, as amended
UK Listing Authority or UKLA	the FCA acting in its capacity as the competent authority for the purposes of admissions to the Official List
uncertificated or in uncertificated form	a share recorded on the Register as being held in uncertificated form in CREST and title to which, by virtue of the CREST Regulations, may be transferred by means of CREST
United States	the United States of America, its territories and possessions, any state of the United States of America and the District of Columbia
US Person	a "US Person" as defined in Regulation S under the Securities Act
VAT	Value Added Tax

NOTICE OF SCHEME MEETING

NOTICE OF COURT MEETING OF SHAREHOLDERS IN THE SUPREME COURT OF BERMUDA CIVIL JURISDICTION (COMMERCIAL COURT) 2018: NO. 26

IN THE MATTER OF UTILICO EMERGING MARKETS LIMITED AND IN THE MATTER OF SECTION 99 OF THE COMPANIES ACT 1981

NOTICE OF MEETING

NOTICE IS HEREBY GIVEN that, by an order dated 20 February 2018 (the **Order**) made in the above matter, the Supreme Court of Bermuda (the **Supreme Court**) has directed a meeting (the **Scheme Meeting**) to be convened of the holders of ordinary shares of Utilico Emerging Markets Limited (the **Company**) for the purpose of considering and, if thought fit, approving, with or without modification, a scheme of arrangement (the **Scheme**) proposed to be made between the Company and its Scheme Shareholders (as defined in the Scheme) and that the Scheme Meeting will be held on 20 March 2018 at 10.00 a.m. (Bermuda time), at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda, at which place and time all such holders of ordinary shares in the Company are requested to attend.

Copies of the Scheme and a copy of an explanatory statement explaining the effect of the Scheme is incorporated in the circular dated 23 February 2018 and published by the Company of which this Notice forms part (the **Circular**). A copy of the Circular can also be obtained by the above-mentioned holders of ordinary shares of the Company from the Company Secretary.

The above-mentioned holders of ordinary shares as at the record date set by the Company for the Scheme Meeting, being 6.00 p.m. (London time) on 16 March 2018, may vote in person at the Scheme Meeting or they may appoint one or more proxies, whether a member of the Company or not, to attend and vote in their stead. A form of proxy for use at the Scheme Meeting is enclosed with the Circular.

If ordinary shares are held in joint names, then either the holder whose name appears first in the Register of Members of the Company or each holder should sign. If signing as attorney, executor, administrator, trustee or guardian, please give your title as such. If the signer is a corporation, please sign in the full corporate name by a duly authorised officer.

It is requested that forms appointing proxies be lodged, by post, with the Company's Registrars, Computershare Investor Services (Bermuda) Limited, c/o The Pavilions, Bridgwater Road, Bristol BS99 6ZY, by not later than 1.00 p.m. (London time) on 16 March 2018 in accordance with the instructions set out in the form of proxy, but if forms are not so lodged they may be handed to the chairman of the Scheme Meeting at the meeting.

By the Order, the Supreme Court has appointed Garry Madeiros, a director of the Company, or failing him any other person who is a director of the Company as at the date of the Order to act as the

chairman of the Scheme Meeting and has directed the chairman of the Scheme Meeting to report the results thereof to the Supreme Court.

The Scheme will be subject to an application to the Supreme Court of Bermuda seeking the sanction or approval of the Scheme, which application shall be heard on or about 28 March 2018.

By Order of the Board

ICM Limited

Company Secretary

23 February 2018

Notes:

1. Only the holders of Ordinary Shares registered on the register of members of the Company at 6.00 p.m. (London time) on 16 March 2018 shall be entitled to attend and vote or be represented at the Scheme Meeting in respect of the Ordinary Shares registered in their name at that time. Changes to entries on the register of members of the Company after 6.00 p.m. (London time) on 16 March 2018 shall be disregarded in determining the rights of any person to attend and vote at the Scheme Meeting.
2. A shareholder entitled to attend and vote at the Scheme Meeting may appoint one or more proxies to attend and vote instead of him/her. A proxy need not be a shareholder of the Company.
3. A Form of Proxy is enclosed. Completion and return of the Form of Proxy will not preclude a shareholder from attending the Scheme Meeting and voting in person if he/she wishes to do so.
4. To be valid, a Form of Proxy for use at the Scheme Meeting and the power of attorney or other authority (if any) under which it is signed, or a notarially certified or office copy of such power or authority, must be deposited with the Registrars, Computershare Investor Services (Bermuda) Limited, c/o The Pavilions, Bridgwater Road, Bristol BS99 6ZY, by not later than 1.00 p.m. (London time) on 16 March 2018. Shareholders may also lodge their votes electronically by visiting the website www.eproxyappointment.com (the on-screen instructions will give details on how to complete the voting process). If forms are not so lodged, they may be handed to the chairman of the Scheme Meeting at the Scheme Meeting.
5. Investors holding Ordinary Shares in the Company through Depository Interests in uncertificated form should ensure that Forms of Instruction are returned to the DI Depository, Computershare Investor Services PLC, at The Registrar of the Depository Interests, Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol, BS99 6ZY by not later than 4.00 p.m. (London time) on 15 March 2018 or give an instruction via the CREST system as detailed below.
6. CREST members who wish to vote through the CREST electronic proxy appointment service may do so by using the procedures described in the CREST Manual. CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.
7. In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a **CREST Proxy Instruction**) must be properly authenticated in accordance with Euroclear UK & Ireland Limited's specifications, and must contain the information required for such instruction, as described in the CREST Manual (available via www.euroclear.com/CREST). The message, regardless of whether it constitutes the appointment of a proxy or is an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by the issuer's agent (ID 3RA50) by not later than 15 March 2018 at 4.00 p.m. (London time). For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.
8. CREST members and, where applicable, their CREST sponsors, or voting service providers should note that Euroclear UK & Ireland Limited does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will, therefore, apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member, or sponsored member, or has appointed a voting service provider, to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting system providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.
9. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

