THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt as to the action you should take or the contents of this document, you are recommended to seek your own independent financial advice immediately from your stockbroker, bank, solicitor, accountant, or other appropriate independent financial adviser, who is authorised under the FSMA if you are in the United Kingdom, or from another appropriately authorised independent financial adviser if you are in a territory outside the United Kingdom.

This document, which comprises a supplementary prospectus (the "Supplementary Prospectus") relating to EJF Investments Ltd, prepared in accordance with the Prospectus Rules of the FCA, has been approved and filed with the FCA and made available to the public in accordance with Rule 3.2 of the Prospectus Rules.

The Company and each of the Directors (whose names appear on page 62 of the Prospectus (as defined below)) accept responsibility for the information contained in this Supplementary Prospectus. To the best of the knowledge of the Company and the Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this Supplementary Prospectus is in accordance with the facts and contains no omission likely to affect its import.

EJF INVESTMENTS LTD

(a closed-ended investment company incorporated with limited liability in the Bailiwick of Jersey with registered number 122353)

Placing Programme of up to 150 million Ordinary Shares and/or C Shares and up to 75 million New ZDP Shares

Manager	*Financial Adviser and Bookrunner*
EJF Investments Manager LLC	**Numis Securities Limited**

This document is supplementary to, and should be read in conjunction with, the prospectus published by the Company on 24 June 2019 (the "Prospectus"). The definitions adopted in the Prospectus apply in this Supplementary Prospectus save where the context otherwise requires.

This Supplementary Prospectus does not constitute or form part of any offer or invitation to sell, or the solicitation of an offer to acquire or subscribe for, any securities other than the securities to which it relates or any offer or invitation to sell or issue, or any solicitation of any offer to purchase or subscribe for such securities by any person in any circumstances in which such offer or solicitation is unlawful.

Numis, which is authorised and regulated in the United Kingdom by the FCA, is acting exclusively for the Company and no one else in connection with the Placing Programme and the other transactions and arrangements referred to in this Supplementary Prospectus. Numis will not regard any other person (whether or not a recipient of this Supplementary Prospectus) as its client in relation to each Admission and Placing and will not be responsible to anyone other than the Company for providing the protections afforded to its clients or for providing any advice in relation to any Admission or Placing, the contents of this Supplementary Prospectus or any other transactions or arrangements referred to herein. Apart from the responsibilities and liabilities, if any, which may be imposed on Numis by the FSMA or the regulatory regime established thereunder, or under the regulatory regime of any jurisdiction where the exclusion of liability under the relevant regulatory regime would be illegal, void or unenforceable, Numis does not accept any responsibility whatsoever for, and makes no representation or warranty, express or implied, as to the contents of this Supplementary Prospectus or for any other statement made or purported to be made by it, or on its behalf, in connection with the Company, the Shares, any Admission or any Placing and nothing in this Supplementary Prospectus will be relied upon as a promise or representation in this respect, whether or not to the past or future. Numis, accordingly, to the fullest extent permitted by law, disclaims all and any responsibility or liability, whether arising in tort, contract or otherwise (save as referred to above), which it might otherwise have in respect of this Supplementary Prospectus or any such statement.

The distribution of this Supplementary Prospectus and the offer of the Shares in certain jurisdictions may be restricted by law. Other than in the United Kingdom, no action has been or will be taken to permit the possession, issue or distribution of this Supplementary Prospectus (or any other offering or publicity material relating to the Shares) in any jurisdiction where action for that purpose may be required or doing so is restricted by law. Accordingly, neither this Supplementary Prospectus, nor any advertisement, nor any other offering material may be distributed or published in any jurisdiction except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Supplementary Prospectus comes should inform themselves about and observe any such restrictions. None of the Company, the Manager, Numis or any of their respective affiliates or advisors accepts any legal responsibility for any breach by any person, whether or not a prospective investor, of any such restrictions.

The Shares have not been and will not be registered under the US Securities Act or under the securities laws or with any securities regulatory authority of any state or other jurisdiction of the United States or under the securities laws or with any securities regulatory authority of South Africa, Canada, Australia or Japan. The Shares may not be offered, sold, exercised, resold, transferred or delivered, directly or indirectly, within the United States or to, or for the account or benefit of, US Persons (as defined in Regulation S), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction in the United States. The Shares

may not be offered or sold into or within South Africa, Canada or Australia or to, or for the account or benefit of any national, resident or citizen of South Africa, Canada or Australia. Subject to certain exceptions as described herein, any Placing of Shares is only being made outside the United States to non-US Persons in reliance on Regulation S under the US Securities Act.

The Company has not been and will not be registered under the US Investment Company Act and investors will not be entitled to the benefits of the US Investment Company Act. There will be no public offer of the Shares in the United States. **Neither the US SEC nor any state securities commission has approved or disapproved of the Shares or passed upon or endorsed the merits of the offering of the Shares or the adequacy or accuracy of this Supplementary Prospectus. Any representation to the contrary is a criminal offence in the United States.**

The Shares are being offered and sold in the United States in a transaction not involving a "public offering" subject to an exemption from the registration requirements of Section 5 of the US Securities Act only to persons who are Entitled Qualified Purchasers. The Shares are being offered and sold outside the United States to non-US Persons (or to persons who are both US Persons and Entitled Qualified Purchasers) in reliance on Regulation S under the US Securities Act. Purchasers in the United States or who are US Persons will be required to execute and deliver a US Investor Representation Letter in the form set forth in Part XV: "*US Investor Representation Letter*" of the Prospectus. Prospective investors in the United States are hereby notified that the sellers of the Shares may be relying on the exemption from the provisions of Section 5 of the US Securities Act provided for a transaction not involving a "public offering".

Except with the express written consent of the Company given in respect of an investment in the Company, the Shares may not be acquired by: (i) investors using assets of: (A) an "employee benefit plan" as defined in Section 3(3) of ERISA that is subject to Title I of ERISA; (B) a "plan" as defined in Section 4975 of the US Tax Code, including an individual retirement account or other arrangement that is subject to Section 4975 of the US Tax Code; or (C) an entity whose underlying assets are considered to include "plan assets" by reason of investment by an "employee benefit plan" or "plan" described in preceding clause (A) or (B) in such entity pursuant to the US Plan Assets Regulations; or (ii) a governmental, church, non-US or other employee benefit plan that is subject to any federal, state, local or non-US law that is substantially similar to the provisions of Title I of ERISA or Section 4975 of the US Tax Code, unless its purchase, holding, and disposition of the Shares will not constitute or result in a non-exempt violation of any such substantially similar law.

In addition, the Shares are subject to restrictions on transferability and resale in certain jurisdictions and may not be transferred or resold except as permitted under applicable securities laws and regulations. Investors may be required to bear the financial risks of their investment in the Shares for an indefinite period of time. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdictions. For further information on restrictions on offers, sales and transfers of the Shares, please refer to the section entitled "Purchase and Transfer Restrictions" in Part VIII: "*Details of the Placing Programme*" of the Prospectus.

It should be remembered that the price of the Shares and the income from them can go down as well as up and that investors may not receive, on the sale or cancellation of their Shares, the amount that they invested

The Company has been established in Jersey as a listed fund under a fast-track authorisation process. It is suitable therefore only for professional or experienced investors, or those who have taken appropriate professional advice. Regulatory requirements which may be deemed necessary for the protection of retail or inexperienced investors, do not apply to listed funds. By investing in the Company you will be deemed to be acknowledging that you are a professional or experienced investor, or have taken appropriate professional advice, and accept the reduced Jersey requirements accordingly. You are wholly responsible for ensuring that all aspects of the Company and the Manager are acceptable to you. Investment in listed funds may involve special risks that could lead to a loss of all or a substantial portion of such investment. Unless you fully understand and accept the nature of the Company and the potential risks inherent in the Company you should not invest in the Company.

Further information in relation to the regulatory treatment of listed funds domiciled in Jersey may be found on the website of the Jersey Financial Services Commission at www.jerseyfsc.org.

The Jersey Financial Services Commission is protected by the Collective Investment Funds (Jersey) Law 1988 and the Financial Services (Jersey) Law 1998 against liability arising from the discharge of its functions under those laws.

This Supplementary Prospectus is prepared, and a copy of it has been sent to the Jersey Financial Services Commission, in accordance with the Collective Investment Funds (Certified Funds—Prospectuses) (Jersey) Order 2012. The Jersey Financial Services Commission does not take any responsibility for the financial soundness of the Company or for the correctness of any statements made or expressed in this Supplementary Prospectus. The applicant is strongly recommended to read and consider this Supplementary Prospectus before completing an application.

This Supplementary Prospectus is dated 19 December 2019.

INTRODUCTION

This Supplementary Prospectus is being published as required by the Prospectus Rules and section 87G of the FSMA following the approval by the Ordinary Shareholders of the Company at an extraordinary general meeting held on 18 December 2019 of resolutions that: (i) subject to receipt of any required approval from the IRS, the Company shall be authorised to change its tax status from a partnership to "an association taxable as a corporation" for US federal income tax purposes; and (ii) the Articles of Association of the Company be amended to reflect such change. This Supplementary Prospectus contains further details of this significant new factor and is supplemental to, and should be read in conjunction with, the Prospectus.

The proposed conversion of the Company's US tax classification is dependent upon the US IRS approving such request (the "**IRS Approval**"). Subject to IRS Approval being received, the Directors will make the necessary filing with the IRS to set an effective date for the conversion (the "**Tax Classification Change Date**"). Unless determined otherwise by the Directors at the relevant time, it is anticipated that the Tax Classification Change Date will be to the first day of the quarter (or year) immediately following receipt of IRS Approval. If IRS Approval is not received, the Company will continue to be classified as a partnership for US tax purposes.

The principal benefits of the classification change include:

- the elimination of US partnership tax reporting requirements including preparation and issuance of US Schedule K-1s to US shareholders;
- the elimination of the Company's requirement to collect and track the certificates of beneficial ownership for US tax withholding and reporting; and
- reduction of ongoing annual US tax reporting and compliance costs.

Shareholders that are not US taxpayers normally should not be affected with respect to their shareholdings as a result of the change in the Company's US tax classification, and the Company does not expect that its current tax treatment for non-US tax purposes would be impacted by this change in US tax classification.

As a result of the Company's change in classification for US tax purposes, shareholders that are US taxpayers will be required to recognize their proportionate share of the gross built-in gain in respect of the Company's assets (other than certain non-US stocks and securities) held through their Ordinary Shares, C Shares and ZDP Shares. However, such Shareholders will not recognize their proportionate share of the built-in loss in respect of any of the Company's assets. The Company prepared an analysis with the assistance of its US tax advisors to calculate the estimated amount of gross built-in gain that US Shareholders may recognize on the conversion which currently projects an estimated gain of less than £0.01 per share. The Company anticipates that the operational cost efficiencies realized as a result of the conversion will partially offset the tax cost to US Shareholders of a gain recognition event and that regardless of such cost savings the conversion will have a de minimis tax cost for US Shareholders. Any gains would be reported on the final US Schedule K-1 issued by the Company for the year ending 31 December 2019 or, if the Tax Classification Change Date occurs later than 1 January 2020, the gains would be reported on the final US Schedule K-1 issued by the Company for that part of the year commencing on 1 January and ending on the day preceding the Tax Classification Change Date.

PART X: TAXATION

CERTAIN US FEDERAL INCOME TAX CONSIDERATIONS

The following summary is a general discussion of certain US federal income tax considerations to Ordinary Shareholders of the change of the classification of the Company from a partnership to an association taxable as a corporation. The following summary applies only to shareholders that hold the Ordinary Shares as capital assets for US federal income tax purposes (generally, property held for investment). Shareholders that hold C Shares and ZDP Shares may have treatment that differs in certain respects from the treatment discussed in this summary. The discussion also does not address any aspect of US federal taxation other than US federal income taxation (such as the estate and gift tax, the 3.8 per cent. Medicare tax on "net investment income"). This summary does not address all tax considerations applicable to investors that own (directly or by attribution) 10 per cent. or more (by vote or value) of the beneficial interest in the Company, nor does this summary discuss all of the tax considerations that may be relevant to certain types of investors subject to special treatment under the US federal income tax laws (such as financial institutions, insurance

companies, real estate investment trusts, regulated investment companies, investors liable for the alternative minimum tax, certain US expatriates, individual retirement accounts and other tax-deferred accounts, tax-exempt organizations, dealers in securities or currencies, securities traders that elect mark-to-market tax accounting, investors that will hold the Ordinary Shares as part of constructive sales, straddles, hedging, integrated or conversion transactions for US federal income tax purposes or investors whose "functional currency" is not the US dollar).

The following summary is based on the US Tax Code, US Treasury regulations thereunder, published rulings of the IRS and judicial and administrative interpretations thereof, in each case as available on the date of this Supplementary Prospectus. Changes to any of the foregoing, or changes in how any of these authorities are interpreted, may affect the tax consequences set out below, possibly retroactively. No ruling will be sought from the IRS with respect to any statement or conclusion in this discussion, and there can be no assurance that the IRS will not challenge such statement or conclusion in the following discussion or, if challenged, a court will uphold such statement or conclusion.

For purposes of the following summary, a "US Holder" is a beneficial owner of an Ordinary Share that is for US federal income tax purposes: (i) a citizen or individual resident of the United States, (ii) a corporation or other entity treated as a corporation for US federal income tax purposes created or organized in or under the laws of the United States or any state thereof or the District of Columbia or (iii) an estate or trust the income of which is subject to US federal income taxation regardless of its source. A "Non-US Holder" is a beneficial owner of an Ordinary Share that is not a US Holder.

If an entity or other arrangement classified as a partnership for US federal income tax purposes holds the Ordinary Shares, the US federal income tax treatment of a partner in such partnership generally will depend upon the status of the partner and the activities of the partnership. A partnership considering an investment in the Ordinary Shares, and partners in such partnership, should consult their own tax advisers about the US federal income tax consequences of an investment in the Ordinary Shares.

Prospective purchasers of the Ordinary Shares, C Shares or ZDP Shares should consult their own tax advisers with respect to the US federal, state, local and non-US tax consequences to them in their particular circumstances of acquiring, holding, and disposing of the relevant Shares.

Taxation of the Company

The Company currently is classified as a partnership that is treated as a "publicly traded partnership" for US federal income tax purposes. No US federal income tax will be imposed on the Company by reason of its election to change its classification from a partnership to an association taxable as a corporation. However, if the Company were to hold assets that are treated as "United States real property interests" ("**USRPIs**") for US federal income tax purposes, the Company could be required to withhold US federal income tax at a 15% rate in respect of Non-US Holders' proportionate shares of the fair market value of such USRPIs. Likewise, if the change in the classification of the Company for US federal income tax purposes were to result in the recognition of gain that is treated as income that is effectively connected with the conduct of a US trade or business or otherwise taxed in the same manner as such income ("**effectively connected income**" or "**ECI**"), the Company would be required to withhold US federal income tax in respect of Non-US Holders' proportionate shares of such gain, at the highest rate of US federal income tax applicable to the Non-US Holder based on the character of the gain. The Company does not believe that any of the assets it holds constitute USRPIs for US federal income tax purposes, and does not believe that the change in the classification of the Company for US federal income tax purposes will result in the recognition of gain that constitutes ECI. Accordingly, the Company does not believe that it will be required to withhold US federal income tax in respect of any Non-US Holder's proportionate share of any assets of the Company or in respect of any non-US Holder's proportionate share of any gain recognized on the change in the classification of the Company for US federal income tax purposes.

Following the change in the classification of the Company for US federal income tax purposes, the Company will be subject to US federal income tax at a 21 per cent. rate on any ECI that the Company realizes. In addition, any earnings and profits of the Company that are attributable to ECI (generally, the amount of ECI less the applicable US federal income tax thereon) will be subject to a US federal "branch profits" tax at a 30 per cent. rate. Interest, dividends and certain other categories of passive-type income that the Company derives from US sources and that is not ECI generally will be subject to US withholding tax at a 30 per cent. rate, unless an exemption or exclusion applies such as the exemption for "portfolio

interest". The Company does not believe that the income it derives will be considered ECI or other categories of passive-type income from US sources subject to US withholding taxes.

Taxable US Holders

Recognition of Gain on Change in Classification

The change in classification of the Company from a partnership to an association taxable as a corporation generally will be treated as a tax-free incorporation under Section 351 of the Code. However, under Section 367(a) of the Code, because the Company will be treated as a non-US corporation following its change in classification, each US Holder will recognize its proportionate share of gain in respect of each asset, other than certain stocks and securities of non-US corporations, that is held by the Company directly or through one or more tiers of entities treated as partnerships for US federal income tax purposes that has a fair market value exceeding its basis for US federal income tax purposes. The amount of gain that is recognized under Section 367(a) of the Code will not be reduced by reason of any asset held by the Company (directly or through one or more tiers of partnerships) that has a basis for US federal income tax purposes exceeding its fair market value. The Company estimates the tax cost for taxable US Holders will not be significant. The gains recognized upon the change in classification of the Company will be reported on the final US Schedule K-1 issued by the Company for the year ending 31 December 2019 or, if the Tax Classification Change Date occurs later than 1 January 2020, the gains would be reported on the final US Schedule K-1 issued by the Company for that part of the year commencing on 1 January and ending on the day preceding the Tax Classification Change Date.

Subject to the discussion under the section "Passive Foreign Investment Company Rules" above, the gross amount of any distributions made with respect to the Ordinary Shares generally will be taxable to a US Holder as non-US source ordinary dividend income to the extent paid out of the Company's current or accumulated earnings and profits (as determined under US federal income tax principles). The Company will use its best efforts to maintain calculations of its earnings and profits in accordance with US federal income tax principles to determine whether distributions will be treated as dividends for US federal income tax purposes. Dividends paid by the Company will not be eligible for the dividends received deduction for dividends received by certain US corporate shareholders and are not expected to be eligible for reduced rates of taxation for dividends received by non-corporate US Holders.

Passive Foreign Investment Company Rules

General

Following its change in classification, the Company expects to be treated as a PFIC for US federal income tax purposes. A non-US corporation is a PFIC in any taxable year in which, after taking into account certain look-through rules, either (i) at least 75 per cent. of its gross income is passive income or (ii) at least 50 per cent. of the average value (determined on a quarterly basis) of its assets is attributable to assets that produce or are held to produce passive income. Passive income for this purpose generally includes, among other things, dividends, interest, royalties, and rents, gross income from certain commodities transactions and capital gains. If a non-US corporation is treated as a PFIC with respect to a taxable US Holder for any taxable year, the non-US corporation generally will be treated as a PFIC with respect to such taxable US Holder for all subsequent taxable years in which the taxable US Holder holds a direct or indirect interest in the non-US corporation, regardless of whether the non-US corporation would be treated as a PFIC for such taxable year under the income and asset tests described above.

To the extent that underlying funds or companies in which the Company invests are treated as non-US corporations for US federal income tax purposes, such investments could also constitute PFICs for US federal income tax purposes.

If the Company is a PFIC in any taxable year during which a US Holder owns the Ordinary Shares, a US Holder would generally be subject in that and subsequent years to additional taxes on gains from the sale or other disposition of, and "excess distributions" with respect to, shares of a PFIC owned directly or indirectly by such US Holder. In general, an excess distribution is any distribution to the US Holder that is greater than 125 per cent. of the average annual distributions received by the US Holder during the three preceding taxable years or, if shorter, the US Holder's holding period for the Ordinary Shares (excluding periods prior to the Company's change in classification). Under these rules (i) the gain or excess distribution would be allocated rateably over the US Holder's holding period for the Ordinary Shares, (ii) the amount

allocated to the taxable year in which the gain or excess distribution was realized and to any year before the Company became a PFIC would be taxable as ordinary income in the current year, (iii) the amount allocated to other taxable years would be subject to tax at the highest rate in effect for that year and (iv) an amount equal to the interest charge generally applicable to underpayments of tax would be imposed in respect of the tax allocated to each such earlier year. For these purposes, a US Holder who uses the Ordinary Shares as collateral for a loan would be treated as having disposed of such Ordinary Shares. A US Holder of stock in a PFIC also is subject to additional tax form filing requirements.

Mark-to-Market Election

Different rules apply to a US Holder that makes a valid mark-to-market election with respect to the Ordinary Shares. This election can be made if the Ordinary Shares are considered to be "marketable securities" for purposes of the PFIC rules. The Ordinary Shares will be marketable securities for these purposes to the extent they are "regularly traded" on a "qualified exchange." A non-US exchange will be a qualified exchange if it is properly regulated and meets certain trading, listing, financial disclosure and other requirements. The London Stock Exchange should be considered a qualified exchange for these purposes. Generally, the Ordinary Shares will be treated as "regularly traded" in any calendar year in which more than a de minimis quantity of the Ordinary Shares are traded on a qualified exchange on at least 15 days during each calendar quarter. The mark-to-market election cannot be revoked without the consent of the IRS unless the Ordinary Shares cease to be marketable securities. If the Ordinary Shares are considered to be regularly traded on the London Stock Exchange, US Holders should be eligible to make a mark-to-market election with respect to the Ordinary Shares. Subject to certain limitations, a US Holder that makes a valid mark-to-market election with respect to the Ordinary Shares would be required to take into account the difference, if any, between the fair market value and the adjusted tax basis in those Ordinary Shares, at the end of each taxable year, as ordinary income (or ordinary loss to the extent of the net amount previously included as income by the US Holder as a result of the mark-to-market election) in calculating its income for such year. A US Holder's basis in the Ordinary Shares will be increased by the amount of any ordinary income inclusion and decreased by the amount of any ordinary loss taken into account under the mark-to-market rules. Gains from an actual sale or other disposition of the Ordinary Shares for which this election has been properly made would be treated as ordinary income, any losses incurred on a sale or other disposition of the Ordinary Shares would be treated as an ordinary loss to the extent of any net mark-to-market gains for prior years and any additional loss would be capital loss.

Even if a valid mark-to-market election is made with respect to the Ordinary Shares, there is a significant risk that indirect interests in any underlying PFIC in which the Company invests will not be covered by this election but will be subject to the excess distribution rules described above. Under these rules, distributions from, and dispositions of interests in, these subsidiaries, as well as certain other transactions, generally will be treated as a distribution or disposition subject to the discussion above regarding excess distributions.

QEF Election

In some cases, a shareholder of a PFIC can avoid the interest charge and some of the other adverse PFIC consequences described above by making a QEF election (a "**QEF Election**") to be taxed currently on its share of the PFIC's undistributed income.

Generally, a QEF Election should be made on or before the due date for filing a US Holder's US federal income tax return for the first taxable year following the Company's change in classification in which it holds the Ordinary Shares. If a timely QEF Election is made, an electing US Holder will be required to include in its ordinary income such US Holder's pro rata share of the Company's ordinary earnings and to include in its long-term capital gain income such US Holder's pro rata share of the Company's net capital gain for the relevant taxable year (including if the Tax Classification Change Date occurs later than 1 January 2020, for that part of the taxable year beginning on the Tax Classification Change Date and ending 31 December of the relevant year), whether or not distributed. The Company's ordinary earnings and/or net capital gain for a year may exceed the amount distributed by the Company for such year, and may exceed the actual economic income and gain realized by the Company. In certain cases in which a US Holder has made a QEF Election but the applicable PFIC does not distribute an amount equal to the US Holder's share of the PFIC's ordinary earnings and net capital gain for a taxable year, the US Holder may also be permitted to elect to defer payment of some or all of the taxes on the PFIC's undistributed income but will then be subject to an interest charge on the deferred amount.

The Company expects to be able to provide the requisite information to a US Holder making a QEF Election with respect to the Company for US federal income tax purposes (e.g., the US Holder's pro rata share of ordinary income and net capital gain) and take any other steps it reasonably can to facilitate such election by, and any reporting requirements of, the US Holder.

Prospective US Holders are urged to consult their own tax advisers about the consequences of holding the Ordinary Shares given the Company's status as a PFIC in any taxable year, including the availability of the mark-to-market election and the QEF Election and whether making either election would be advisable in their particular circumstances. In particular, US Holders should consider carefully the impact of a mark-to-market election with respect to the Ordinary Shares given that there is a significant risk that the Company will hold interests, directly or indirectly, in underlying entities that are classified as PFICs.

Distributions on Shares

Subject to the discussion under the section "Passive Foreign Investment Company Rules" above, the gross amount of any distributions made with respect to the Ordinary Shares generally will be taxable to a US Holder as non-US source ordinary dividend income to the extent paid out of the Company's current or accumulated earnings and profits (as determined under US federal income tax principles). The Company will use its best efforts to maintain calculations of its earnings and profits in accordance with US federal income tax principles to determine whether distributions will be treated as dividends for US federal income tax purposes. Dividends paid by the Company will not be eligible for the dividends received deduction for dividends received by certain US corporate shareholders and are not expected to be eligible for reduced rates of taxation for dividends received by non-corporate US Holders.

Sale, Exchange or Other Taxable Disposition of Shares

Subject to the discussion under the section "Passive Foreign Investment Company Rules" above, a US Holder generally will recognize US-source capital gain or loss upon the sale, exchange or other taxable disposition of the Ordinary Shares equal to the difference, if any, between the US dollar amount realized on the sale, exchange or other taxable disposition of the Ordinary Shares and the US Holder's tax basis in the Ordinary Shares. Any such gain or loss will be long-term capital gain or loss if the Ordinary Shares have been held for more than one year. Certain non-corporate US Holders may be eligible for preferential rates of US federal income tax in respect of long-term capital gains. The deductibility of capital losses is subject to limitations.

US Holders should consult their own tax advisers about how to account for payments made or received in a currency other than the US dollar.

US Tax-Exempt Holders

A US Tax-Exempt Holder generally will be exempt from US federal income tax on certain categories of income, such as dividends, interest, capital gains and similar income realized from securities investment or trading activity. This general exemption from tax, however, does not apply to the UBTI of a US Tax-Exempt Holder. Generally, except as noted above with respect to certain categories of exempt trading activity, UBTI includes income or gain derived from a trade or business, the conduct of which is substantially unrelated to the exercise or performance of a US Tax-Exempt Holder's exempt purpose or function. UBTI also includes (i) income derived by a US Tax-Exempt Holder from debt-financed property and (ii) gains derived by a US Tax-Exempt Holder from the disposition of debt-financed property. UBTI is separately calculated for each trade or business of a US Tax-Exempt Holder. Thus, a US Tax-Exempt Holder cannot use deductions relating to one trade or business to offset income from another.

Following the change in classification of the Company from a partnership to an association taxable as a corporation, income or gain realized by a US Tax-Exempt Holder in respect of its interest in the Company generally should not be taxable as UBTI, provided that the US Tax-Exempt Holder does not use borrowed funds constituting "acquisition indebtedness" in connection with its acquisition of the Company interest. As long as dividends paid by the Company to a US Tax-Exempt Holder are not characterized as UBTI, a US Tax-Exempt Holder should not be subject to tax under the PFIC rules.

US Tax-Exempt Holders are urged to consult their tax advisers concerning the US federal income tax and other tax consequences of an investment in the Company, including US federal excise tax considerations for US Tax-Exempt Holders that are "private foundations". There are special considerations which should

be taken into account by certain beneficiaries of charitable remainder trusts that invest in the Company. Charitable remainder trusts should consult their own tax advisors concerning the US federal income tax consequences of such an investment on their beneficiaries.

Reporting Requirements

The US federal income tax rules contain various tax filing and reporting requirements that may apply to the acquisition, holding or disposal of interests in the Company. The change in classification of the Company may require certain US Holders to file one or more of IRS Forms 926, 5471 and 8865. Failure to comply with these reporting requirements can result in significant penalties and other materially adverse consequences. US Holders should consult their own tax advisors regarding these and any reporting obligations they may have as a result of the acquisition, holding or disposition of interests in the Company and as a result of the change in classification of the Company from a partnership to an association taxable as a corporation.

Non-US Holders

As discussed under "Taxation of the Company" above, if the Company were to hold assets that are treated as USRPIs, the Company could be required to withhold US federal income tax at a 15 per cent. rate in respect of Non-US Holders' proportionate shares of the fair market value of such USRPIs. Likewise, if the change in the classification of the Company for US federal income tax purposes were to result in the recognition of gain that is treated as ECI, the Company would be required to withhold US federal income tax in respect of Non-US Holders' proportionate shares of such gain, at the highest rate of US federal income tax applicable to the Non-US Holder based on the character of the gain. If the Company were to recognize gain that is treated as ECI, each Non-US Holder would be required to file a US federal income tax return for the year that includes the change in the classification of the Company and to pay US federal income tax in respect of its proportionate share of such gain. The Non-US Holder will be allowed a credit for any US federal income tax withheld by the Company as described above, and will be entitled to a refund of any amount by which the withheld tax exceeds the Non-US Holder's US federal income tax liability. The Company does not believe that any of the assets it holds constitute USRPIs for US federal income tax purposes, and does not believe that the change in the classification of the Company for US federal income tax purposes will result in the recognition of gain that constitutes ECI. Accordingly, the Company does not believe that it will be required to withhold US federal income tax in respect of any Non-US Holder's proportionate share of any assets of the Company or in respect of any non-US Holder's proportionate share of any gain recognized on the change in the classification of the Company for US federal income tax purposes, and does not believe that a Non-US Holder will be required to file a US federal income tax return solely by reason of the change in the classification of the Company.

Subject to the discussion below under "Information Reporting and Backup Withholding Tax" below, following the change in classification of the Company from a partnership to an association taxable as a corporation, distributions made with respect to an Ordinary Share made to a non-US Holder and gain realized on the sale, exchange or retirement of an Ordinary Share by a non-US Holder, will not be subject to US federal income or withholding tax, unless (a) such income is effectively connected with a trade or business conducted by such Non-US Holder in the United States; or (b) in the case of US federal income tax imposed on gain, such Non-US Holder is a non-resident alien individual who holds the Ordinary Share as a capital asset and is present in the United States for 183 days or more in the taxable year of sale and certain other conditions are satisfied. A Non-US Holder will not be considered to be engaged in a trade or business within the United States for US federal income tax purposes solely by reason of holding Ordinary Shares.

Backup Withholding and Information Reporting

The amount of distributions paid in respect of the Ordinary Shares, and the proceeds from the sale of an Ordinary Share, in each case, paid within the United States or by a US payor or US middleman to a US person (other than a corporation or other exempt recipient) will be reported to the IRS. Under the Code, a US person may be subject, under certain circumstances, to "backup withholding tax" with respect to interest and principal on an Ordinary Share or the gross proceeds from the sale of an Ordinary Share paid within the United States or by a US middleman or United States payor to a US person. The backup withholding tax rate is currently 24 per cent. Backup withholding tax generally applies only if the US person: (a) fails to furnish its social security or other taxpayer identification number within a reasonable time after the request therefor; (b) furnishes an incorrect taxpayer identification number; (c) is notified by the IRS that it

has failed to properly report interest or dividends; or (d) fails, under certain circumstances, to provide a certified statement, signed under penalty of perjury, that it has furnished a correct taxpayer identification number and has not been notified by the IRS that it is subject to backup withholding tax for failure to report interest and dividend payments.

Non-US persons may be required to comply with certification procedures to establish that they are not subject to information reporting and backup withholding tax. In the case of payments to a foreign simple trust, a foreign grantor trust or a foreign partnership (other than payments to a foreign simple trust, a foreign grantor trust or a foreign partnership that qualifies as a "withholding foreign trust" or a "withholding foreign partnership" within the meaning of the applicable Treasury Regulations and payments to a foreign simple trust, a foreign grantor trust or a foreign partnership that are effectively connected with the conduct of a trade or business in the United States), the beneficiaries of the foreign simple trust, the persons treated as the owners of the foreign grantor trust or the partners of the foreign partnership, as the case may be, will be required to provide the certification discussed above in order to establish an exemption from backup withholding tax and information reporting requirements. Moreover, a payor may rely on a certification provided by a payee that is not a US person only if such payor does not have actual knowledge or reason to know that any information or certification stated in such certificate is incorrect.

Backup withholding is not an additional tax and any amounts withheld under the backup withholding rules may be allowed as a credit against a Holder's US federal income tax liability or a refund, provided the required information is timely furnished to the IRS.