



GLOBAL INVESTMENTS  
LIMITED

**GLOBAL INVESTMENTS LIMITED**

(A mutual fund company incorporated with limited liability in Bermuda)

**LETTER TO SHAREHOLDERS – 8 APRIL 2010**



GLOBAL INVESTMENTS  
LIMITED

Penboss Building, 2<sup>nd</sup> Floor  
50 Parliament Street  
Hamilton HM 12 Bermuda  
www.globalinvestmentslimited.com

## GLOBAL INVESTMENTS LIMITED

(A mutual fund company incorporated with limited liability in Bermuda)

### Board of Directors

Mr Boon Swan Foo (Chairman and Manager Nominated Director)

Ms Tara Leonard Railton (Deputy Chairman and Independent Director)

Mr Nicholas James Douglas Campbell (Independent Director)

Mr Adrian Chan Pengee (Independent Director)

Mr Sanjiv Misra (Independent Director)

Mr Joel Peter Schaefer (Independent Director)

8 April 2010

To: The Shareholders of  
Global Investments Limited

Dear Sir/Madam

### 1. INTRODUCTION

1.1 We refer to:

- (a) the Notice of Annual General Meeting of Global Investments Limited (the “**Company**” or “**GIL**”) dated 8 April 2010 (the “**Notice**”), accompanying the Annual Report 2009, convening the 2010 Annual General Meeting (the “**2010 AGM**”) of the Company to be held on 30 April 2010;
- (b) Resolution 9, being the Special Resolution relating to the proposed amendments to bye-laws 1, 2(a), 34(e), 40, 42(b), 44(a), 46 to 49, 53(f), 67, 68(f), 71, 73, 76(a), 85, 89, 93, 97 and 99 of the bye-laws of the Company, as amended, supplemented or modified from time to time (the “**Bye-Laws**”) and a proposed addition of a new Bye-Law 85A to reflect changes in The Companies Act 1981 of Bermuda, as amended or modified from time to time (the “**Bermuda Companies Act**”) and changes of an editorial nature, as set out in the Notice;
- (c) Resolution 10, being the Special Resolution relating to the proposed amendments to Bye-Laws 1, 56(d) to (j), 57, 60, 71(a) and 78(a) to reflect the provisions of the Management Agreement dated 24 September 2009 (“**Management Agreement**”) between the Company and ST Asset Management Ltd (“**STAM**” or the “**Manager**”), as set out in the Notice;

- (d) Resolution 11, being the Special Resolution relating to the proposed amendments to Bye-Laws 38, 44(b), 56(c), 58(g), 59, 64, 67, 68(b), 69(b) and 71(a) to remove the current constraints of ensuring that the Company remains a tax resident of Bermuda at all times and a proposed addition of a new Bye-Law 58(A) pursuant to Rule 730 of the Listing Manual, as set out in the Notice; and
- (e) Resolution 12, being the Special Resolution relating to the proposed amendment to the Memorandum of Association of the Company, as amended or modified from time to time (the “**Memorandum**”), as set out in the Notice.

## **2. RATIONALE FOR AND PURPOSE OF THE PROPOSED AMENDMENTS TO THE BYE-LAWS TO REFLECT CHANGES IN THE BERMUDA COMPANIES ACT**

- 2.1 The proposed amendments to Bye-Laws 1, 2(a), 34(e), 40, 42(b), 44(a), 46 to 49, 53(f), 67, 68(f), 71, 73, 76(a), 85, 89, 93, 97 and 99 and a proposed addition of a new Bye-Law 85A are intended to reflect changes in the Bermuda Companies Act and changes of an editorial nature.
- 2.2 **Appendix 1.** The text of the Bye-Laws which is proposed to be amended to reflect changes in the Bermuda Companies Act and changes of an editorial nature is set out in Appendix 1 to this Letter. The proposed amendments are subject to the Company’s shareholders’ (“**Shareholders**”) approval by way of a Special Resolution.

## **3. RATIONALE FOR AND PURPOSE OF THE PROPOSED AMENDMENTS TO THE BYE-LAWS TO REFLECT THE PROVISIONS IN THE MANAGEMENT AGREEMENT**

- 3.1 The proposed amendments to Bye-Laws 1, 56(d) to (j), 57, 60, 71(a) and 78(a) will better reflect the management of the Company following the appointment of STAM as the manager of the Company, including removal of all references to Babcock & Brown Global Investments Management Pty Limited as the manager of the Company and to the existing provisions relating to the “**Manager Appointed Directors**”. The amendments also provide for the appointment of “**Manager Nominated Director(s)**” pursuant to the Management Agreement and otherwise conform to the Bye-Laws to reflect the provisions of the Management Agreement.
- 3.2 **Appendix 2.** The text of the Bye-Laws which is proposed to be amended to reflect the provisions in the Management Agreement is set out in Appendix 2 to this Letter. The proposed amendments are subject to Shareholders’ approval by way of a Special Resolution.

## **4. RATIONALE FOR AND PURPOSE OF THE PROPOSED AMENDMENTS TO THE BYE-LAWS TO REMOVE THE CURRENT CONSTRAINTS OF ENSURING THAT THE COMPANY REMAINS A TAX RESIDENT OF BERMUDA AND PROPOSED ADDITION OF A NEW BYE-LAW 58(A) PURSUANT TO RULE 730 OF THE LISTING MANUAL**

- 4.1 At the Special General Meeting held on 25 November 2009, a query was raised on the future domicile of the Company. Shareholders were informed that GIL would consider moving its domicile to Singapore from Bermuda. The board of directors of the Company (“**Board**”) supported a review of the matter and entrusted the newly appointed manager, STAM, with the task of exploring the shifting of domicile of the Company from Bermuda to Singapore to reduce costs and provide greater operational flexibility for the Board.
- 4.2 Since then, the Manager has been working with the Company’s tax and legal advisors to explore the various avenues and has applied to the Monetary Authority of Singapore (“**MAS**”) for the Company to be approved under the Enhanced-Tier Fund Tax Incentive Scheme which would allow the Company to enjoy tax exemption on its investment portfolio even if it were to be tax resident in Singapore.

- 4.3 As announced on 18 March 2010, the Company has received approval of the application from the MAS on 17 March 2010. As an Enhanced-Tier Fund, the Company will enjoy tax exemption on Specified Income (as defined in Appendix 4) in respect of any Designated Investments (as defined in Appendix 4) for the life of the Company even if it were tax resident in Singapore.
- 4.4 With such approval, the current constraints of ensuring that the Company remains a tax resident of Bermuda at all times as provided under the Bye-Laws can be removed. In particular, the Company faces, *inter alia*, the following constraints arising from the provisions set out in the existing Bye-Laws:
- (a) **Quorum.** Two Singapore resident directors cannot form a quorum necessary for the transaction of the business of the directors;
  - (b) **Composition of Directors.** The majority of the Board may not comprise directors who are resident for tax purposes in Singapore or any jurisdiction outside of Bermuda;
  - (c) **Written Resolutions.** Resolutions in writing of the directors are invalid or ineffective if its signature in any one or more jurisdictions would cause the Company to become resident for tax purposes in a jurisdiction other than Bermuda; and
  - (d) **Physical Meeting of the Board.** No physical meetings of directors shall be held in Singapore and, in the case of a meeting of the directors by way of, for example, telephone, the majority of directors must be physically outside Singapore at such time.
- 4.5 Currently, the Company is domiciled in Bermuda and a tax resident in Bermuda while it is listed in Singapore with a majority of its shareholders residing in Singapore. As an Enhanced-Tier Fund, the constraints mentioned in paragraph 4.4 above can be removed, in particular, the constraint in relation to the choice of directors. Going forward, provided that the residency requirement under Bermuda law is satisfied by the appointment of a secretary or resident representative ordinarily resident in Bermuda, the Company will not require a minimum number of directors to be resident in Bermuda or a limit on the number of directors to be resident in Singapore and will no longer be restricted in the selection of directors from any particular jurisdiction.
- 4.6 The Board can thus comprise members of more varied nationalities subject to and taking into account factors such as, qualifications, the time zone of the director's place of residence, travelling costs and the ease of conducting meetings. With the added flexibility of a change in the tax resident status of the Company, the Company will be exploring other cost saving measures such as maintaining only a resident representative ordinarily resident in Bermuda to satisfy the minimum residency requirement pursuant to the Bermuda Companies Act. In this respect, the Board will be appointing Ms Goh Mui Hong, the President and Chief Executive Officer of the Manager, as a Manager Nominated Director to the Board, subject to, *inter alia*, Shareholders' approval of the proposed amendments to Bye-Laws 38, 44(b), 56(c), 58(g), 59, 64, 67, 68(b), 69(b) and 71(a).
- 4.7 Separately, the addition of a new Bye-Law 58(A) is pursuant to Rule 730 of the Listing Manual of the Securities Exchange Securities Trading Limited ("**SGX-ST**") which provides that "if an issuer amends its Articles of Association or other constituent documents, they must be made consistent with the listing rules prevailing at the time of amendment."
- 4.8 Appendix 2.2 of the Listing Manual ("**Appendix 2.2**") sets out the provisions which must be contained in the Articles of Association or other constituent documents of the issuer. In particular, the addition of Bye-Law 58(A) is to comply with the provision set out in paragraph 9(n) of Appendix 2.2 as follows:

*"where a director is disqualified from acting as a director in any jurisdiction for reasons other than on technical grounds, he must immediately resign from the board"*

- 4.9 Accordingly, for the reasons set out above, the Company is seeking Shareholders' approval to amend Bye-Laws 38, 44(b), 56(c), 58(g), 59, 64, 67, 68(b), 69(b) and 71(a) and insert a new Bye-Law 58(A).
- 4.10 **Appendix 3.** The text of the Bye-Laws which is proposed to be amended is set out in Appendix 3 to this Letter. The proposed amendments are subject to Shareholders' approval by way of a Special Resolution.
- 4.11 **Appendix 5.** Appendix 5 sets out a summary of certain Singapore income tax consequences of the purchase, ownership and disposition of the Company's shares of par value S\$0.01 each (the "Shares").

## 5. PROPOSED AMENDMENT TO THE MEMORANDUM

- 5.1 The proposed amendment to the Memorandum will reflect changes in the Bermuda Companies Act which now permit a Bermuda company to be incorporated with unrestricted objects and as a result will remove any possible doubt as to whether or not a company has corporate capacity to undertake any activity that is otherwise lawful. The Memorandum will retain as a specific object that it is a mutual fund company within the meaning of section 156A of the Bermuda Companies Act as required by that statutory provision.
- 5.2 **Appendix 6.** The text of the Memorandum which is proposed to be amended to reflect changes in the Bermuda Companies Act is set out in Appendix 6 to this Letter.

## 6. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTERESTS

- 6.1 **Directors' and Substantial Shareholders' Interests.** As at 29 March 2010, the interests of the Directors and the Substantial Shareholders (as defined in Sections 81(1) and 81(2) of the Companies Act, Chapter 50 of Singapore) of the Company in Shares as recorded in the Register of Directors' Shareholdings and the Register of Substantial Shareholders, respectively, are as follows:

<u>Directors</u>	<u>Direct Interest</u>	<u>Number of Shares</u>		<u>%</u>
		<u>%</u>	<u>Deemed Interest</u>	
Boon Swan Foo	33,093,086	8.429	-	-
Tara Leonard Railton	-	-	-	-
Nicholas Campbell	-	-	-	-
Adrian Chan Pengee	-	-	5,000	0.001
Sanjiv Misra	-	-	-	-
Joel Peter Schaefer	-	-	145,000	0.037
Goh Mui Hong <sup>1</sup>	-	-	-	-

  

<u>Substantial Shareholders</u>	<u>Direct Interest</u>	<u>Number of Shares</u>		<u>%</u>
		<u>%</u>	<u>Deemed Interest</u>	
Boon Swan Foo	33,093,086	8.429	-	-

<sup>1</sup> Alternate Director to Boon Swan Foo

## **7. DIRECTORS' RECOMMENDATION**

- 7.1 **Special Resolution 9 - proposed amendments to Bye-Laws 1, 2(a), 34(e), 40, 42(b), 44(a), 46 to 49, 53(f), 67, 68(f), 71, 73, 76(a), 85, 89, 93, 97 and 99 and a proposed addition of a new Bye-Law 85A to reflect changes in the Bermuda Companies Act and changes of an editorial nature.** Having considered the reasons for the proposed amendments to the Bye-Laws set out in paragraph 2 above, the Directors are of the opinion that the proposed amendments to Bye-Laws 1, 2(a), 34(e), 40, 42(b), 44(a), 46 to 49, 53(f), 67, 68(f), 71, 73, 76(a), 85, 89, 93, 97 and 99 and a proposed addition of a new Bye-Law 85A are in the best interests of the Company. Accordingly, they recommend that Shareholders vote in favour of Resolution 9, being the Special Resolution to amend Bye-Laws 1, 2(a), 34(e), 40, 42(b), 44(a), 46 to 49, 53(f), 67, 68(f), 71, 73, 76(a), 85, 89, 93, 97 and 99 and add a new Bye-Law 85A at the 2010 AGM.
- 7.2 **Special Resolution 10 - proposed amendments to Bye-Laws 1, 56(d) to (j), 57, 60, 71(a) and 78(a) to reflect the provisions in the Management Agreement.** Having considered the reasons for the proposed amendments to the Bye-Laws set out in paragraph 3 above, the Directors are of the opinion that the proposed amendments to Bye-Laws 1, 56(d) to (j), 57, 60, 71(a) and 78(a) are in the best interests of the Company. Accordingly, they recommend that Shareholders vote in favour of Resolution 10, being the Special Resolution to amend Bye-Laws 1, 56(d) to (j), 57, 60, 71(a) and 78(a) at the 2010 AGM.
- 7.3 **Special Resolution 11 - proposed amendments to Bye-Laws 38, 44(b), 56(c), 58(g), 59, 64, 67, 68(b), 69(b) and 71(a) to remove the current constraints of ensuring that the Company remains a tax resident of Bermuda at all times and a proposed addition of a new Bye-Law 58(A) pursuant to Rule 730 of the Listing Manual.** Having considered the reasons for the proposed amendments to the Bye-Laws set out in paragraph 4 above, the Directors are of the opinion that the proposed amendments to Bye-Laws 38, 44(b), 56(c), 58(g), 59, 64, 67, 68(b), 69(b) and 71(a) and a proposed addition of a new Bye-Law 58(A) are in the best interests of the Company. Accordingly, they recommend that Shareholders vote in favour of Resolution 11, being the Special Resolution to amend Bye-Laws 38, 44(b), 56(c), 58(g), 59, 64, 67, 68(b), 69(b) and 71(a) and add a new Bye-Law 58(A) at the 2010 AGM.
- 7.4 **Special Resolution 12 - proposed amendment to the Memorandum.** Having considered the reasons for the proposed amendment to the Memorandum set out in paragraph 5 above, the Directors are of the opinion that the proposed amendment to the Memorandum is in the best interests of the Company. Accordingly, they recommend that Shareholders vote in favour of Resolution 12, being the Special Resolution to amend the Memorandum at the 2010 AGM.

## **8. DIRECTORS' RESPONSIBILITY STATEMENT**

The Directors collectively and individually accept responsibility for the accuracy of the information given in this Letter and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, the facts stated and the opinions expressed in this Letter are fair and accurate and that there are no material facts the omission of which would make any statement in this Letter misleading.

## **9. ADVICE TO SHAREHOLDERS**

Shareholders who are in any doubt as to the action that they should take should consult their stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

## **10. SGX-ST**

The SGX-ST takes no responsibility for the accuracy of any statements or opinions made in this Letter.

## **11. DOCUMENTS ON DISPLAY**

A copy of the existing Bye-Laws and a complete set of the amended Bye-Laws are available for inspection during normal business hours at the Company's registered office at Penboss Building, 50 Parliament Street, Hamilton HM 12, Bermuda and at the office of the Manager at 51 Cuppage Road, #10-03 Starhub Centre, Singapore 229469.

Yours faithfully  
For and on behalf of  
Global Investments Limited

**Boon Swan Foo**  
Chairman

**THE PROPOSED AMENDMENTS TO THE BYE-LAWS TO REFLECT CHANGES IN THE BERMUDA COMPANIES ACT**

The amendments which are proposed to be made to the Bye-Laws which were adopted on 10 December 2006 (the “**Existing Bye-Laws**”) to reflect changes made to the Bermuda Companies Act and changes of an editorial nature are set out below.

The principal changes to the Existing Bye-Laws as they relate to the changes to the Bermuda Companies Act are set out below as indicated by the black line amendments.

**1. PROPOSED AMENDMENT TO BYE-LAW 1**

The definition of “Company” in Bye-Law 1 shall be amended with the insertion of the words “*and now known as Global Investments Limited following a change of name on 30 April, 2009*” and the amended definition of “Company” would read as follows:

“**Company** means the company incorporated in Bermuda under the name of Babcock & Brown Structured Finance Fund Limited on 24 April, 2006 and now known as Global Investments Limited following a change of name on 30 April, 2009;”

A new definition entitled “Electronic Records” shall be inserted immediately after the definition of “Directors or the Board” and would read as follows:

“**Electronic Records** means a record created, generated, received or communicated by electronic means and includes any electronic code or device necessary to decrypt or interpret the electronic record;”

The definition of “Special Resolution” in Bye-Law 1 shall be deleted in its entirety and substituted therefor as follows:

“**Special Resolution** means a resolution that has been passed by at least 75% of the votes cast by Shareholders entitled to vote on the particular resolution before the general meeting or a resolution in writing signed, in accordance with the provisions of these Bye-laws by all the Shareholders (entitled to vote thereon) and constituting the necessary majority required;”

**2. PROPOSED AMENDMENT TO BYE-LAW 2(a)**

Bye-Law 2(a) shall be amended with the insertion of the letter “(s)” and the amended Bye-Law 2(a) would read as follows:

“(a) For the purposes of these Bye-laws a corporation shall be deemed to be present in person if its representative(s) duly authorised pursuant to the Companies Act is present;”

### 3. PROPOSED AMENDMENT TO BYE-LAW 34(e)

Bye-Law 34(e) shall be deleted in its entirety and substituted therefor as follows:

“(e) The Net Asset Value of the Company and per Ordinary Share shall be determined by the Directors or the Manager as at the close of business on each Valuation Day except when determination of the Net Asset Value has been suspended under the provisions of paragraph (g) of this Bye-law), on such occasions as may be required by these Bye-laws and on such other occasions as the Directors or the Manager may from time to time determine. Any certificate as to the Net Asset Value of the Company or per Ordinary Share given in good faith by or on behalf of the Directors or the Manager shall be binding on all parties. The Net Asset Value of the Company shall comprise the aggregate of the Assets less the aggregate of the Liabilities; (determined as provided below). The Net Asset Value per Ordinary Share shall be calculated at the time of each determination by dividing the Net Asset Value of the Company by the number of Ordinary Shares then in issue or deemed to be in issue, all determined and calculated as hereinafter provided. The fair value of listed or quoted investments that are Assets of the Company, including debt and equity securities, will be determined by reference to the last available quoted bid price for that security at the reporting date. The fair value of unlisted or unquoted investments that are Assets of the Company will be determined by the Directors or the Manager using an established valuation technique that will be based on a combination of one or more of the following valuation determination methods:

- (i) discounted cash flow analysis;
- (ii) capitalisation of earnings analysis, such as earnings before interest, tax, depreciation and amortisation (EBITDA) multiple analysis;
- (iii) valuation of similar investments;
- (iv) reference to recent sales transactions of the same or similar securities; and
- (v) other methods as determined by the Manager or ~~or~~the Directors.

At the end of each Period End Date, the valuations will be reviewed and updated.”

### 4. PROPOSED AMENDMENT TO BYE-LAW 40

Bye-Law 40 shall be deleted in its entirety and substituted therefor as follows:

“(a) Except in the case of the removal of Auditors and Directors, anything which may be done by resolution of the Company in general meeting or by resolution of a meeting of any class of the Shareholders of the Company may, ~~without a meeting and without any previous notice being required,~~ be done by resolution in writing, in accordance with the provisions of this Bye-law 40, signed by all of the Shareholders (entitled to vote thereon) or their proxies, or in the case of a Shareholder (entitled to vote thereon) that is a corporation (whether or not a company within the meaning of the Companies Act) on behalf of such Shareholder, being all of the Shareholders who at the date of the resolution in writing would be entitled to attend a meeting and vote on the resolution.

(b) Notice of a resolution in writing shall be given, and a copy of the resolution shall be circulated to the Shareholders who would be entitled to attend a general meeting and vote thereon (in the same manner as that required for a notice of a general meeting, save that any requirement in the Companies Act on these Bye-laws as to the length of the period of notice shall not apply).

- (c) The accidental omission to give notice to, or the non-receipt of a notice by, any person entitled to receive notice of a resolution does not invalidate the passing of a resolution in writing.
- (d) A resolution in writing is passed when it is signed by:
- (i) the Shareholder of the Company who at the date of the notice represent such majority of votes as would be required if the resolution had been voted on at a meeting of the Shareholders; or
  - (ii) All the Shareholders of the Company or such other majority of Shareholders as may be provided by these Bye-laws.
- (e) Such resolution in writing may be signed by, or in the case of a Shareholder that is a body corporate ion (whether or not a company within the meaning of the Companies Act), on behalf of, all the Shareholders (entitled to vote thereon), or any class thereof and may be signed, in as many counterparts as may be necessary.
- (f) For the purposes of this Bye-law, the effective date of the resolution in writing is the date when the resolution is signed by, or in the case of a Shareholder (entitled to vote thereon) that is a corporation (whether or not a company within the meaning of the Companies Act), on behalf of, the last Shareholder (entitled to vote thereon) and whose signature results in the necessary voting majority having been achieved to sign and any reference in any enactment to the date of passing of a resolution is, in relation to a resolution in writing made in accordance with this section, a reference to such date.
- (g) A resolution in writing made in accordance with this Bye-law is as valid as if it had been passed by the Company in general meeting or, if applicable, by a meeting of the relevant class of Shareholders (entitled to vote thereon) as the case may be.
- (h) A resolution in writing made in accordance with this Bye-law shall constitute minutes for the purposes of the Companies Act and these Bye-laws.”

## 5. PROPOSED AMENDMENT TO BYE-LAW 42(b)

Bye-Law 42(b) shall be deleted in its entirety and substituted therefor as follows:

- “(b) Save as otherwise provided by these Bye-laws, at least two (2) Shareholders present in person or by proxy and entitled to vote shall form be a quorum for all purposes; provided, however, that if the Company or a class of Shareholders shall have only one Shareholder, one Shareholder present in person or by proxy or attorney and (where the Shareholder is a body corporate) by its representative(s) shall constitute the necessary quorum. For the purpose of this Bye-law 42, references to “Shareholder” shall include a person attending as a proxy or as a duly authorised representative of a corporation which is a Shareholder. Accordingly for the avoidance of doubt where a Shareholder is the Depository, then two (2) or more persons attending as a proxy or as its duly authorised representative(s) shall constitute a quorum.”

## 6. PROPOSED AMENDMENT TO BYE-LAW 44(a)

Bye-Law 44(a) shall be deleted in its entirety and substituted therefor as follows:

- “(a) The chairman of the Directors (if one is appointed) pursuant to in accordance with Bye-law 71 or, in the absence of a chairman so appointed, the deputy-chairman shall preside as chairman (if there is one as appointed) at every general meeting.”

## 7. PROPOSED AMENDMENT TO BYE-LAW 46

Bye-Law 46 shall be deleted in its entirety and substituted therefor as follows:

“A meeting of the Shareholders or any class thereof may be held by means of such telephone or electronic means ~~or other communication facilities~~ as will permit all persons in the meeting to communicate with each other simultaneously and instantaneously and participation in such a meeting shall constitute presence in person at such meeting.”

## 8. PROPOSED AMENDMENT TO BYE-LAW 47

Bye-Law 47 shall be deleted in its entirety and substituted therefor as follows:

- “(a) Save where a greater majority is required by the Companies Act or these Bye-laws, any question proposed for consideration at any general meeting shall be decided on by a simple majority of votes cast.
- (b) A holder of shares shall be entitled to be present and to vote at any general meeting (in respect of any share or shares upon which all calls due to the Company have been paid).
- (c) At any general meeting, a resolution put to the vote of the meeting shall be decided on a show of hands or by count of votes received in the form of Electronic Records, unless a poll is demanded pursuant to Bye-law 47(d). ~~On a show of hand~~ Every Shareholder present in person or by proxy or by telephone or electronic means shall have one vote and shall cast such vote by raising his hand or where voting is by way of Electronic Record in such manner as the chairman of the meeting may direct. The chairman of the meeting shall determine which proxy shall be entitled to vote where a Shareholder (other than the Depository) is represented by two (2) proxies.
- (d) If a poll is demanded (before or on the declaration of the result of the show of hands (including a count of votes received in the form of Electronic Records) or on the withdrawal of any other demand for a poll) by:
  - (i) the chairman of the meeting; or
  - (ii) at least three (3) Shareholders present in person or represented by proxy; or
  - (iii) any Shareholder or Shareholders present in person or represented by proxy and holding between them not less than one tenth (1/10<sup>th</sup>) of the total voting rights of all the Shareholders having the right to vote at such meeting; or
  - (iv) a Shareholder or Shareholders present in person or represented by proxy holding shares conferring the right to vote at such meeting, being shares on which an aggregate sum has been Paid up equal to not less than one tenth (1/10<sup>th</sup>) of the total sum Paid up on all such shares conferring such right; or
  - (v) where the Depository is a Shareholder by at least three (3) proxies representing the Depository.
- (e) The demand for a poll may be withdrawn by the person or any of the persons making it at any time prior to the declaration of the result where it is carried out.

- (f) Unless a poll is so demanded and the demand is not withdrawn, a declaration by the chairman that a resolution has, on a show of hands, (including a count of the votes received in the form of Electronic Records) been carried or carried unanimously or by a particular majority or not carried by a particular majority or lost shall be final and conclusive, and an entry to that effect in the minute book of the Company shall be conclusive evidence of the fact without proof of the number or proportion of votes recorded for or against such resolution.
- (g) If an amendment proposed to any resolution under consideration is ruled out of order by the chairman of the meeting, the proceedings on the resolution shall not be invalidated by any error in the ruling.”

## 9. PROPOSED AMENDMENT TO BYE-LAW 48

Bye-Law 48(c) shall be deleted in its entirety and substituted therefor as follows:

- “(c) On a poll, votes may be cast either personally or by proxy or attorney and (where the Shareholder is a body corporate) by its representative(s) (including by way of Electronic Records).”

## 10. PROPOSED AMENDMENT TO BYE-LAW 49

Bye-Law 49 shall be deleted in its entirety and substituted therefor as follows:

“Subject to these Bye-laws, and any rights or restrictions for the time being attached to any class or classes of shares:

- (a) at meetings of Shareholders or classes of Shareholders each Shareholder (entitled to attend and vote) may attend and vote in person or by proxy, or attorney and (where the Shareholder is a body corporate) by its representative(s). Where a Shareholder which is a body corporate has appointed a representative, it shall for the purposes of these Bye-laws be deemed present in person;
- (b) ~~W~~where a Shareholder is the Depository (or its nominee, in each case, being a corporation), it may authorise such persons as it thinks fit to act as its representatives at any meeting of the Company or at any meeting of any class of Shareholders provided that the authorisation shall specify the number and class of shares in respect of which each such representative is so authorised. Each person so authorised under the provisions of this Bye-law shall be entitled to exercise the same rights and powers as if such person was the registered holder of the shares of the Company held by the Depository (or its nominee) in respect of the number and class of shares specified in the relevant authorisation including the right to vote individually ~~on a show of hands~~.
- (c) on a show of hands (including where voting is by way of electronic means):
  - (i) subject to paragraphs (ii) and (iii), each Shareholder present has one vote;
  - (ii) where a Shareholder has appointed more than one person as representative, proxy or attorney for the Shareholder, none of the representatives, proxies or attorneys is entitled to vote; and
  - (iii) where a person is entitled to vote because of paragraph (i) in more than one capacity, that person is entitled only to one vote;
- (d) on a poll or a count of the votes received in the form of Electronic Records, every Shareholder, whether in person or by proxy having the right to vote at the meeting:
  - (i) has one vote for each fully paid share held; and

- (ii) for each other share held, has a vote in respect of the share which carries the same proportionate value as the proportion of the amount Paid up or agreed to be considered as Paid up on the total issue price of that share at the time the poll is taken bears to the total issue price of the share one vote.

#### **11. PROPOSED AMENDMENT TO BYE-LAW 53(f)**

Bye-Law 53(f) shall be deleted in its entirety and substituted therefor as follows:

- “(f) Any Shareholder may appoint a standing proxy or (if a corporation) representative(s) by depositing at the Registration Office or the Registered Office, as may be appropriate, a proxy or (if a corporation) an authorisation and such proxy or authorisation shall be valid for all general meetings and adjournments thereof or, resolutions in writing, as the case may be, until notice of revocation is received at the Registration Office or the Registered Office, as may be appropriate. Where a standing proxy or authorisation exists, its operation shall be deemed to have been suspended at any general meeting or adjournment thereof at which the Shareholder is present or in respect to which the Shareholder has specially appointed a proxy or representative(s).”

#### **12. PROPOSED AMENDMENT TO BYE-LAW 67**

Bye-Law 67 shall be deleted in its entirety and substituted therefor as follows:

- (a) The Directors may meet for the despatch of business, adjourn and otherwise regulate their meetings as they think fit, subject to the provisions of these Bye-laws.
- (b) Questions arising at any meeting shall be determined by a majority of votes. In the case of an equality of votes the resolution shall fail as the Chairman shall not have a casting vote.
- (c) A Director may, and the Secretary on the requisition of a Director shall, at any time summon a meeting of the Directors.
- (d) Notice of a meeting of the Directors shall be deemed to be duly given to a Director if it is given personally or sent by mail, post, cable, telex, facsimile, electronic mail or other mode of representing or reproducing words in a legible and non-transitory form at the Director's last known address or any other address given by the Director to the Company for this purpose. A Director may waive notice of any meeting either prospectively or retrospectively.
- (e) The Resident Representative (if any) shall, upon delivering written notice of an address for the purposes of receipt of notice, to the Registered Office, be entitled to receive notice of, attend and be heard at, and to receive minutes of all meetings of the Directors.
- (f) The chairman or president (if one is so appointed) or if not present the deputy chairman or vice-president (if one is so appointed) shall preside as chairman at every meeting of the Directors. If at any meeting the ~~chairman or deputy chairman or (if none) the president or vice-president~~ relevant person is not present within five (5) minutes after the time appointed for holding the meeting, or is not willing to act as chairman, the Directors present may choose one of their number to be chairman of the meeting, provided that a Director may not act as chairman of a meeting if such Director is attending by way of conference call and is in Australia at the time of such meeting.

- (g) The meetings and proceedings of any committee, consisting of two (2) or more members shall be governed by the provisions contained in these Bye-laws for regulating the meetings and proceedings of the Directors so far as the same are applicable and are not superseded by any regulations imposed by the Directors.
- (h) A resolution in writing signed by all (or such majority as may be permitted by the Companies Act at the relevant time) of the Directors for the time being entitled to receive notice of a meeting of the Directors or by all (or such majority as may be permitted by the Companies Act at the relevant time) of the members of a committee for the time being shall be as valid and effectual as a resolution passed at a meeting of the Directors or, as the case may be, of such committee duly called and constituted, provided that no such resolution shall be valid or effective if its signature in any one or more jurisdictions would cause the Company to become resident for tax purposes in a jurisdiction other than Bermuda.

Such resolution may be contained in one document or in several documents in the like form each signed by one or more of the Directors or members of the committee concerned.

- (i) All acts done by the Directors or by any committee or by any person acting as a Director or member of a committee or any person duly authorised by the Directors or any committee, shall, notwithstanding that it is afterwards discovered that there was some defect in the appointment of any Director or member of such committee or person acting as aforesaid or that they or any of them were disqualified or had vacated their office, be as valid as if every such person had been duly appointed and was qualified and had continued to be a Director, member of such committee or person so authorised, provided that the defect is not that the Director was resident for tax purposes in a jurisdiction where such residence would cause the Company to be resident for tax purposes in a jurisdiction other than Bermuda.
- (j) The following provisions shall apply to all proceedings of the Directors:
  - (i) no meeting of Directors shall take place at such location or locations which would cause the Company to be resident for tax purposes in a jurisdiction other than Bermuda;
  - (ii) even if paragraph (i) does not apply, for the avoidance of doubt, a majority of the meetings of the Board and committees (to the extent that they deal with strategic issues) shall not be held in Australia in any financial year; and
  - (iii) no physical meetings of Directors shall be held in Singapore and, in the case of a meeting of the Directors within the meaning of Bye-law 69(b), the majority of Directors must be physically outside Singapore at such time.
- (k) To ensure compliance with the provisions of these Bye-laws, each Director shall provide an annual written declaration to the Company stating the jurisdiction in respect of which the Director is a resident for tax purposes.”

### 13. PROPOSED AMENDMENT TO BYE-LAW 68(f)

Bye-Law 68(f) shall be deleted in its entirety and substituted therefor as follows:

- “(f) Notwithstanding the provisions of Bye-law 68(e), a Director shall not vote on any resolution of the Board in respect of any contract or arrangement or proposed contract or arrangement in which he has directly or indirectly a personal material interest for the purposes of this Bye-law:
- (i) Matters in which a Director shall not be considered to have a personal material interest shall include the following:
    - (1) any contract or arrangement for giving to such Director any security or indemnity in respect of money lent by him or obligations incurred or undertaken by him at the request of or for the benefit of the Company or any of its subsidiaries;
    - (2) any contract or arrangement for the giving of any security or indemnity to a third party in respect of a debt or obligation of the Company or any of its subsidiaries for which the Director has himself assumed responsibility in whole or in part whether alone or jointly under a guarantee or indemnity or by the giving of security;
    - (3) any contract or arrangement in which such Director is interested in the same manner as other holders of shares or debentures or other securities of the Company or any of its subsidiaries by virtue only of his interest in shares or debentures or other securities of the Company;
    - (4) any contract or arrangement concerning any other company in which such Director is interested only, whether directly or indirectly, as an officer or executive or a shareholder other than a company in which the Director together with any of his associates (as defined by the rules or regulations, where applicable, of the Designated Stock Exchange) is beneficially interested in (other than through his interest (if any) in the Company) five per cent (5%) or more of the issued shares or of the voting rights of any class of shares of such company (or any third company through which his interest is derived); or
    - (5) any proposal concerning the adoption, modification or operation of a share option scheme, a pension fund or retirement, death or disability benefits scheme or other arrangement which relates both to directors and employees of the Company or of any of its subsidiaries and does not provide in respect of any Director as such any privilege or advantage not accorded to the employees to which such scheme or fund relates.
  - (ii) A company shall be deemed to be a company in which a Director owns five per cent (5%) or more if and so long as (but only if and so long as) he and his associates (as defined by the Listing Rules), (either directly or indirectly) are the holders of or beneficially interested in (other than through his interest (if any) in the Company) five per cent (5%) or more of any class of the equity share capital of such company or of the voting rights available to shareholders of such company (or of any third company through which his interest is derived). For the purpose of this paragraph there shall be disregarded any shares held by a Director as bare or custodian trustee and in which he has no beneficial interest, any shares comprised in a trust in which the Director’s interest is in reversion or remainder if and so long as some other person is entitled to receive the income thereof, and any shares comprised in an authorised unit trust scheme in which the Director is interested only as a unit holder.

- (iii) Where a company in which a Director together with his associates (as defined by the Listing Rules) holds five per cent (5%) or more is materially interested in a contract or transaction, then that Director shall also be deemed materially interested in such contract or transaction.
- (iv) If any question shall arise at any meeting of the Board as to the materiality of the interest of a Director (other than the chairman of the meeting) or as to the entitlement of any Director (other than ~~the such~~ chairman) to vote and such question is not resolved by his voluntarily agreeing to abstain from voting, such question shall be referred to the chairman of the meeting and his ruling in relation to such other Director shall be final and conclusive except in a case where the nature or extent of the interest of the Director concerned, as known to such Director, has not been fairly disclosed to the Board. If any question as aforesaid shall arise in respect of the chairman of the meeting such question shall be decided by a resolution of the Board (for which purpose ~~the such~~ chairman shall not vote thereon) and such resolution shall be final and conclusive except in a case where the nature or extent of the interest of ~~the such~~ chairman, as known to ~~the such~~ chairman, has not been fairly disclosed to the Board.”

#### 14. PROPOSED AMENDMENT TO BYE-LAW 71

Bye-Law 71 shall be deleted in its entirety and substituted therefor as follows:

##### “71 OfficersChairman

- (a) Without prejudice to Bye-law 72, the Board may appoint such officers (including the chairman and the deputy chairman) as the Directors deem appropriate who must be Directors in the case of the chairman and deputy chairman but in any other case may or may not ~~The officers of the Company shall include a chairman and a deputy chairman who shall be Directors, provided that:-~~
  - (i) the residency for tax purposes of such one or more of them shall not cause the Company to be resident for tax purposes outside Bermuda; and
  - (ii) the Manager Appointed Director shall be appointed as chairman for the duration of the Management Agreement,

the officers (if any) and shall be elected by the Directors as soon as possible after the annual general statutory meeting.
- (b) ~~In addition, the Directors may appoint any person whether or not that person is a Director to hold such office as the Directors may from time to time determine.~~
- (e) ~~Any person elected or appointed pursuant to this Bye-law shall hold office for such period and upon such terms as the Directors may determine and the Directors may revoke or terminate any such election or appointment. Any such revocation or termination shall be without prejudice to any claim for damages that such officer may have against the Company or the Company may have against such officer for any breach of any contract of service between that person and the Company which may be involved in such revocation or termination. Save as provided in the Companies Act or these Bye-laws, the powers and duties of the officers of the Company shall be such (if any) as are determined from time to time by the Directors.”~~

## 15. PROPOSED AMENDMENT TO BYE-LAW 73

Bye-Law 73 shall be deleted in its entirety and substituted therefor as follows:

- “(a) The Company may adopt a Seal in such form as the Directors may determine. The Directors may also adopt one or more seals for use in or outside Bermuda. The Seal shall consist of a circular metal device with the name of the Company around the outer margin thereof and the country and year of incorporation across the centre thereof. Should the Seal not have been received at the Registered Office in such form at the date of adoption of this Bye-law then, pending such receipt, any document requiring to be sealed with the Seal shall be sealed by affixing a red wafer seal to the document with the name of the Company, and the country and year of incorporation type written across the centre thereof.
- (b) A Seal may, but need not, be affixed to any deed, instrument, share certificate on documents, and if the Seal is to be affixed thereto, it shall be attested by the signature of:
- (i) any Director, or
  - (ii) any officer, or
  - (iii) the Secretary, or
  - (iv) any person authorised by the Board for that purpose.
- (c) The Directors shall provide for the custody of every Seal.
- (d) A Seal shall only be used by authority of the Directors or of a committee constituted by the Directors.
- (e) Subject to these Bye-laws, any instrument to which a Seal is affixed shall be signed by either two (2) Directors, or by the Secretary and one Director, or by the Secretary or by any one person whether or not a Director or Officer, who has been authorised either generally or specifically to attest to the use of a Seal.
- (f) Where the Company has a Seal for use abroad, the Directors may by writing under the Seal appoint any agent or committee abroad to be the duly authorised agent of the Company for the purpose of affixing and using such Seal and the Directors may impose restrictions on the use thereof as may be thought fit. Wherever in these Bye-laws reference is made to the Seal, the reference shall, when and so far as may be applicable, be deemed to include any such other Seal as aforesaid.
- (g) Any Director or the Secretary or any person appointed by the Directors for the purpose may authenticate any documents affecting the constitution of the Company and any resolution passed by the Company or the Directors or any committee, and any books, records, documents and accounts relating to the business of the Company, and to certify copies thereof or extracts therefrom as true copies or extracts, and if any books, records, documents or accounts are elsewhere than at the Registered Office or the Head Office the local manager or other officer of the Company having the custody thereof shall be deemed to be a person so appointed by the Directors. A document purporting to be a copy of a resolution, or an extract from the minutes of a meeting, of the Company or of the Directors or any committee which is so certified shall be conclusive evidence in favour of all persons dealing with the Company upon the faith thereof that such resolution has been duly passed or, as the case may be, that such minutes or extract is a true and accurate record of proceedings at a duly constituted meeting.”

## 16. PROPOSED AMENDMENT TO BYE-LAW 76(a)

Bye-Law 76(a) shall be deleted in its entirety and substituted therefor as follows:

- “(a) Any dividend, interest or other money payable in cash in respect of shares may be paid, at the sole risk of the intended recipient:
- (i) by cheque sent in the mail ~~through the post~~ directed to:
    - (A) the address of the Shareholder as shown in the Register or, in the case of joint holders, to the address shown in the Register as the address of the joint holder first named in that Register; or
    - (B) to any other address as the Shareholder or joint holders in writing directs or direct; or
  - (ii) by electronic funds transfer to an account with a bank or other financial institution nominated by the Shareholder and acceptable to the Company; or
  - (iii) by any other means determined by the Directors; or otherwise disposed of according to law.”

## 17. PROPOSED AMENDMENT TO BYE-LAW 85

Bye-Law 85 shall be deleted in its entirety and substituted therefor as follows:

- “(a) Any Shareholder who has not left at or sent to the Registered Office, a place of address or an electronic mail address (for registration in the Register) at or to which all notices and documents of the Company may be served or sent is not entitled to receive any notice.
- (b) A notice may be given by the Company to any Shareholder by:
- (i) serving it on the Shareholder personally;
  - (ii) sending it by mail ~~post~~ to the Shareholder or leaving it at the Shareholder’s address as shown in the Register or the address supplied by the Shareholder to the Company for the giving of notices;
  - (iii) serving it in any manner contemplated in this Bye-law 85(b) on a Shareholder’s attorney as specified by the Shareholder in a notice given under Bye-law 85(c);
  - (iv) fax to the fax number supplied by the Shareholder to the Company for the giving of notices; or
  - (v) transmitting it electronically to the electronic mail address given by the Shareholder to the Company for giving notices.
- (c) A Shareholder may, by written notice to the Secretary left at or sent to the Registered Office, require that all notices to be given by the Company or the Directors be served (as permitted by Bye-law 85(b)) on the Shareholder’s attorney at an address specified in the notice.
- (d) Notice to a Shareholder whose address for notices is outside Bermuda shall be sent by airmail or to the electronic mail address given by the Shareholder or in such other manner as shall be permitted by the Listing Rules.

- (e) Where a notice is sent by mail post, service of the notice shall be taken to be effected by properly addressing, prepaying and posting a letter containing the notice and to have been effected:
  - (i) in the case of a notice of a meeting, on the day after the date of its posting; and
  - (ii) in any other case, at the time at which the letter would be delivered in the ordinary course of post.
- (f) Where a notice is sent by fax or electronic transmission, service of the notice is taken to be effected by properly addressing and sending or transmitting the notice and to have been effected on the day it is sent.
- (g) A notice may be given by the Company to a person entitled to a share in consequence of the death or bankruptcy of a Shareholder:
  - (i) by serving it on the person personally;
  - (ii) by sending it by mail post addressed to the person by name or by the title of representative of the deceased or assignee of the bankrupt or by any like description at the address (if any) within Bermuda supplied for the purpose by the person;
  - (iii) if such an address has not been supplied, at the address to which the notice might have been sent if the death or bankruptcy had not occurred;
  - (iv) by sending a fax to the fax number supplied by the person to the Company;
  - (v) if such a fax number has not been supplied, to the fax number to which the notice might have been sent if the death or bankruptcy had not occurred; or
  - (vi) by transmitting it to the electronic mail address supplied by the person to the Company.
- (h) For the purposes of these Bye-laws, ~~a cable or telex or facsimile or electronic~~ transmission message purporting to come from a holder of shares or, as the case may be, a Director or Alternate Director, or, in the case of a corporation which is a holder of shares from a director or the secretary thereof or a duly appointed attorney or duly authorised representative(s) thereof for it and on its behalf, shall in the absence of express evidence to the contrary available to the person relying thereon at the relevant time be deemed to be a document or instrument in writing signed by such holder or Director or Alternate Director in the terms in which it is received.”

## **18. ADDITION OF BYE-LAW 85A**

A new Bye-Law 85A shall inserted as follows:

### **“85A Delivery of Documents**

- (a) A document posted on a website will deemed to have been delivered provided that each Shareholder is notified of the address of the web site, the place on the website where the document may be found and how the document may be accessed on the website, and has agreed to have documents of this type delivered to him by this electronic means and not by any other means.
- (b) A Shareholder will retain the option to receive the document in physical form having received notice of its posting on a website should the Shareholder elect to do so in writing to the Company.

- (c) Where a person elects to receive a document in a physical form the Company shall send the document within seven days of receipt of that person's election. An accidental omission to send a physical copy or the non-receipt of a document that has been sent does not invalidate deemed delivery."

## 19. PROPOSED AMENDMENT TO BYE-LAW 89

Bye-Law 89 shall be deleted in its entirety and substituted therefor as follows:

- (a) Subject to the proviso below, every person who is or has acted as a Director, officer of the Company, member of a committee constituted under Bye-law 65 and any Resident Representative during the periods of their respective appointments (each an ***Indemnified Person***) shall be indemnified out of the funds of the Company against all liabilities, loss, damage or expense (including but not limited to liabilities under contract, tort and statute or any applicable foreign law or regulation and all reasonable legal and other costs and expenses properly payable) incurred or suffered by his ~~or her~~ actual or purported execution and/or discharge of his ~~or her~~ duties, power, or office and the indemnity contained in this Bye-law shall extend to any person acting as a Director, officer, committee member or Resident Representative in the reasonable belief that he ~~or she~~ has been so appointed or elected notwithstanding any defect in such appointment or election provided always that the indemnity contained in this Bye-law shall not extend to any matter which would render it void pursuant to the Companies Act.
- (b) ~~Each~~ Every Indemnified Person shall be indemnified out of the funds of the Company against all liabilities, loss, damage or expense incurred in defending any proceedings, whether civil or criminal, arising out of his ~~or her~~ actual or purported execution and/or discharge of his ~~or her~~ duties, power or office during the periods of his ~~or her~~ appointment provided always that the indemnity contained in this Bye-Law shall not extend to any matter which would render it void pursuant to the Companies Act.
- (c) The Company may advance funds of the Company to each Indemnified Person for the costs, charges and expenses incurred by such Indemnified Person in defending any proceedings, whether civil or criminal, arising out of his actual or purported execution and/or discharged of his duties, powers or office during the periods of his appointment PROVIDED ALWAYS that this advance shall be repaid forthwith if any allegation of fraud or dishonesty is proved against him.
- (d) To the extent that any Indemnified Person is entitled to claim an indemnity pursuant to these Bye-laws in respect of amounts paid or discharged by him or her, the relative indemnity shall take effect as an obligation of the Company to reimburse the person making such payment or effecting such discharge.
- (e) The Company may purchase and maintain insurance for the benefit of each every Indemnified Person against any liability incurred by such Indemnified Person in the applicable capacity thereunder in respect of any loss arising or liability attaching to them and in respect of which he is ~~they are~~ entitled to be indemnified under this Bye-law subject to the proviso in Bye-law 89(a)."

## 20. PROPOSED AMENDMENT TO BYE-LAW 93

Bye-Law 93(c) shall be deleted in its entirety and substituted therefor as follows:

- (c) The Register and the Registration Office shall be open to inspection without charge to the public on all weekdays except those days designated as public holidays in the relevant territory where the Register or Registration Office is held and in the case of the Registration Office on any other day on which the Designated Stock Exchange shall declare and publish as not being a Business Day."

## **21. PROPOSED AMENDMENT TO BYE-LAW 97**

The heading for Bye-Law 97(c) shall be amended by the deletion of the words "*Destruction of*" and the amended heading for Bye-Law 97(c) would read as follows:

**~~"DESTRUCTION OF DOCUMENTS~~**

**97 Destruction of Documents"**

## 22. PROPOSED AMENDMENT TO BYE-LAW 99

Bye-Law 99 shall be deleted in its entirety - it currently reads as follows:

- “(a) A document posted on a website will deemed to have been delivered provided that each Shareholder is notified of the address of the web site, the place on the website where the document may be found and how the document may be accessed on the website, and has agreed to have documents of this type delivered to him by this electronic means and not by any other means.
- (b) A Shareholder will retain the option to receive the document in physical form having received notice of its posting on a website should the Shareholder elect to do so in writing to the Company.

Where a person elects to receive a document in a physical form the Company shall send the document within seven days of receipt of that person’s election. An accidental omission to send a physical copy or the non-receipt of a document that has been sent does not invalidate deemed delivery.”

**PROPOSED AMENDMENTS TO THE BYE-LAWS TO REFLECT THE PROVISIONS IN THE MANAGEMENT AGREEMENT**

The amendments which are proposed to be made to the Existing Bye-Laws to:

- (i) better reflect the management of the Company following the appointment of STAM as the manager of the Company, including removal of all references to Babcock & Brown Global Investments Management Pty Limited as the manager of the Company and to the existing provisions relating to the Manager Appointed Directors; and
  - (ii) provide for the appointment of a Manager Nominated Director,
- are set out below.

The principal changes to the Existing Bye-Laws as they relate to (i) and (ii) are set out below as indicated by the black line amendments.

**1. PROPOSED AMENDMENT TO BYE-LAW 1**

The definition of “Manager” in Bye-Law 1 shall be amended with the replacement of the words “*Babcock & Brown Structured Finance Management Pty Limited*” with “*ST Asset Management Ltd*” and the amended definition of “Manager” would read as follows:

***“Manager*** means ~~Babcock & Brown Structured Finance Management Pty Limited~~ ST Asset Management Ltd or any other substitute or successor manager appointed by the Company from time to time;”

The definition of “Manager Appointed Director” in Bye-Law 1 shall be deleted in its entirety as follows:

~~***“Manager Appointed Director*** means a director nominated by the Manager pursuant to the Management Agreement for so long as the Management Agreement remains in full force and effect;”~~

A new definition entitled “Manager Nominated Director” shall be inserted immediately after the definition of “Manager” and would read as follows:

***“Manager Nominated Director*** means an individual nominated by the Manager from time to time pursuant to the Management Agreement for so long as the Management Agreement remains in full force and effect;”

**2. PROPOSED AMENDMENT TO BYE-LAW 56(d) to (j)**

Bye-Law 56(d) to (j) shall be deleted in its entirety and substituted therefor as follows:

~~(d) The Directors, comprising the initial Manager Appointed Director(s), shall be appointed at the statutory (or first annual general) meeting of Members and thereafter, the Company may by Resolution appoint any person to be a Director (other than a Manager Nominated Director) either as an additional Director or to fill a casual vacancy or may authorise the Directors to appoint the same. In addition the Manager may nominate a replacement Manager Appointed Director in the event of a casual vacancy in the position of Manager Appointed Director.~~

- (e) ~~The Directors may from time to time appoint the Manager Nominated Director for a term to be determined by the Board but in any event not exceeding three (3) years and can be re-appointed by the Directors for a subsequent fixed term not exceeding three (3) years at the option of the Directors. The initial Manager Appointed Director(s) shall be appointed for a fixed term of five (5) years which shall be renewable at the option of the Manager for subsequent three (3) year terms and the Independent Directors shall be subject to retirement at least once every three (3) years as provided in Bye-laws 56(f).~~
- (f) Notwithstanding any other provisions in the Bye-laws, the following provisions apply to the retirement and re-election of Directors:-
- (i) For the first three (3) annual general meetings to be convened after the shares of the Company have been listed on the Designated Stock Exchange, the retirement arrangements shall be as follows: (1) at the first such annual general meeting, two (2) Directors (other than ~~the a-Manager Nominated Appointed~~ Director) shall retire at such general meeting; (2) at the second such annual general meeting, one (1) Director (other than ~~the a-Manager Nominated Appointed~~ Director) shall retire at such general meeting and (3) at the third such annual general meeting, the last Director (other than ~~the a-Manager Nominated Appointed~~ Director) who had not retired in either of the previous two annual general meetings shall retire at such general meeting.
  - (ii) Thereafter, the Directors (other than the Manager Nominated Appointed Directors) to retire by rotation in each subsequent annual general meeting shall be those who have been longest in office since their last re-election or appointment but as between persons who became or were last re-elected Directors on the same day those to retire shall (unless they otherwise agree among themselves) be determined by lot.
  - (iii) A retired Director shall be eligible for re-election and shall continue to act as a Director throughout the meeting at which he retires. Subject to Bye-law 56(f), the Directors (other than the Manager Nominated Appointed Directors) to retire by rotation shall include (so far as necessary to ascertain the numbers of Directors (not being ~~the Manager Nominated Appointed~~ Directors) to retire by rotation) any Director (not being ~~the a-Manager Nominated Appointed~~ Director) who wishes to retire and not to offer himself for re-election.
- (g) A person who is not a retiring Director shall be eligible for election to office of Director at any general meeting if a Shareholder intending to propose him has, at least eleven (11) Clear Days before the meeting, left at the Registered Office a notice duly signed by the nominee, giving his consent to the nomination and signifying his candidature for the office, or the intention of such Shareholder to propose him. In the case of a person recommended by the Directors for election, nine (9) Clear Days' notice only shall be necessary. Notice of each and every candidature for election to the Board shall be served on the Shareholders at least seven (7) days prior to the meeting at which the election is to take place.
- (h) All Directors, upon election or appointment, must provide written acceptance of their appointment, in such form as the Directors may think fit, by notice in writing to the Registered Office within 30 days of their appointment.

- (i) The Company may by Resolution determine that one or more vacancies in the Directors appointed by the Company shall be deemed casual vacancies for the purposes of these Bye-laws. Without prejudice to the power of the Company by Resolution in pursuance of any of the provisions of these Bye-laws to appoint any person to be a Director (other than the Manager Nominated Director), the Directors, so long as a quorum of Directors remains in office, shall have power at any time and from time to time to appoint any individual to be a Director (including the Manager Nominated Director) so as to fill a casual vacancy ~~(other than a casual vacancy in the position of the Manager Appointed Director in respect of which the Manager may nominate a replacement Manager Appointed Director to fill that casual vacancy).~~
- (j) A Director appointed by the Directors to fill a casual vacancy (other than a casual vacancy in the Manager Nominated ~~Appointed~~ Director) may hold office only until the next annual general meeting of the Company and is then eligible for election at that meeting but is not to be taken into account in determining the number of Directors who are to retire by rotation at that meeting.”

### 3. PROPOSED AMENDMENT TO BYE-LAW 57

Bye-Law 57 shall be deleted in its entirety and substituted therefor as follows:

- “(a) The Company may in a special general meeting called for that purpose remove a Director (other than the Manager Nominated ~~Appointed~~ Director) provided notice of any such meeting shall be served upon the Director concerned not less than fourteen (14) Clear Days before the meeting and he shall be entitled to be heard at that meeting.
- (b) A Director (other than the Manager Nominated ~~Appointed~~ Director) can only be removed at a special general meeting by a Resolution of the holders of the Ordinary Shares. Any vacancy created by that removal may be filled at the meeting by the election of another Director in his or her place by Resolution or, in the absence of any such election by the Company, by the Directors.
- (c) Subject to Bye-law 57(d), the a-Manager Nominated ~~Appointed~~ Director may only be removed by the Directors upon expiration of the fixed term of appointment or on fourteen (14) days written notice from the Manager, provided that such right of nomination is included in the Management Agreement which remains in full force and effect. The replacement Manager Appointed Director for the removed Manager Appointed Director shall (following receipt of the Manager’s nomination thereof) be appointed to the Board as an additional Director.
- (d) The All-Manager Nominated ~~Appointed~~ Directors shall be deemed to have automatically retired (without the need for any prior notice thereof) in the event that the Manager is removed as manager of the Company or the Management Agreement is s ~~are~~ terminated, and such automatic retirement of the Manager Nominated ~~Appointed~~ Directors shall be deemed to take effect from the date of such removal of the Manager or the date of such termination of the Management Agreements.”

#### 4. PROPOSED AMENDMENT TO BYE-LAW 60

Bye-Law 60 shall be deleted in its entirety and substituted therefor as follows:

- “(a) Until otherwise determined by the Company by Resolution, there shall be paid to the Directors (other than the Manager ~~Nominated Appointed~~ Directors and any Alternate Directors) such fees for their services in the office of Director, as the Directors may determine, not exceeding in any one year an amount equal to the number of Directors appointed at the relevant time multiplied by US\$70,000 or such larger amount as the Company may determine by Resolution passed at a general meeting where notice of the proposed increase shall have been given in the notice convening the general meeting. Such remuneration shall be divided between the Directors as they may determine or, failing such determination, shall be divided equally. Directors’ fees shall be deemed to accrue from day to day and shall be distinct from and additional to any remuneration or other benefits which may be paid or provided to any Director pursuant to any other provision of these Bye-laws.
- (b) Each Director (including the Manager Nominated Director and any Alternate Directors) may be paid his or her reasonable travel, hotel and incidental expenses in attending and returning from meetings of the Directors or committees constituted pursuant to these Bye-laws or general meetings and shall be paid all expenses properly and reasonably incurred by him in the conduct of the Company’s business or in the discharge of his or her duties as a Director.
- (c) Any Director (including the Manager Nominated Director and any Alternate Directors) who, by request, goes or resides abroad for any purposes of the Company or who performs services which in the opinion of the Directors go beyond the ordinary duties of a Director may be paid such extra remuneration (whether by way of salary, commission, participation in profits or otherwise) as the Directors may determine, and such extra remuneration shall be in addition to any remuneration provided for by or pursuant to any other Bye-law. If the Listing Rules require, any change in remuneration under this Bye-law shall not be effective until approved by Resolution of the Shareholders entitled to vote thereon.
- (d) The Board shall obtain the approval of the Company in general meeting before making any payment to any Director or past Director of the Company by way of compensation for loss of office, or as consideration for or in connection with his retirement from office (not being payment to which the Director is contractually entitled).
- (e) Fees payable to non-executive Directors shall be by a fixed sum, and not by a commission on or a percentage of profits or turnover. Salaries payable to executive Directors may not include a commission on or a percentage of turnover.”

#### 5. PROPOSED AMENDMENT TO BYE-LAW 71(a)

Bye-Law 71(a) shall be amended by the deletion of the words “*and (ii) the Manager Appointed Director shall be appointed as chairman for the duration of the Management Agreement*”.

Assuming that Special Resolution 9 is passed by Shareholders, the amended Bye-Law 71(a) would read as follows:

- “(a) Without prejudice to Bye-law 72, the Board may appoint such officers (including the chairman and the deputy chairman) as the Directors deem appropriate who must be Directors in the case of the chairman and deputy chairman but in any other case may or may not be Directors, provided that:
  - (i) —the residency for tax purposes of such one or more of them shall not cause the Company to be resident for tax purposes outside Bermuda; and

~~(ii) —the Manager Appointed Director shall be appointed as chairman for the duration of the Management Agreement;~~

the officers (if any) shall be elected by the Directors as soon as possible after the annual general meeting.”

Assuming that Special Resolution 9 is not passed by Shareholders, the amended Bye-Law 71(a) would read as follows:

“(a) The officers of the Company shall include a chairman and a deputy chairman who shall be Directors, provided that:-

(i) the residency for tax purposes of such one or more of them shall not cause the Company to be resident for tax purposes outside Bermuda; ~~and~~

~~(ii) —the Manager Appointed Director shall be appointed as chairman for the duration of the Management Agreement;~~

and shall be elected by the Directors as soon as possible after the statutory meeting.”

## **6. PROPOSED AMENDMENT TO BYE-LAW 78(a)**

Bye-Law 78(a) shall be deleted in its entirety and substituted therefor as follows:

“(a) The Directors may also, subject to these Bye-laws and in accordance with the Companies Act, in addition to their other powers direct, ~~on a recommendation from the Manager,~~ payment or satisfaction of any dividend or distribution wholly or in part by the distribution of specific assets, including Paid up shares or debentures of any other company.”

**THE PROPOSED AMENDMENTS TO THE BYE-LAWS TO REMOVE THE CURRENT CONSTRAINTS OF ENSURING THAT THE COMPANY REMAINS A TAX RESIDENT OF BERMUDA AND PURSUANT TO RULE 730 OF THE LISTING MANUAL**

The amendments which are proposed to be made to the Bye-Laws are set out below. For ease of reference and where appropriate, the full text of the Bye-Laws proposed to be amended has also been reproduced and the proposed amendments marked-up.

**1. PROPOSED AMENDMENTS TO BYE-LAW 38**

Bye-Law 38(a) shall be amended by deleting the words “*(save that such meetings must not be held in any jurisdiction if to do so would cause the Company to become resident for tax purposes in a jurisdiction other than Bermuda)*” and the amended Bye-Law 38(a) would read as follows:

“(a) The Directors shall convene and the Company shall hold general meetings as annual general meetings in accordance with the requirements of the Companies Act (unless a longer period would not infringe the Listing Rules) at such times and places as the Directors shall appoint ~~(save that such meetings must not be held in any jurisdiction if to do so would cause the Company to become resident for tax purposes in a jurisdiction other than Bermuda).~~”

Bye-Law 38(c) shall be amended by deleting the words “*(save that such meeting must not be held in any jurisdiction if to do so would cause the Company to become resident for tax purposes in a jurisdiction other than Bermuda)*” and the amended Bye-Law 38(c) would read as follows:

“(c) The Directors may, whenever they think fit, and shall, when required by the Companies Act, convene general meetings other than annual general meetings which shall be called special general meetings ~~(save that such meeting must not be held in any jurisdiction if to do so would cause the Company to become resident for tax purposes in a jurisdiction other than Bermuda).~~”

**2. PROPOSED AMENDMENTS TO BYE-LAW 44(b)**

Bye-Law 44(b) shall be amended by deleting the words “, *provided that a Director may not act as chairman of a meeting if such Director is attending by way of conference call and is in Australia at the time of such meeting*” and the amended Bye-Law 44(b) would read as follows:

“(b) If at any meeting neither the chairman nor the deputy-chairman is present within 5 minutes after the time appointed for holding the meeting, or if neither of them is willing to act as chairman, the Directors present shall choose one of their number to be chairman of the meeting, ~~provided that a Director may not act as chairman of a meeting if such Director is attending by way of conference call and is in Australia at the time of such meeting.~~”

**3. PROPOSED AMENDMENTS TO BYE-LAW 56(c)**

Bye-Law 56(c) shall be deleted in its entirety - it currently reads as follows:

“(c) No person shall be appointed to be a Director if it would result in a majority of the Directors being resident for tax purposes in a jurisdiction other than Bermuda.”

#### 4. PROPOSED AMENDMENTS TO BYE-LAW 58(g)

Bye-Law 58 (g) shall be deleted in its entirety - it currently reads as follows:

“(g) If, having been resident outside a jurisdiction for tax purposes at the time of appointment the Director becomes resident for tax purposes in a jurisdiction, other than Bermuda, causing a majority of Directors to be resident for tax purposes in that jurisdiction.”

#### 5. PROPOSED ADDITION OF BYE-LAW 58(A)

“(A) Notwithstanding any other provisions in these Bye-laws and for so long as the shares of the Company are listed on the Designated Stock Exchange, a Director shall resign or retire from the Board if so required by the rules or regulations of the Designated Stock Exchange, including the rules relating to the Bye-laws of the Company.”

#### 6. PROPOSED AMENDMENTS TO BYE-LAW 59

Bye-Law 59(a) shall be amended by deleting the words “*Subject to Bye-law 59(b)*” and the amended Bye-Law 59(a) would read as follows:

“(a) ~~Subject to Bye-law 59(b),~~ a Director may appoint and remove his or her own Alternate Director.

Bye-Law 59(b) shall be deleted in its entirety - it currently reads as follows:

“(b) A Director who is resident for tax purposes outside a jurisdiction (other than Bermuda) may not appoint a person who is resident for tax purposes in a jurisdiction (other than Bermuda) to act as an Alternate Director if to do so would cause a majority of Directors to be resident for tax purposes in that jurisdiction.”

#### 7. PROPOSED AMENDMENTS TO BYE-LAW 64

Bye-Law 64 shall be amended by deleting the words “not being a person whose residence for tax purposes would cause the Company to be resident for tax purposes outside Bermuda,” and the amended Bye-Law 64 would read as follows:

“The Directors may entrust to and confer upon any Director, officer or, without prejudice to the provisions of this Bye-law, other person, ~~not being a person whose residence for tax purposes would cause the Company to be resident for tax purposes outside Bermuda,~~ including the Manager, any of the powers exercisable by the Directors upon such terms and conditions (including as to further delegation) with such restrictions as they think fit, and either collaterally with, or to the exclusion of, their own powers, and may from time to time revoke or vary all or any of such powers but no person dealing in good faith and without notice of such revocation or variation shall be affected thereby.”

## 8. PROPOSED AMENDMENTS TO BYE-LAW 67

Bye-Law 67(f) shall be amended by deleting the words “, *provided that a Director may not act as chairman of a meeting if such Director is attending by way of conference call and is in Australia at the time of such meeting*”.

Assuming that Special Resolution 9 is passed by Shareholders, the amended Bye-Law 67(f) would read as follows:

- “(f) The chairman or president (if one is so appointed) or if not present the deputy chairman or vice-president (if one is so appointed) shall preside as chairman at every meeting of the Directors. If at any meeting relevant person is not present within five (5) minutes after the time appointed for holding the meeting, or is not willing to act as chairman, the Directors present may choose one of their number to be chairman of the meeting, ~~provided that a Director may not act as chairman of a meeting if such Director is attending by way of conference call and is in Australia at the time of such meeting.~~”

Assuming that Special Resolution 9 is not passed by Shareholders, the amended Bye-Law 67(f) would read as follows:

- “(f) The chairman or president or if not present the deputy chairman or vice-president shall preside as chairman at every meeting of the Directors. If at any meeting the chairman or deputy chairman or (if none) the president or vice-president is not present within five (5) minutes after the time appointed for holding the meeting, or is not willing to act as chairman, the Directors present may choose one of their number to be chairman of the meeting, ~~provided that a Director may not act as chairman of a meeting if such Director is attending by way of conference call and is in Australia at the time of such meeting.~~”

Bye-Law 67(h) to (k) shall be deleted in its entirety and substituted therefor as follows:

- “(h) A resolution in writing signed by all (or such majority as may be permitted by the Companies Act at the relevant time) of the Directors for the time being entitled to receive notice of a meeting of the Directors or by all (or such majority as may be permitted by the Companies Act at the relevant time) of the members of a committee for the time being shall be as valid and effectual as a resolution passed at a meeting of the Directors or, as the case may be, of such committee duly called and constituted, ~~provided that no such resolution shall be valid or effective if its signature in any one or more jurisdictions would cause the Company to become resident for tax purposes in a jurisdiction other than Bermuda.~~

Such resolution may be contained in one document or in several documents in the like form each signed by one or more of the Directors or members of the committee concerned.

- (i) All acts done by the Directors or by any committee or by any person acting as a Director or member of a committee or any person duly authorised by the Directors or any committee, shall, notwithstanding that it is afterwards discovered that there was some defect in the appointment of any Director or member of such committee or person acting as aforesaid or that they or any of them were disqualified or had vacated their office, be as valid as if every such person had been duly appointed and was qualified and had continued to be a Director, member of such committee or person so authorised, ~~provided that the defect is not that the Director was resident for tax purposes in a jurisdiction where such residence would cause the Company to be resident for tax purposes in a jurisdiction other than Bermuda.~~

- (j) ~~The following provisions shall apply to all proceedings of the Directors:~~
- (i) ~~no meeting of Directors shall take place at such location or locations which would cause the Company to be resident for tax purposes in a jurisdiction other than Bermuda;~~
  - (ii) ~~even if paragraph (i) does not apply, for the avoidance of doubt, a majority of the meetings of the Board and committees (to the extent that they deal with strategic issues) shall not be held in Australia in any financial year; and~~
  - (iii) ~~no physical meetings of Directors shall be held in Singapore and, in the case of a meeting of the Directors within the meaning of Bye-law 69(b), the majority of Directors must be physically outside Singapore at such time.~~
- (k) ~~To ensure compliance with the provisions of these Bye-laws, each Director shall provide an annual written declaration to the Company stating the jurisdiction in respect of which the Director is a resident for tax purposes."~~

#### **9. PROPOSED AMENDMENTS TO BYE-LAW 68(b)**

Bye-Law 68(b) shall be amended by deleting the word "*Bermuda*" and by substituting therefor the word "*Singapore*" and the amended Bye-Law 68(b) would read as follows:

- "(b) Despite any other provision of these Bye-laws, for so long as there is a sole Shareholder, the quorum necessary for the transaction of the business of the Directors shall be two (2) directors who must not be resident or located in a single jurisdiction other than Singapore~~Bermuda~~."

#### **10. PROPOSED AMENDMENTS TO BYE-LAW 69(b)**

Bye-Law 69(b)(ii) shall be amended by deleting the words "*, provided that a communication shall not be made or meeting chaired from a place which would cause the Company to be resident for tax purposes outside Bermuda and such meeting shall only be validly held if all Directors participating in such meeting and who speak at such meeting are located in such place or places as would not cause the Company to be resident for tax purposes outside Bermuda*" and the amended Bye-Law 69(b) would read as follows:

- "(b) Where the Directors are not all in attendance at one place and are holding a meeting using technology and each Director can communicate with the other Directors:
- (i) the participating Directors shall, for the purpose of every provision of these Bye-laws concerning meetings of the directors, be taken to be assembled together at a meeting and to be present at that meeting; and
  - (ii) all proceedings of those Directors conducted in that manner shall be as valid and effective as if conducted at a meeting at which all of them were present; ~~provided that a communication shall not be made or meeting chaired from a place which would cause the Company to be resident for tax purposes outside Bermuda and such meeting shall only be validly held if all Directors participating in such meeting and who speak at such meeting are located in such place or places as would not cause the Company to be resident for tax purposes outside Bermuda.~~

## 11. PROPOSED AMENDMENTS TO BYE-LAW 71(a)

Bye-Law 71(a) shall be amended by deleting the words “*the residency for tax purposes of such one or more of them shall not cause the Company to be resident for tax purposes outside Bermuda; and*”.

Assuming that Special Resolutions 9 and 10 are passed by Shareholders, the amended Bye-Law 71(a) would read as follows:

- “(a) Without prejudice to Bye-law 72, the Board may appoint such officers (including the chairman and the deputy chairman) as the Directors deem appropriate who must be Directors in the case of the chairman and deputy chairman but in any other case may or may not be Directors, provided that:-
- (i) ~~the residency for tax purposes of such one or more of them shall not cause the Company to be resident for tax purposes outside Bermuda.; and~~
- the officers (if any) shall be elected by the Directors as soon as possible after the annual general meeting.”

Assuming that Special Resolution 9 is passed by Shareholders and Special Resolution 10 is not passed by Shareholders, the amended Bye-Law 71(a) would read as follows:

- “(a) Without prejudice to Bye-law 72, the Board may appoint such officers (including the chairman and the deputy chairman) as the Directors deem appropriate who must be Directors in the case of the chairman and deputy chairman but in any other case may or may not be Directors, provided that:-
- (i) ~~the residency for tax purposes of such one or more of them shall not cause the Company to be resident for tax purposes outside Bermuda.; and~~
- (ii) ~~the Manager Appointed Director shall be appointed as chairman for the duration of the Management Agreement,~~
- and the officers (if any) shall be elected by the Directors as soon as possible after the annual general meeting.”

Assuming that Special Resolution 10 is passed by Shareholders and Special Resolution 9 is not passed by Shareholders, the amended Bye-Law 71(a) would read as follows:

- “(a) The officers of the Company shall include a chairman and a deputy chairman who shall be Directors, ~~provided that:-~~
- (i) ~~the residency for tax purposes of such one or more of them shall not cause the Company to be resident for tax purposes outside Bermuda.; and~~
- and shall be elected by the Directors as soon as possible after the statutory meeting.”

Assuming that Special Resolutions 9 and 10 are not passed by Shareholders, the amended Bye-law 71(a) would read as follows:

- “(a) The officers of the Company shall include a chairman and a deputy chairman who shall be Directors, provided that:-
- (i) ~~the residency for tax purposes of such one or more of them shall not cause the Company to be resident for tax purposes outside Bermuda.; and~~
- (ii) ~~the Manager Appointed Director shall be appointed as chairman for the duration of the Management Agreement~~
- and shall be elected by the Directors as soon as possible after the statutory meeting.”

**DEFINITIONS OF “SPECIFIED INCOME” AND “DESIGNATED INVESTMENTS”  
AS SET OUT IN  
THE INCOME TAX (EXEMPTION OF INCOME OF NON-RESIDENTS ARISING FROM  
FUNDS MANAGED BY FUND MANAGER IN SINGAPORE) REGULATIONS 2010**

“Specified Income” means:

- (a) interest and dividends in respect of designated investments derived from outside Singapore that are received in Singapore;
- (b) interest derived from deposits with and certificates of deposit issued by any approved bank as defined in section 13(16) of the Income Tax Act, Chapter 134 of Singapore (“**ITA**”) and from Asian Dollar Bonds approved under section 13(1)(v) of the ITA;
- (c) gains or profits realised from the sale of any designated investments;
- (d) gains or profits arising from transactions referred to in paragraphs (c), (k), (l), (p), (q) and (r) of the definition of “designated investments”;
- (e) fees and compensatory payments derived from securities lending or repurchase arrangements with:
  - (i) a person who is neither a resident of nor a permanent establishment in Singapore;
  - (ii) the Monetary Authority of Singapore;
  - (iii) a bank licensed under the Banking Act, Chapter 19 of Singapore;
  - (iv) a merchant bank approved under section 28 of the Monetary Authority of Singapore Act, Chapter 186 of Singapore;
  - (v) a finance company licensed under the Finance Companies Act, Chapter 108 of Singapore;
  - (vi) a holder of a capital markets services licence who is licensed to carry on business in the following regulated activities under the Securities and Futures Act, Chapter 289 of Singapore (“**SFA**”) (or a company exempted under the SFA from holding such a licence):
    - (A) dealing in securities (other than any person licensed under the Financial Advisers Act, Chapter 110 of Singapore);
    - (B) fund management;
    - (C) securities financing; or
    - (D) providing custodial services for securities;
  - (vii) a collective investment scheme or closed-end fund as defined in the SFA that is constituted as a corporation;
  - (viii) the Central Depository (Pte) Limited;
  - (ix) an insurer registered or regulated under the Insurance Act, Chapter 142 of Singapore or exempted under that Act from being registered or regulated; or
  - (x) a trust company registered under the Trust Companies Act, Chapter 336 of Singapore;

- (f) rents and any other income derived from any immovable property situated outside Singapore that are received in Singapore;
- (g) discounts derived from outside Singapore that are received in Singapore;
- (h) discounts from qualifying debt securities which are issued during the period from 17 February 2006 to 31 December 2013;
- (i) interest derived from qualifying debt securities;
- (j) distributions from foreign unit trusts derived from outside Singapore that are received in Singapore; and
- (k) prepayment fee, redemption premium and break cost from qualifying debt securities issued during the period from 15 February 2007 to 31 December 2013.

**“Designated Investments”** means:

- (a) stocks and shares denominated in any foreign currency of companies which are neither incorporated in Singapore nor resident in Singapore, excluding stocks and shares of companies incorporated in Malaysia which are listed on the Singapore Exchange or on the Kuala Lumpur Stock Exchange;
- (b) securities (other than stocks and shares) denominated in any foreign currency (including bonds, notes, certificates of deposit and treasury bills) issued by foreign governments, foreign banks outside Singapore and companies which are neither incorporated in Singapore nor resident in Singapore;
- (c) futures contracts held in any futures exchange;
- (d) any immovable property situated outside Singapore;
- (e) certificates of deposit, notes and bonds issued by Asian Currency Units in Singapore;
- (f) Asian Dollar Bonds approved under section 13(1)(v) of the ITA;
- (g) deposits in Singapore with any approved bank as defined in section 13(16) of the ITA;
- (h) foreign currency deposits with financial institutions outside Singapore;
- (i) stocks, shares, bonds and other securities listed on the Singapore Exchange or on the Kuala Lumpur Stock Exchange and other stocks, shares, bonds and securities issued by companies which are incorporated in Singapore and resident in Singapore;
- (j) Singapore Government securities;
- (k) foreign exchange transactions;
- (l) interest rate or currency contracts on a forward basis, interest rate or currency options, interest rate or currency swaps, and swaps, forwards and option contracts relating to any designated investment or financial index, with:
  - (i) a financial sector incentive company which is:
    - (A) a bank licensed under the Banking Act, Chapter 19 of Singapore;
    - (B) a merchant bank approved under section 28 of the Monetary Authority of Singapore Act, Chapter 186 of Singapore; or

- (C) a holder of a capital markets services licence under the SFA to deal in securities or a company exempted under the SFA from holding such a licence;
- (ii) a person who is neither resident in Singapore nor a permanent establishment in Singapore; or
- (iii) a branch office outside Singapore of a company resident in Singapore;
- (m) units in any unit trust which invests wholly in designated investments;
- (n) qualifying debt securities that are discount securities issued during the period from 17 February 2006 to 31 December 2013 (both dates inclusive);
- (o) securities (including bonds, notes, certificates of deposits and treasury bills, but excluding stocks and shares) issued by supranational bodies;
- (p) loans that are:
  - (i) granted by the prescribed person to any company incorporated outside Singapore which is neither resident in Singapore nor a permanent establishment in Singapore, where no interest, commission, fee or other payment in respect of the loan is deductible against any income of that company accruing in or derived from Singapore; or
  - (ii) granted by a person other than the prescribed person but traded by the prescribed person;
- (q) commodity derivatives; and
- (r) physical commodities if:
  - (i) the trading of those physical commodities by the prescribed person in the basis period for any year of assessment is done in connection with and is incidental to its trading of commodity derivatives (referred to in this paragraph as related commodity derivatives) in that basis period; and
  - (ii) the trade volume of those physical commodities traded by the prescribed person in that basis period does not exceed 15 per cent. of the total trade volume of those physical commodities and related commodity derivatives traded by the prescribed person in that basis period.

Pursuant to the Singapore Budget 2009 announcement, the MAS has clarified that the list of Specified Income is expanded with effect from 22 January 2009 to include:

- (a) Income realised, in other forms other than through sale, on or after 22 January 2009 from designated investments, which include:
  - (i) holding to maturity;
  - (ii) redemption; and
  - (iii) any other forms of realisation where the realisation leads to a transfer of both economic and legal ownership; and

- (b) Income from debt securities under the Qualifying Debt Securities (“**QDS**”) scheme, which are:
  - (i) other income directly attributable to QDS as may be prescribed by regulations made pursuant to Section 13(1)(bb) of the ITA and issued on or after a prescribed date; and
  - (ii) amount payable on any Islamic debt securities which are QDS issued on or after 22 January 2009.

The list of Designated Investments is also expanded with effect from 22 January 2009 to include:

- (a) Investments in structured products (as defined under Section 13(16) of the ITA);
- (b) Units in any trusts registered under the Business Trusts Act, Chapter 31A of Singapore;
- (c) Islamic investments that are commercial equivalents of the designated investments, and involving any of the following concepts: Murabaha, Mudaraba, Ijara wa Igtina, Musharaka, Istisna and Salam;
- (d) Emission derivatives;
- (e) Stocks and shares of unlisted companies (whether resident or non-resident in Singapore) and which are denominated in any currency; and
- (f) Adjudicated and non-adjudicated liquidation claims.

The Ministry of Finance has also clarified that, with effect from 30 April 2009, the list of designated investments will exclude shares of private companies that are mainly in the business of trading or holding of Singapore immovable properties (except where such companies are private companies that are in the business of developing properties).

**SUMMARY OF CERTAIN SINGAPORE INCOME TAX CONSEQUENCES  
OF THE PURCHASE, OWNERSHIP AND DISPOSITION OF THE  
SHARES**

The discussion below is not intended to constitute a complete analysis of all tax consequences relating to ownership of the Shares. It is a discussion of certain tax matters arising under the current tax laws and is not intended to be and does not constitute legal or tax advice. While this discussion is considered by the Company's tax advisers, KPMG Tax Services Pte Ltd, to be a correct interpretation of existing laws in force as of the date of this letter, no assurance can be given that the Singapore courts or relevant authorities responsible for the administration of such laws will agree with this interpretation or that changes in such laws will not occur. The discussion is limited to a general description of certain tax consequences in Singapore with respect to ownership of the Shares by certain investors, and does not purport to be a comprehensive nor an exhaustive description of all of the Singapore tax considerations that may be relevant to a decision to purchase, hold or dispose of the Shares. Prospective investors of the Shares should consult their own tax advisers regarding Singapore tax consequences and other tax consequences of owning, and disposing of, the Shares. It is emphasized that neither the Company, the Directors nor KPMG Tax Services Pte Ltd accepts responsibility for any tax effects or liabilities resulting from the subscription for, purchase, holding or disposal of the Shares.

1. In the event that the Company becomes tax resident in Singapore, the following would be applicable:
  - (a) Shareholders who are foreign individuals and foreign corporations that have no permanent establishment in Singapore will not be placed in a worse off position as there is no withholding tax imposed on dividends by Singapore;
  - (b) Shareholders who are Singapore individuals would not be affected (whether resident or otherwise) as the dividends are tax exempt in Singapore;
  - (c) Shareholders who are Singapore corporations or foreign corporations that have permanent establishments in Singapore will benefit as dividends from the Company would be tax-exempt.
2. Currently, dividends from the Company received by Singapore corporate Shareholders and foreign corporations that have permanent establishment in Singapore may be subject to Singapore income tax.

**THE PROPOSED AMENDMENT TO THE MEMORANDUM**

**Amendment to the Memorandum.** The Company was registered in the office of the Registrar of Companies on the 24 April 2006. It is proposed that an application be made to the Registrar of Companies in Bermuda to amend the current Memorandum of Association (“**Memorandum**”) upon Shareholders’ approval to enable to Company to have unrestricted objects and powers and thereby remove any possible doubt over whether or not the Company has the corporate capacity to undertake any activity that is otherwise lawful. It is also proposed to retain its current principal object of a mutual fund within the meaning of section 156A of the Bermuda Companies Act 1981, as amended.

It is proposed to amend the Memorandum by the deletion of the existing Sections 6 and 7 and First Schedule and insertion as follows (in underlined):

**FORM NO. 2**



**BERMUDA  
THE COMPANIES ACT 1981  
MEMORANDUM OF ASSOCIATION OF  
COMPANY LIMITED BY SHARES  
(Section 7(1) and (2))**

**MEMORANDUM OF ASSOCIATION  
OF  
Babcock & Brown Structured Finance Fund Limited  
(hereinafter referred to as “the Company”)**

1. **The liability of the members of the Company is limited to the amount (if any) for the time being unpaid on the shares respectively held by them.**
2. **We, the undersigned, namely,**

<b>NAME</b>	<b>ADDRESS</b>	<b>BERMUDIEN STATUS (Yes/No)</b>	<b>NATIONALITY</b>	<b>NUMBER OF SHARES SUBSCRIBED</b>
Alison R. Guilfoyle	Clarendon House 2 Church Street Hamilton HM 11 Bermuda	No	British	One
Dawn C. Griffiths	“	Yes	British	One
Anthony D. Whaley	“	Yes	British	One

**do hereby respectively agree to take such number of shares of the Company as may be allotted to us respectively by the provisional directors of the Company, not exceeding the number of shares for which we have respectively subscribed, and to satisfy such calls as may be made by the directors, provisional directors or promoters of the Company in respect of the shares allotted to us respectively.**

3. **The Company is to be an exempted Company as defined by the Companies Act 1981.**
4. **The Company, with the consent of the Minister of Finance, has power to hold land situate in Bermuda not exceeding \_\_ in all, including the following parcels:-**

N/A

5. **The authorized share capital of the Company is SGD2.00 divided into shares of SGD1.00 each. The minimum subscribed share capital of the Company is SGD2.00.**
6. **The objects for which the Company is formed and incorporated are -**

~~To be and to carry on the business of a mutual fund within the meaning of section 156A of the Companies Act 1981, and in furtherance thereof:—~~

- ~~1. —to acquire by purchase or otherwise, buy, own, hold, create, sell, dispose of (with or without consideration or benefit) or otherwise deal with real property situated outside Bermuda and personal property of all kinds whatsoever and wheresoever situated, including, without limitation, infrastructure assets of whatsoever nature, shares, stocks, obligations, notes, debentures (whether subordinated, convertible or otherwise), warrants, securities, option contracts, futures contracts, physical commodities, forward contracts, equipment lease certificates, equipment trust certificates, loans, accounts and notes receivable and payable held by trade or other creditors, trade acceptances, contract and other claims, executory contracts, participations therein, obligations of the United States, any state thereof, non-U.S. governments and instrumentalities of any of them, commercial paper, bonds, certificates of deposit, bankers' acceptances, trust receipts and other obligations, treasury bills and monetary instruments or evidences of indebtedness of whatever kind or nature of any person, corporation, government or other entity whatsoever, whether or not publicly traded or readily marketable and in currencies or units of, interests or participation in any unit trust scheme, mutual fund, money market fund, partnership or collective investment scheme in any part of the world and any rights or interest in any of the foregoing; and~~
- ~~2. —to create, enter into, undertake, procure, arrange for, acquire by purchase or otherwise, buy, own, hold, sell, dispose of (with or without consideration or benefit), trade, invest and or otherwise deal in, whether on a speculative basis or otherwise, and or any kind of interest in investments and instruments, agreements, contracts, covenants and undertakings of every kind and every derivative thereof, including, without limitation, repurchase and reverse repurchase contracts, contracts for differences, contracts for futures (and options thereon) and any transaction (or agreement relating to or securing such transaction) which is a rate swap transaction, basis swap, forward rate transaction, equity or equity index swap, equity or equity index option, bond option, interest rate option, spot or forward foreign exchange transaction, cap transaction, floor transaction, collar transaction, currency swap transaction, cross-currency rate swap transaction, currency option, hedge, guarantee or any other similar transaction (including any option with respect to any of these transactions) or any combination of these transactions.~~
3. —packaging of goods of all kinds;
4. —buying, selling and dealing in goods of all kinds;
5. —designing and manufacturing of goods of all kinds;
6. —mining and quarrying and exploration for metals, minerals, fossil fuel and precious stones of all kinds and their preparation for sale or use;
7. —exploring for, the drilling for, the moving, transporting and refining petroleum and

hydro-carbon products including oil and oil products;

- ~~8.—scientific research including the improvement discovery and development of processes, inventions, patents and designs and the construction, maintenance and operation of laboratories and research centres;~~
- ~~9.—land, sea and air undertakings including the land, ship and air carriage of passengers, mails and goods of all kinds;~~
- ~~10.—ships and aircraft owners, managers, operators, agents, builders and repairers;~~
- ~~11.—acquiring, owning, selling, chartering, repairing or dealing in ships and aircraft;~~
- ~~12.—travel agents, freight contractors and forwarding agents;~~
- ~~13.—dock owners, wharfingers, warehousemen;~~
- ~~14.—ship chandlers and dealing in rope, canvas oil and ship stores of all kinds;~~
- ~~15.—all forms of engineering;~~
- ~~16.—farmers, livestock breeders and keepers, graziers, butchers, tanners and processors of and dealers in all kinds of live and dead stock, wool, hides, tallow, grain, vegetables and other produce;~~
- ~~17.—acquiring by purchase or otherwise and holding as an investment inventions, patents, trademarks, trade names, trade secrets, designs and the like;~~
- ~~18.—buying, selling, hiring, letting and dealing in conveyances of any sort;~~
- ~~19.—employing, providing, hiring out and acting as agent for artists, actors, entertainers of all sorts, authors, composers, producers, directors, engineers and experts or specialists of any kind;~~
- ~~20.—to acquire by purchase or otherwise and hold, sell, dispose of and deal in real property situated outside Bermuda and in personal property of all kinds wheresoever situated; and~~
- ~~21.—to enter into any guarantee, contract of indemnity or suretyship and to assure, support or secure with or without consideration or benefit the performance of any obligations of any person or persons and to guarantee the fidelity of individuals filling or about to fill situations of trust or confidence.~~

## **7. Powers of the Company**

- ~~1.—The Company shall have the power to redeem or purchase for cancellation its issued shares at the option of, or on the request of, a member in accordance with the provisions of the Bye-Laws of the Company without reducing its authorised share capital.~~
- ~~2.—The Company shall have the power to raise money for the business of the company by the issue of shares from time to time.~~

6. The Company is to be a mutual fund company within the meaning of Section 156A of the Companies Act 1981.

7. The objects for which the Company is formed and incorporated are unrestricted.

8. Subject to paragraph 4, the Company may do all such things that are conducive to the attainment of its objects and shall have the capacity, rights, powers and privileges of a natural person; and
- (a) The Company shall have the power to redeem or purchase for cancellation its issued shares at the option of the Company or at the request of a member in accordance with the provisions of the Bye-Laws of the Company.
- (b) The redemption or purchase of its own shares shall not be taken as reducing its authorised share capital.
- (c) The Company shall have the power to raise money for the business of the Company by the issue of shares from time to time.

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~~A company limited by shares may exercise all or any of the following powers subject to any provision of the law or its memorandum:~~

- ~~1. — [Deleted]~~
- ~~2. — to acquire or undertake the whole or any part of the business, property and liabilities of any person carrying on any business that the company is authorised to carry on;~~
- ~~3. — to apply for register, purchase, lease, acquire, hold, use, control, licence, sell, assign or dispose of patents, patent rights, copyrights, trade makers, formulae, licences, inventions, processes, distinctive makers and similar rights;~~
- ~~4. — to enter into partnership or into any arrangement for sharing of profits, union of interests, co-operation, joint venture, reciprocal concession or otherwise with any person carrying on or engaged in or about to carry on or engage in any business or transaction that the company is authorised to carry on or engage in or any business or transaction capable of being conducted so as to benefit the company;~~
- ~~5. — to take or otherwise acquire and hold securities in any other body corporate having objects altogether or in part similar to those of the company or carrying on any business capable of being conducted so as to benefit the company;~~
- ~~6. — subject to section 96 to lend money to any employee or to any person having dealings with the company or with whom the company proposes to have dealings or to any other body corporate any of those shares are held by the company;~~
- ~~7. — to apply for, secure or acquire by grant, legislative enactment, assignment, transfer, purchase or otherwise and to exercise, carry out and enjoy charter, licence, power, authority, franchise, concession, right or privilege, that any government or authority or any body corporation or other public body may be empowered to grant, and to pay for, aid in and contribute toward carrying it into effect and to assume any liabilities or obligations incidental thereto;~~
- ~~8. — to establish and support or aid in the establishment and support of associations, institutions, funds or trusts for the benefit of employees or former employees of the company or its predecessors, or the dependants or connections of such employees or former employees, and grant pensions and allowances, and make payments towards insurance or for any object similar to those set forth in this paragraph, and to subscribe or guarantee money for charitable, benevolent, educational and religious objects or for any exhibition or for any public, general or useful objects;~~

9. — to promote any company for the purpose of acquiring or taking over any of the property and liabilities of the company or for any other purpose that may benefit the company;
10. — to purchase, lease, take in exchange, hire or otherwise acquire any personal property and any rights or privileges that the company considers necessary or convenient for the purposes of its business;
11. — to construct, maintain, alter, renovate and demolish any buildings or works necessary or convenient for its objects;
12. — to take land in Bermuda by way of lease or letting agreement for a term not exceeding twenty-one years, being land “bona fide” required for the purposes of the business of the company and with the consent of the Minister granted in his discretion to take land in Bermuda by way of lease or letting agreement for a similar period in order to provide accommodation or recreational facilities for its officers and employees and when no longer necessary for any of the above purposes to terminate or transfer the lease or letting agreement;
13. — except to the extent, if any, as may be otherwise expressly provided in its incorporating Act or memorandum and subject to the provisions of this Act every company shall have power to invest the moneys of the Company by way of mortgage of real or personal property of every description in Bermuda or elsewhere and to sell, exchange, vary, or dispose of such mortgage as the company shall from time to time determine;
14. — to construct, improve, maintain, work, manage, carry out or control and roads, ways, tramways, branches or sidings, bridges, reservoirs, watercourses, wharves, factories, warehouses, electric works, shops, stores and other works and conveniences that may advance the interests of the company and contribute to, subsidise or otherwise assist or take part in the construction, improvement, maintenance, working, management, carrying out or control thereof;
15. — to raise and assist in raising money for, and aid by way of bonus, loan, promise, endorsement, guarantee or otherwise, any person and guarantee the performance or fulfillment of any contracts or obligations of any person and in particular guarantee the payment of the principal of and interest on the debt obligations of any such person;
16. — to borrow or raise or secure the payment of money in such manner as the company may think fit;
17. — to draw, make, accept, endorse, discount, execute and issue bills of exchange, promissory notes, bills of lading, warrants and other negotiable or transferable instruments;
18. — when properly authorised to do so, to sell, lease, exchange or otherwise dispose of the undertaking of the company or any part thereof as an entirety or substantially as an entirety for such consideration as the company thinks fit;
19. — to sell, improve, manage, develop, exchange, lease, dispose of, turn to account or otherwise deal with the property of the company in the ordinary course of its business;
20. — to adopt such means of making known the products of the company as may seem expedient, and in particular by advertising, by purchase and exhibition of works of art or interest, by publication of books and periodicals and by granting prizes and rewards and making donations;
21. — to cause the company to be registered and recognized in any foreign jurisdiction, and designate persons therein according to the laws of that foreign jurisdiction or to represent the company and to accept service for and on behalf of the company of any process or suit;

- ~~22. — to allot and issue fully-paid shares of the company in payment or part payment of any property purchase or otherwise acquired by the company or for any past services performed for the company;~~
- ~~23. — to distribute among the members of the company in cash, kind, specie or otherwise as may be resolved, by way of dividend, bonus or in any other manner considered advisable, any property of the company, but not so as to decrease the capital of the company unless the distribution is made for the purpose of enabling the company to be dissolved or the distribution, apart from this paragraph, would be otherwise lawful;~~
- ~~24. — to establish agencies and branches;~~
- ~~25. — to take or hold mortgages, hypothecs, liens and charges to secure payment of the purchase price, or of any unpaid balance of the purchase price, or any part of the property of the company of whatsoever kind sold by the company, or for any money due to the company from the purchasers and others and to sell or otherwise dispose of any such mortgage, hypothec, lien or charge;~~
- ~~26. — to pay all costs and expenses of or incidental to the incorporation and organization of the company;~~
- ~~27. — to invest and deal with the moneys of the company not immediately required for the objects of the company in such manner as may be determined;~~
- ~~28. — to do any of the things authorized by this subsection and all things authorised by its memorandum as principals, agents, contractors, trustees or otherwise, and either alone or in conjunction with others;~~
- ~~29. — to do all such other things as are incidental or conducive to the attainment of the objects and the exercise of the powers of the company.~~

~~Every company may exercise its powers beyond the boundaries of Bermuda to the extent to which the laws in force where the powers are sought to be exercised permit.~~

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