

**THIS DOCUMENT AND THE ENCLOSED FORM OF PROXY ARE IMPORTANT AND REQUIRE YOUR IMMEDIATE ATTENTION. If you are in any doubt about the contents of this document or as to the action you should take, you are recommended to seek your own financial advice immediately from your stockbroker, bank manager, solicitor, accountant or other independent financial adviser authorised under the Financial Services and Markets Act 2000 (as amended) if you are resident in the United Kingdom, or, if not, from another appropriately authorised independent financial adviser if you are resident in a territory outside the United Kingdom. The whole of this document should be read.**

If you have sold or otherwise transferred all your Ordinary Shares in Shore Capital Group Limited (the "**Company**") please forward this document, together with the accompanying Form of Proxy as soon as possible either to the purchaser or transferee or to the person who arranged the sale or transfer so they can pass these documents to the person who now holds the shares. However, such documents should not be forwarded or transmitted in or into any jurisdiction in which such act would constitute a violation of the relevant laws of such jurisdiction. If you have sold or transferred only part of your holding of Ordinary Shares, you should retain these documents and consult the bank, stockbroker or other agent through whom the sale or transfer was effected.

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## **Shore Capital Group Limited**

*(a company incorporated under the laws of the Island of Guernsey with registered number 51355)*

### **Proposed cancellation of admission of Ordinary Shares to trading on AIM**

### **Proposed primary listing of the Ordinary Shares on the Mezzanine Market of the Bermuda Stock Exchange**

### **Notice of General Meeting**

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**This document should be read as a whole. However, your attention is drawn to the letter from the Chairman of the Company which is set out on pages 3 to 9 (inclusive) of this document and which contains, amongst other things, a recommendation that you vote in favour of the resolution to be proposed at the General Meeting.**

**Notice of a General Meeting of the Company, to be held at 3rd Floor, 1 Le Truchot, St Peter Port, Guernsey, GY1 1WD at 10 am on 15 October 2019, is set out at the end of this document. To be valid, the accompanying Form of Proxy for use in connection with the General Meeting should be completed, signed and returned as soon as possible to the Company's registrars, Computershare Investor Services (Guernsey) Limited ("Computershare") c/o The Pavilions, Bridgwater Road, Bristol, BS99 6ZY. The Form of Proxy should be received by Computershare by no later than 10 am on 11 October 2019 (or, in the case of an adjourned meeting, no later than 48 hours before the time of such meeting, excluding any part of a day that is not a working day). Completion and return of Forms of Proxy will not preclude Shareholders from attending and voting at the General Meeting should they so wish.**

A copy of this document will be made available from the Company's website, [www.shorecap.gg](http://www.shorecap.gg). Neither the content of the Company's website nor any website accessible by hyperlinks to the Company's website is incorporated in, or forms part of, this document.

### **FORWARD-LOOKING STATEMENTS**

This document includes statements that are, or may be deemed to be, "forward-looking statements". These forward-looking statements can be identified by the use of forward-looking terminology, including the terms "believes", "estimates", "plans", "projects", "anticipates", "expects", "intends", "may", "will", or "should" or, in each case, their negative or other variations or comparable terminology. These

forward-looking statements include matters that are not historical facts. They appear in a number of places throughout this document and include statements regarding the Directors' current intentions, beliefs or expectations concerning, among other things, the Group's results of operations, financial condition, liquidity, prospects, growth, strategies and the Group's markets.

By their nature, forward-looking statements involve risk and uncertainty because they relate to future events and circumstances. Actual results and developments could differ materially from those expressed or implied by the forward-looking statements.

Forward-looking statements may and often do differ materially from actual results. Any forward-looking statements in this document are based on certain factors and assumptions, including the Directors' current view with respect to future events and are subject to risks relating to future events and other risks, uncertainties and assumptions relating to the Group's operations, results of operations, growth strategy and liquidity. Whilst the Directors consider these assumptions to be reasonable based upon information currently available, they may prove to be incorrect. Save as required by law or by the AIM Rules, the Company undertakes no obligation to publicly release the results of any revisions to any forward-looking statements in this document that may occur due to any change in the Directors' expectations or to reflect events or circumstances after the date of this document.

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## **EXPECTED TIMETABLE OF PRINCIPAL EVENTS** <sup>(1) (2)</sup>

Announcement of proposed Cancellation and notice provided to the London Stock Exchange	26 September 2019
Publication and posting of this document and Form of Proxy to Shareholders	26 September 2019
Latest time and date for receipt of Forms of Proxy in respect of the General Meeting	10.00 am on 11 October 2019
Time and date of the General Meeting	10.00 am on 15 October 2019
Expected last day of dealings in Ordinary Shares on AIM	31 October 2019
Expected time and date of Cancellation <sup>(3)</sup>	7.00 am on 1 November 2019
Expected date of the Primary BSX Listing	1 November 2019

### Notes:

<sup>(1)</sup> All of the times referred to in this document and the Form of Proxy refer to London time, unless otherwise stated.

<sup>(2)</sup> Each of the times and dates in the above timetable is subject to change. If any of the above times and/or dates change, the revised times and dates will be notified to Shareholders by an announcement through a Regulatory Information Service.

<sup>(3)</sup> The Cancellation requires the approval of not less than 75% of the votes cast by Shareholders at the General Meeting.

## DIRECTORS AND ADVISERS

<b>Directors</b>	Howard Shore Simon Fine David Kaye Lynn Bruce James Rosenwald III Dr Zvi Marom	<i>Chairman</i> <i>Co-Chief Executive Officer</i> <i>Co-Chief Executive Officer</i> <i>Director</i> <i>Director</i> <i>Director</i>
<b>Registered corporate office</b>	3rd Floor, 1 Le Truchot St Peter Port Guernsey GY1 1WD	
<b>Nominated adviser to the Company</b>	Grant Thornton UK LLP 30 Finsbury Square London EC2P 2YU	
<b>Legal advisers to the Company as to the Companies Law</b>	Carey Olsen (Guernsey) LLP Carey House Les Banques St Peter Port Guernsey GY1 4BZ	
<b>Legal advisers to the Company as to the Cancellation</b>	Bryan Cave Leighton Paisner LLP Adelaide House London Bridge London, EC4R 9HA United Kingdom	
<b>Legal advisers to the Company as to laws of Bermuda and the Primary Listing</b>	Walkers (Bermuda) Limited Park Place, 55 Par La Ville Road, Third Floor Hamilton HM11 Bermuda	
<b>Registrar</b>	Computershare Investor Services (Guernsey) Limited 1 <sup>st</sup> Floor, Tudor House Le Bordage St Peter Port Guernsey GY1 1DB	
<b>Bermudian Listing Agent</b>	LOM Financial (Bermuda) Limited The LOM Building 27 Reid Street Hamilton, HM 11 Bermuda	

**PART I**  
**LETTER FROM THE CHAIRMAN OF SHORE CAPITAL GROUP LIMITED**

*(a company incorporated under the laws of the Island of Guernsey with registered number 51355)*

**Directors:**

Howard Shore (*Chairman*)  
Simon Fine (*Co-Chief Executive Officer*)  
David Kaye (*Co-Chief Executive Officer*)  
Lynn Bruce (*Director*)  
James Rosenwald III (*Director*)  
Dr Zvi Marom (*Director*)

**Registered office:**

3<sup>rd</sup> Floor, 1 Le Truchot  
St Peter Port  
Guernsey GY1 1WD

26 September 2019

*To the Shareholders and, for information purposes only, to the holder of options over Ordinary Shares*

Dear Shareholder

**Proposed cancellation of admission of Ordinary Shares to trading on AIM**

**Proposed primary listing of the Ordinary Shares on the Mezzanine Market of the Bermuda Stock Exchange**

**Notice of General Meeting**

**1 INTRODUCTION**

- 1.1 The Ordinary Shares were admitted to trading on AIM on 25 September 2009. The Company sought a secondary listing of its shares on the Bermuda Stock Exchange ("**BSX**") which was approved effective from 30 April 2010.
- 1.2 The Company announced on 26 September 2019 that it is seeking Shareholder approval for the cancellation of the admission of its Ordinary Shares to trading on AIM and the proposed primary listing of the Ordinary Shares on the Mezzanine Market of the BSX.
- 1.3 The Board is proposing a special resolution of the Shareholders to approve the Cancellation at the General Meeting to be held at 10 am on 15 October 2019. The purpose of this document is to set out the reasons for the proposed Cancellation and the proposal to seek the Primary BSX Listing and to explain why the Directors

unanimously consider the proposed Cancellation and the Primary BSX Listing to be in the best interests of the Company and its Shareholders as a whole, and why the Directors unanimously recommend that you vote in favour of the Cancellation at the General Meeting. A notice convening the General Meeting is set out at the end of this document.

- 1.4 The Cancellation is conditional, pursuant to Rule 41 of the AIM Rules, upon the approval of not less than 75% of the votes cast by Shareholders (whether present in person or by proxy) at the General Meeting, notice of which is set out at the end of this document.
- 1.5 In accordance with Rule 41 of the AIM Rules, the Company has notified the London Stock Exchange of the date of the proposed Cancellation.

## 2 **BACKGROUND TO, AND REASONS FOR, THE CANCELLATION**

2.1 The Directors have conducted a review of the benefits and drawbacks to the Company and its Shareholders in retaining its admission to trading on AIM and believe that the Cancellation is in the best interests of the Company and its Shareholders as a whole. In reaching this conclusion, the Directors have considered the following key factors, amongst others:

- (a) the Company has sufficient and significant capital to meet its growth ambitions, obviating the need to access new equity capital in the London markets by being admitted to trading on AIM;
- (b) an inherent lack of liquidity underpins what the Board believes to be a significant mispricing of the Company's equity, evidenced by the substantial discount to NAV at which the Ordinary Shares trade. The strength of the Directors' and senior management's belief in this mispricing and the future prospects of the Company is evidenced by their increasing their holding in the Company by c.14% since the beginning of 2017, to a total of over 67%; and
- (c) the considerable cost and management time associated with maintaining the Company's admission to trading on AIM are, in the Director's opinion, disproportionate to the benefits to the Company in respect of such admission to trading.

2.2 Following careful consideration, the Directors believe that it is in the best interests of the Company and its Shareholders to seek the proposed Cancellation at the earliest opportunity.

2.3 Notwithstanding the proposed Cancellation, the Company intends to maintain its admission of the Ordinary Shares to trading on the BSX. The Company currently maintains a secondary listing in respect of the Ordinary Shares on the BSX. If the Cancellation is approved and becomes effective, the Directors intend that the Company shall seek a primary listing of the Ordinary Shares on the Mezzanine Market of the BSX (<https://www.bsx.com/mezzanine-market>).

2.4 The BSX has indicated that the Company and the Ordinary Shares are suitable for a primary listing on the Mezzanine Market provided that the Company restricts new investment in its listed securities to Qualified Investors in a manner acceptable to the BSX. This means that, with effect from the date of the Primary BSX Listing and in accordance with the BSX Listing Regulations, while the Ordinary Shares may continue to be held by existing shareholders, they may only be marketed to 'Qualified Investors' and may only be traded on the BSX to 'Qualified Investors'.

- 2.5 A 'Qualified Investor' means an investor who has truthfully completed an investor suitability declaration in the form prescribed by the BSX from time to time (the form of which is set out in Part IV and is available on the Company's website at [www.shorecap.gg](http://www.shorecap.gg) or in such other form as the BSX may approve) which, in summary, will be satisfied if either (i) the investor holds (including the investment in question) an investment of not less than US\$100,000 in the Company; or (ii) the investor otherwise meets one of the suitability tests set out in the investor suitability declaration.

### 3 **PROCESS FOR, AND PRINCIPAL EFFECTS OF, THE CANCELLATION AND PRIMARY BSX LISTING**

- 3.1 The Directors are aware that certain Shareholders may be unable or unwilling to hold directly or indirectly Ordinary Shares in the event that the Cancellation is approved and it and/or the Primary BSX Listing becomes effective. Such Shareholders should consider selling their interests in the market prior to the Cancellation becoming effective.

- 3.2 Under the AIM Rules, the Company is required to give at least 20 clear Business Days' notice of the Cancellation. Additionally, the Cancellation will not take effect until at least five clear Business Days have passed following the passing of the resolution for the Cancellation. If the resolution for the Cancellation is passed at the General Meeting, it is proposed that the last day of trading in Ordinary Shares on AIM will be 31 October 2019 and that the Cancellation will take effect at 7.00 am (UK time) on 1 November 2019.

- 3.3 The Ordinary Shares are expected to be admitted for trading on the Mezzanine Market of the BSX at 9 am (Bermuda time, which will be three hours behind UK time) on 1 November 2019.

- 3.4 The principal effects that the Cancellation and the Primary BSX Listing will have on Shareholders include the following:

- (a) following the Cancellation and with effect from the Primary BSX Listing, you will be able to continue to hold your Ordinary Shares even if you are not a Qualified Investor – there will not be any requirement to dispose of them;
- (b) if your Ordinary Shares are currently held in CREST, they will continue to be held in CREST following the Cancellation;
- (c) similarly, if your Ordinary Shares are currently held in certificated form, they will continue to be so held. The Company's register of members will continue to be held in Guernsey by Computershare Investor Services (Guernsey) Limited, the Company's registrar;
- (d) if you choose to sell your Ordinary Shares after the effective date of the Cancellation and the Primary BSX Listing (however they are currently held), such sale will only be permitted if the proposed purchaser of the Ordinary Shares is a Qualified Investor;
- (e) there will no longer be a formal market mechanism enabling Shareholders to trade their Ordinary Shares on AIM, however, with effect from the Primary BSX Listing, there will be a formal market mechanism enabling Shareholders to market and trade their Ordinary Shares on the BSX to Qualified Investors;
- (f) if (following the effective date of the Cancellation and the Primary BSX Listing), you wish to make use of this formal market mechanism enabling



Shareholders to market and trade their Ordinary Shares on the BSX to Qualified Investors, you should do so via your broker. Depending upon your broker's existing arrangements with regard to trading on the BSX, it may be necessary to open an account with LOM Financial Limited (the Company's Bermudian listing agent) or another trading member of the BSX;

- (g) even with a BSX listing, with existing low levels of liquidity, Cancellation may further reduce the marketability and liquidity of the Ordinary Shares and, as a consequence, the value of such shares may be adversely affected;
- (h) following the Cancellation, the Company will continue to be subject to protections granted by the BSX Listing Regulations, including the continuing obligations which are summarised at paragraph 4.1 below. However, Shareholders will no longer be afforded certain protections which are specific to the AIM Rules, such as AIM corporate governance requirements and transparency requirements (such as those relating to the publication of major shareholdings and the requirement to notify interim financial results) and the application of the class tests (as defined in the AIM Rules) in the context of substantial transactions, related party transactions, reverse takeovers and fundamental changes in the Company's business;
- (i) the Company will continue to be subject to the BSX Listing Regulations and Shareholders will continue to be afforded the protections given by the BSX Listing Regulations. In particular, the Company will be bound to make public announcements of material events and to announce audited results via the BSX and to continue to comply with its continuing obligations pursuant to the BSX Listing Regulations, which are summarised at paragraph 4.1 below;
- (j) Grant Thornton will cease to be the nominated adviser to the Company; and
- (k) the Cancellation might have either positive or negative taxation consequences for Shareholders (Shareholders who are in any doubt about their tax position should consult their own professional independent adviser immediately).

3.5 The Company confirms that there is currently no intention to change the existing Directors following the Cancellation.

3.6 The Board intends to continue to maintain the Company's website ([www.shorecap.gg](http://www.shorecap.gg)) and to post updates on that website from time to time, although Shareholders should be aware that there will be no obligation on the Company to include the information required under AIM Rule 26 or to update the website as required by the AIM Rules.

3.7 The Company will remain registered with the Guernsey Registry in accordance with and subject to the Companies Law, notwithstanding the Cancellation.

**The above considerations are not exhaustive and Shareholders should seek their own independent advice when assessing the likely impact of the Cancellation and the Primary BSX Listing on them.**

#### **4 SUMMARY OF THE CONTINUING OBLIGATIONS OF THE COMPANY UNDER THE BSX LISTING REGULATIONS**

4.1 Set out below is a summary of some of the key continuing obligations which an issuer, such as the Company, must undertake to comply with as a condition of being granted and maintaining a listing on the Mezzanine Market of the BSX.

- 4.2 The Company must keep the BSX and its Shareholders informed, by way of public announcement without delay, of any information relating to the Company that:
- (a) is necessary to enable them and the public to appraise the financial position of the Company;
  - (b) is necessary to avoid the establishment of a false market in its securities; and
  - (c) might reasonably be expected to materially affect market activity and the price of its securities.
- 4.3 The Company must prepare audited annual accounts within 6 months following the financial year and announce its audited results without delay following approval by the Board.
- 4.4 The Company must announce repurchases and redemptions of its listed securities, as well as changes to the capital structure and decisions to declare, recommend and pay or not to declare, recommend or pay any dividend which would have otherwise expected to have been declared, recommended or paid in due course.
- 4.5 The Company must announce changes to the general character of its business or to its constitution as well as changes to the directors, rights attaching to shares and the listing sponsor, secretary, auditors, registered office address, transfer agent and/or share registrar.
- 4.6 The Company must inform the BSX (for dissemination by the BSX) without delay upon the happening of an insolvency event in respect of the Company or any of its major subsidiaries.

## 5 **TRANSACTIONS IN ORDINARY SHARES**

- 5.1 Shareholders should note that they are able to trade in the Ordinary Shares on AIM at any time prior to 4.30 pm on 31 October 2019 and any Shareholder that does not wish to hold Ordinary Shares that are subject to such restricted marketing conditions should consider whether or not to sell their Ordinary Shares prior to that date.
- 5.2 The Ordinary Shares are expected to be admitted for trading on the Mezzanine Market of the BSX, subject to restricted marketing conditions, at 9 am (Bermuda time, which will be three hours behind UK time) on 1 November 2019.

## 6 **TAKEOVER CODE**

- 6.1 Notwithstanding the Cancellation, under the Takeover Code the Company will continue to be subject to its terms for a period of ten years following the Cancellation for as long as the Company's place of central management and control is based in the United Kingdom, the Channel Islands or the Isle of Man.
- 6.2 Under Rule 9 of the Takeover Code, when any person or group of persons acting in concert, individually or collectively, are interested in shares which in aggregate carry not less than 30 per cent. of the voting rights of a company but do not hold shares carrying more than 50 per cent. of the voting rights of a company and such person or any person acting in concert with him acquires an interest in any other shares, which increases the percentage of the shares carrying voting rights in which he is interested, then that person or group of persons is normally required by the Panel to make a general offer in cash to all shareholders of that company at the highest price paid by them for any interest in shares in that company during the previous 12

months. Rule 9 of the Takeover Code further provides that where any person, together with persons acting in concert with him, holds over 50 per cent. of the voting rights of a company to which the Takeover Code applies and acquires additional shares which carry voting rights, then that person will not generally be required to make a general offer to the other shareholders to acquire the balance of the shares not held by that person or his concert parties.

- 6.3 Following the expiry of the ten-year period from the date of the Cancellation referred to in paragraph 6.1 above, the Company will no longer be subject to the provisions of the Takeover Code. A summary of the protections afforded to Shareholders by the Takeover Code which will be lost is set out in Part II of this document.

## **7 GENERAL MEETING**

- 7.1 You will find set out at the end of this document a notice convening a General Meeting of the Company to be held at 10 am on 15 October 2019 at 3<sup>rd</sup> Floor, 1 Le Truchot, St Peter Port, Guernsey GY1 1WD, at which the resolution will be proposed.

- 7.2 The resolution for the Cancellation will be proposed as a special resolution.

## **8 PROCESS FOR CANCELLATION**

- 8.1 Under the AIM Rules, it is a requirement that the Cancellation must be approved by not less than 75% of votes cast by Shareholders at a General Meeting. Accordingly, the Notice of General Meeting set out at the end of this document contains a special resolution to approve the Cancellation.

- 8.2 Furthermore, Rule 41 of the AIM Rules requires any AIM company that wishes the London Stock Exchange to cancel the admission of its shares to trading on AIM to notify shareholders and to separately inform the London Stock Exchange of its preferred cancellation date at least 20 Business Days prior to such date. In accordance with AIM Rule 41, the Directors have notified the London Stock Exchange of the Company's intention, subject to the resolution being passed at the General Meeting, to cancel the Company's admission of the Ordinary Shares to trading on AIM on 1 November 2019.

- 8.3 Accordingly, if the resolution for the Cancellation is passed the Cancellation will become effective at 7.00 am on 1 November 2019. If the Cancellation is approved, Grant Thornton will cease to be nominated adviser of the Company and the Company will no longer be required to comply with the AIM Rules.

## **9 ACTION TO BE TAKEN BY SHAREHOLDERS**

- 9.1 A Form of Proxy is enclosed for use at the General Meeting.

- 9.2 Whether or not you intend to be present at the meeting you are requested to complete, sign and return the Form of Proxy to the Company's registrars, Computershare, c/o The Pavilions, Bridgwater Road, Bristol, BS99 6ZY as soon as possible but, in any event, by no later than 10 am on 11 October 2019 (or, in the case of an adjourned meeting, no later than 48 hours before the time of such meeting, excluding any part of a day that is not a working day).

- 9.3 The Form of Proxy will enable your vote to be counted at the General Meeting in the event of your absence. The completion and return of a Form of Proxy will not

preclude you from attending the meeting and voting in person should you wish to do so.

10      **RECOMMENDATION**

The Directors consider that the Cancellation and the Primary BSX Listing is in the best interests of the Company and its Shareholders as a whole and therefore unanimously recommend that you vote in favour of the Cancellation, as they intend to do so in respect of their own beneficial holdings, representing approximately 54.82% in aggregate of the issued share capital of the Company.

Yours sincerely

**HOWARD SHORE**

Chairman

## PART II THE TAKEOVER CODE

The Takeover Code currently applies to the Company and will do so for ten years following the Cancellation for as long as the Company's place of central management and control is based in the United Kingdom, the Channel Islands or the Isle of Man. However, once the ten year period referred to has expired, the Takeover Code will not apply to the Company and will not apply to any offer made to Shareholders to acquire their Ordinary Shares subsequent to the ten year period following the Cancellation of the Company.

**Shareholders should note that, if the Cancellation becomes effective, after the expiry of ten years from the date of the Cancellation they will not receive the protections afforded by the Takeover Code in the event that there is a subsequent offer to acquire their Ordinary Shares.**

Brief details of the Takeover Panel (the "**Panel**"), the Takeover Code and the protections given by the Takeover Code are described below.

### *The Takeover Code*

The Takeover Code is issued and administered by the Panel. The Company is a company to which the Takeover Code applies and its Shareholders are accordingly entitled to the protections afforded by the Takeover Code.

The Takeover Code and the Panel operate principally to ensure that shareholders are treated fairly and are not denied an opportunity to decide on the merits of a takeover and that shareholders of the same class are afforded equivalent treatment by an offeror. The Takeover Code also provides an orderly framework within which takeovers are conducted. In addition, it is designed to promote, in conjunction with other regulatory regimes, the integrity of the financial markets.

### *The General Principles and Rules of the Takeover Code*

The Code is based upon a number of General Principles which are essentially statements of standards of commercial behaviour. For your information, these General Principles are set out in Part 1 of Appendix I of this Part II. The General Principles apply to all transactions with which the Takeover Code is concerned. They are expressed in broad general terms and the Takeover Code does not define the precise extent of, or the limitations on, their application. They are applied by the Panel in accordance with their spirit to achieve their underlying purpose.

In addition to the General Principles, the Takeover Code contains a series of Rules, of which some are effectively expansions of the General Principles and examples of their application and others are provisions governing specific aspects of takeover procedure. Although most of the Rules are expressed in more detailed language than the General Principles, they are not framed in technical language and, like the General Principles, are to be interpreted to achieve their underlying purpose. Therefore, their spirit must be observed as well as their letter. The Panel may derogate or grant a waiver to a person from the application of a Rule in certain circumstances.

### *Giving up the protection of the Takeover Code*

A summary of key points regarding the application of the Takeover Code to takeovers generally is set out in Part 2 of Appendix I of this Part II. **You are encouraged to read this information carefully as it outlines certain important protections which will cease to apply ten years following Cancellation.**

## **Appendix I**

### **Part 1 : The General Principles of the Takeover Code**

1. All holders of the securities of an offeree company of the same class must be afforded equivalent treatment; moreover, if a person acquires control of a company, the other holders of securities must be protected.
2. The holders of the securities of an offeree company must have sufficient time and information to enable them to reach a properly informed decision on the bid; where it advises the holders of securities, the board of the offeree company must give its views on the effects of implementation of the bid on employment, conditions of employment and the locations of the company's places of business.
3. The board of an offeree company must act in the interests of the company as a whole and must not deny the holders of securities the opportunity to decide on the merits of the bid.
4. False markets must not be created in the securities of the offeree company, of the offeror company, or of any other company concerned by the bid in such a way that the rise or fall of the prices of the securities becomes artificial and the normal functioning of the markets is distorted.
5. An offeror must announce a bid only after ensuring that he/she can fulfil in full any cash consideration, if such is offered, and after taking all reasonable measures to secure the implementation of any other type of consideration.
6. An offeree company must not be hindered in the conduct of its affairs for longer than is reasonable by a bid for its securities.

### **Part 2: Detailed application of the Takeover Code**

The following is a summary of key provisions of the Takeover Code which apply to transactions to which the Takeover Code applies. You should note that ten years after the Cancellation the following protections afforded by the Takeover Code will be given up.

#### *Equality of treatment*

General Principle 1 of the Takeover Code states that all holders of securities of an offeree company of the same class must be afforded equivalent treatment. Furthermore, Rule 16.1 requires that, except with the consent of the Panel, special arrangements may not be made with certain shareholders in the Company if there are favourable conditions attached which are not being extended to all shareholders.

General Principle 2 requires that holders of securities of an offeree company must have sufficient time and information to enable them to reach a properly informed decision on a bid. Consequently, a document setting out full details of an offer must be sent to the offeree company's shareholders.

#### *The opinion of the offeree board and independent advice*

The board of the offeree company is required by Rule 3.1 of the Takeover Code to obtain competent independent advice on an offer and the substance of such advice must be made known to its shareholders. Rule 25.2 requires that the board of the offeree company must send to the offeree company's shareholders and persons with information rights its opinion on the offer and its reasons for forming that opinion. That opinion must include the board's

views on: (i) the effects of implementation of the offer on all the company's interests, including, specifically, employment; and (ii) the offeror's strategic plans for the offeree company and their likely repercussions on employment and the locations of the offeree company's places of business.

The circular from the offeree company must also deal with other matters such as interests and recent dealings in the securities of the offeror and the offeree company by relevant parties and whether the directors of the offeree company intend to accept or reject the offer in respect of their own beneficial shareholdings.

Rule 20.1 states that information about the companies involved in the offer must be made equally available to all offeree company shareholders and persons with information rights as nearly as possible at the same time and in the same manner.

*Optionholders and holders of convertible securities or subscription rights*

Rule 15 of the Takeover Code provides that when a Takeover Code offer is made for voting equity share capital or other transferable securities carrying voting rights and the offeree company has convertible securities outstanding, the offeror must make an appropriate offer or proposal to the stockholders to ensure their interests are safeguarded. Rule 15 also applies in relation to holders of options and other subscription rights. If Cancellation occurs, ten years following the Cancellation these protections will be lost.

### **PART III DEFINITIONS**

The following words and expressions shall have the following meanings in this document unless the context otherwise requires. References to the singular shall include references to the plural, where applicable, and vice versa:

<b>"US \$" and "US dollars"</b>	the legal currency for the time being of the United States of America.
<b>"AIM"</b>	AIM, the market of that name operated by the London Stock Exchange.
<b>"AIM Rules"</b>	the rules and guidance for companies whose shares are admitted to trading on AIM entitled "AIM Rules for Companies" published by the London Stock Exchange, as amended from time to time.
<b>"Board" or "Directors"</b>	the directors of the Company whose names appear on page 3 of this document.
<b>"BSX"</b>	the Bermuda Stock Exchange.
<b>"BSX Listing Regulations"</b>	the listing regulations of the BSX.
<b>"Business Day"</b>	a day (other than a Saturday, Sunday or public holiday) on which the London Stock Exchange is open for trading.
<b>"Cancellation"</b>	the proposed cancellation of admission of the Ordinary Shares to trading on AIM as described in this document.
<b>"Companies Law"</b>	the Companies (Guernsey) Law, 2008 as amended, extended or replaced and any ordinance, statutory instrument or regulation for the time being in force concerning companies registered in the Island of Guernsey.
<b>"Company"</b>	Shore Capital Group Limited, a company incorporated under the laws of the Island of Guernsey with registered number 51355 whose registered office is 3 <sup>rd</sup> Floor, 1 Le Truchot, St Peter Port, Guernsey GY1 1WD.
<b>"Computershare"</b>	Computershare Investor Services (Guernsey) Limited.
<b>"CREST"</b>	the computerised settlement system operated by Euroclear UK & Ireland Limited, which facilitates the transfer of title to securities in uncertificated form.
<b>"Form of Proxy"</b>	the form of proxy for use by Shareholders at the General Meeting which accompanies this document.
<b>"General Meeting"</b>	the general meeting of the Company, notice of which is set out at the end of this document.
<b>"Grant Thornton"</b>	Grant Thornton UK LLP, with registered number OC307742 and with its registered office at 30 Finsbury Square, London



	EC2P 2YU.
<b>"Group"</b>	the Company and its subsidiaries.
<b>"Guernsey Registry"</b>	the Registry of Companies in Guernsey.
<b>"London Stock Exchange"</b>	London Stock Exchange plc.
<b>"Notice of General Meeting"</b>	the notice of the General Meeting which is set out at the end of this document.
<b>"Ordinary Shares"</b>	the ordinary shares of no par value in the share capital of the Company.
<b>"Primary BSX Listing"</b>	the proposed admission to primary listing on the Mezzanine Market of the BSX as described in this document.
<b>"Qualified Investor"</b>	means an investor who has truthfully completed an investor suitability declaration in the form prescribed by the BSX from time to time (which is set out in Part IV) or in such other form as the BSX may approve.
<b>"Regulatory Information Service"</b>	a regulatory information service that is approved by the Financial Conduct Authority and that is on the list of regulatory information service providers maintained by the Financial Conduct Authority.
<b>"Shareholder(s)"</b>	holder(s) of Ordinary Shares.
<b>"Takeover Code"</b>	the City Code on Takeovers and Mergers.
<b>"UK" or "United Kingdom"</b>	the United Kingdom of Great Britain and Northern Ireland.
<b>"voting rights"</b>	all voting rights attributable to the share capital of the Company which are currently exercisable at a General Meeting.

## **PART IV INVESTOR SUITABILITY DECLARATION**

### **INVESTOR SUITABILITY DECLARATION**

The Investor must initial those representations that apply to him, her or it. In this Declaration the "\$" sign refers to US dollars but the monetary value indicated may be the equivalent in another currency.

1. FOR INDIVIDUAL INVESTORS

- Investor represents that his or her investment is not less than \$100,000 and that he or she is a sophisticated investor. For the purposes of this representation, a "sophisticated investor" means a person who has such knowledge and experience in financial, securities, investment and other business matters that he or she is capable of evaluating the merits and risks of the prospective investment and is able to adequately protect his or her own interests. Investor acknowledges that he or she can bear the risk of this investment for an indefinite period of time.

OR

- Investor represents that he or she had an individual income of more than \$200,000 in each of the last two calendar years or joint income with his or her spouse in excess of \$300,000 in each of those years and reasonably expects to reach the same income level in the current calendar year.

OR

- Investor represents that he or she has an individual net worth, or together with his or her spouse a combined net worth, in excess of \$1,000,000. For the purposes of this representation, "net worth" means the excess of total assets at fair market value, including home, home furnishings and automobiles, over total liabilities.

OR

- Investor represents that he or she is a director, executive officer, general partner or employee of the Issuer.

2. FOR PRIVATE CORPORATIONS OR PARTNERSHIPS

EITHER:

- Investor represents that its investment is not less than \$100,000 and that each of its directors is a sophisticated investor. For the purposes of this representation, a "sophisticated investor" means a person who has such knowledge and experience in financial, securities, investment and other business matters that he or she is capable of evaluating the merits and risks of the prospective investment and is able to adequately protect his or her own interests. Investor acknowledges that it can bear the risk of this investment for an indefinite period of time.

OR

- Investor represents that it is a corporation, business trust or partnership with total assets in excess of \$5,000,000 and that each of its equity owners/partners is a sophisticated investor. For the purposes of this representation, a "sophisticated investor" means a person who has such knowledge and experience in financial, securities, investment and other business matters that he or she is capable of evaluating the merits and risks of the prospective investment and is able to adequately protect his or her own interests. Investor acknowledges that it can bear the risk of this investment for an indefinite period of time.

OR

- Investor represents that it is a corporation, business trust or partnership and that all of its equity owners/partners meet at least one of the standards set out in Paragraph 1 of this Investor Suitability Declaration. Investor acknowledges that it can bear the risk of this investment for an indefinite period of time.

3. FOR PUBLIC COMPANIES AND INSTITUTIONAL INVESTORS

- Investor represents that it is a corporation with a primary listing on a stock exchange which is recognized for this purpose by the BSX (see attached Schedule A) or that it is a bank, stockbroker, insurance company, investment company, mutual fund or pension fund which is licensed in its home jurisdiction as such.

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Name, if individual

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Signature, if individual

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Name, if entity

By: \_\_\_\_\_

Title: \_\_\_\_\_

## SHORE CAPITAL GROUP LIMITED

### (THE "COMPANY")

*(a company incorporated under the laws of the Island of Guernsey with registered number 51355)*

### NOTICE OF GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that a general meeting of the Company will be held at 10 am on 15 October 2019 at 3<sup>rd</sup> Floor, 1 Le Truchot, St Peter Port, Guernsey GY1 1WD to consider and, if thought fit, approve the resolution set out below, which is proposed as a special resolution.

### SPECIAL RESOLUTION

**THAT**, in accordance with Rule 41 of the AIM Rules for Companies, the cancellation of the admission to trading on AIM (the market of that name operated by the London Stock Exchange plc) of the ordinary shares of no par value in the capital of the Company be and is hereby approved and the directors of the Company be authorised to take all action reasonable or necessary to effect such cancellation.

### BY ORDER OF THE BOARD

Lynn Bruce

*Company Secretary*

Date: 26 September 2019

Registered Office: 3<sup>rd</sup> Floor, 1 Le Truchot, St Peter Port, Guernsey GY1 1WD

### Notes

1. **ENCLOSED WITH THIS NOTICE OF GENERAL MEETING IS A FORM OF PROXY FOR SHAREHOLDERS (THE "FORM OF PROXY").**
2. A member who is entitled to attend and vote at this General Meeting may appoint one or more proxies to attend and vote on his/her behalf. A shareholder may appoint more than one proxy in relation to the General Meeting provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that shareholder. In the case of joint holders the form of proxy may be signed by any of the joint holders and the names of all joint holders should be shown. In the event that joint holders submit more than one proxy form in relation to the same shares, the vote tendered by the senior holder who tenders a vote shall be accepted to the exclusion of all other joint holders, and for this purpose seniority shall be determined by the order in which the names of the holders appear in the register of members in respect of the share. If you require additional proxy forms, please contact the Company's registrars, Computershare Investor Services (Guernsey) Limited c/o The Pavilions, Bridgwater Road, Bristol, BS99 6ZY on 0370 707 4040 or you may photocopy this form.
3. Such a proxy need not be a member of the Company.
4. To be valid, a Form of Proxy must be lodged with the Company's registrars, Computershare Investor Services (Guernsey) Limited c/o The Pavilions, Bridgwater Road, Bristol, BS99 6ZY

so that it is received no later than 10 am on 11 October 2019. A Form of Proxy for use by shareholders is enclosed with this notice of General Meeting. Completion of the Form of Proxy will not prevent a shareholder from attending the General Meeting and voting in person.

5. In order to facilitate voting by corporate representatives at the General Meeting, arrangements will be put in place at the General Meeting so that (i) if a corporate shareholder has appointed the chairman of the General Meeting as its corporate representative with instructions to vote on a poll in accordance with the directions of all of the other corporate representatives for that shareholder at the General Meeting, then on a poll those corporate representatives will give voting directions to the chairman and the chairman will vote (or withhold a vote) as corporate representative in accordance with those directions; and (ii) if more than one corporate representative for the same corporate shareholder attends the General Meeting but the corporate shareholder has not appointed the chairman of the General Meeting as its corporate representative, a designated corporate representative will be nominated, from those corporate representatives who attend, who will vote on a poll and the other corporate representatives will give voting directions to that designated corporate representative. Corporate shareholders are referred to the guidance issued by the Institute of Chartered Secretaries and Administrators on proxies and corporate representatives ([www.icsa.org.uk](http://www.icsa.org.uk)) for further details of this procedure. The guidance includes a sample form of representation letter if the chairman is being appointed as described in (i) above.
6. The quorum for the General Meeting is two Shareholders entitled to vote. The majority required for the passing of the special resolution is not less than 75 per cent. of the votes cast for that resolution.
7. At the General Meeting, the resolution shall be decided on a show of hands (unless a poll is demanded) and on a show of hands every shareholder who is present in person or by proxy shall have one vote.
8. In accordance with Article 12.1 of the Company's Articles of Incorporation, only those members entered on the Company's register of members as at 6 pm on 11 October 2019 or, if the General Meeting is adjourned, shareholders entered on the Company's register of members as at 6 pm on the second Business Day (as defined in the articles of incorporation of the Company) before the day fixed for the adjourned General Meeting shall be entitled to attend and vote at the General Meeting.