

**NOTICE OF SCHEME MEETING OF SHAREHOLDERS**

**ON 4 JUNE 2019**

**and**

**AMENDMENT TO CIRCULAR**

**regarding**

**A SCHEME OF ARRANGEMENT**

**between**



**SAGICOR FINANCIAL CORPORATION LIMITED**

**and**

**ITS SHAREHOLDERS**

**(under section 99 of the Companies Act 1981)**

# LETTER FROM THE CHAIRMAN

30 April 2019

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## Executive Summary

- *The meeting of Scheme Shareholders to consider the Scheme of Arrangement is scheduled for 4 June 2019 at the Hilton Barbados Resort in Bridgetown, Barbados, to be held on the same day as Sagicor's Annual General Meeting. You are eligible to vote at the Scheme Meeting if you were a Shareholder on 18 April 2019.*
  - *Enclosed are (i) an Amendment to the Circular originally distributed on 11 February 2019, updating the Circular to describe certain important interim changes involving Sagicor, the proposed acquirer and the planned Scheme of Arrangement, (ii) an updated Proxy Form to instruct voting by proxy on the Scheme of Arrangement and (iii) an updated Consideration Election Form for use by Scheme Shareholders who wish to receive cash rather than share consideration under the Scheme of Arrangement. You are encouraged to read the Circular, as amended, and to submit any applicable forms.*
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Dear Sagicor Shareholder,

I write to you on behalf of the Board of Directors (the "Board") of Sagicor Financial Corporation Limited ("Sagicor") to announce and invite you to participate, either by attending in person or by submitting the enclosed proxy form, in a meeting of Scheme Shareholders to be held on 4 June 2019 at 3:30 p.m. (Atlantic Standard Time) at the Hilton Barbados Resort, located at Needham's Point St Michael, Barbados (the "Scheme Meeting"). The Scheme Meeting will be held earlier on the day of, and at the same location as, Sagicor's Annual General Meeting (the "Annual General Meeting"). The Board encourages your attendance at both meetings, and you are eligible to vote at both meetings if you were a shareholder of Sagicor on 18 April 2019 (the "Voting Record Date"). The purpose of the Scheme Meeting is to give you, as a shareholder on the register of members of Sagicor as of the Voting Record Date (a "Scheme Shareholder"), the chance to consider and to vote on whether to approve Sagicor's entry into a business combination, to be effected by way of a scheme of arrangement pursuant to section 99 of the Companies Act 1981 of Bermuda (the "Scheme of Arrangement"), that the Board recommended on 27 November 2018.

The Scheme of Arrangement is a proposed business combination transaction (the "Transaction") between Sagicor and Alignvest Acquisition II Corporation, a Canadian special purpose acquisition corporation listed on the Toronto Stock Exchange (TSX:AQY.A) ("AQY"). If the Scheme of Arrangement is approved and put into effect, Scheme Shareholders will receive a combination of cash and shares in AQY ("AQY Shares") in exchange for AQY receiving all issued and outstanding shares of Sagicor ("Scheme Shares"). The Board believes that this would be a transformational step in Sagicor's quest for global capital sources to continue to grow and achieve its objectives.

A notice convening the Scheme Meeting is enclosed immediately following this Letter. The record date used for determining shareholders of Sagicor eligible to vote at the Scheme Meeting is 18 April 2019. The Board rescheduled the Scheme Meeting from the original date of 13 March 2019 in order to allow AQY and Sagicor more time to market the proposed Transaction. AQY has obtained additional financing

commitments to support its obligations in the proposed acquisition, subject to certain conditions. We have summarised these conditions and changes, among others, herein starting at page **Error! Bookmark not defined.** The Board believes that the value offered to Scheme Shareholders remains the same as when the Scheme of Arrangement was originally announced—each eligible shareholder will have the opportunity to elect to receive \$1.75 per share for up to 10,000 of the Scheme Shares held as of 6 December 2018 and which you continue to hold as of closing of the Scheme of Arrangement (the “Effective Time”), and to receive AQY Shares in exchange for all other Sagicor shares that you hold at the Effective Time. We trust you will agree that this deal rewards our shareholders with a meaningful premium to the trading price prior to the announcement of the Transaction. We have worked tirelessly and have engaged relevant third party advisors to ensure that the terms of the Transaction represent fair value and reward our existing shareholders for their long-standing support of Sagicor over the years. Accordingly, your Board is pleased to present the Scheme of Arrangement to you for approval and continues to recommend that you vote in favour of the Transaction.

*Regarding the Contents of this Circular Amendment*

The original Circular and Explanatory Statement, dated and published 11 February 2019 (the “Original Circular”), is modified by the enclosed Amendment to the Circular (the “Circular Amendment”, dated 30 April 2019, and together with the Original Circular, the “Circular”). Both documents are accessible on our website, [www.sagicor.com](http://www.sagicor.com), under the heading “News” on our homepage. The Circular Amendment supplements, amends and revises the Original Circular, and each component of the Circular should be read in conjunction with the other.

In connection with the Scheme Meeting and the Circular as amended, the attached materials include:

- a) A Notice convening the Scheme Meeting; and
- b) The Circular Amendment, which contains:
  - i) A revised timeline indicating the expected timing of key dates for this Transaction,
  - ii) A summary of changes to the Original Circular (including relevant changes to the Explanatory Statement and the Scheme of Arrangement), the Transaction and related matters,
  - iii) An amended Proxy Form for use at the Scheme Meeting, at page 17,
  - iv) An amended Consideration Election Form on which you may elect to receive cash consideration for up to 10,000 of your Scheme Shares that you held as of 6 December 2018 and which you continue to hold at the Effective Time, at page 20, and
  - v) An amended Scheme document setting forth the provisions of the Scheme of Arrangement (the “Amended Scheme”) at page 24.

You may have submitted a Proxy Form or Consideration Election Form in connection with the Original Circular and the original date of the Scheme Meeting. However, as a result of the new Voting Record Date, any such previous submissions are now void and of no effect. If you wish to submit proxy instructions for the Scheme Meeting (a proxy form for submitting voting instructions for the *Annual General Meeting* has been separately issued by Sagicor) or to register your election to receive cash consideration for which you may be eligible under the Scheme of Arrangement, you must validly submit the completed Proxy Form or Consideration Election Form, as applicable.

All of these documents, including the Original Circular which this Circular Amendment revises, supplements and forms an integral part of, are accessible on Sagicor’s website at [www.sagicor.com](http://www.sagicor.com) under “News” on the homepage. We realize that the structure of this business combination may be unique in the Caribbean and our anticipated listing on the Toronto Stock Exchange may present a unique set of circumstances for you to consider, for which you should consult your own advisors for specific guidance.

*Letter from the Chairman*  
*30 April 2019*

Your board of directors is confident that when you have had the opportunity fully to apprise yourself of the details of the proposed Transaction, you will support this proposal with your affirmative vote.

We look forward to your support and to seeing you at the Scheme Meeting to be held at 3:30 p.m. (Atlantic Standard Time) on Tuesday, 4 June 2019. In the event that you are unable to be present, you may participate in the Scheme Meeting by submitting your proxy before the deadline of 3:30 p.m. (Atlantic Standard Time) on 31 May 2019.

Yours sincerely,

Stephen D. R. McNamara, Chairman  
Sagicor Financial Corporation Limited

**NOTICE OF THE MEETING OF  
SHAREHOLDERS OF SAGICOR FINANCIAL CORPORATION LIMITED  
IN THE SUPREME COURT OF BERMUDA  
CIVIL JURISDICTION  
(COMMERCIAL COURT)  
2019 No. 35**

**IN THE MATTER OF SAGICOR FINANCIAL CORPORATION LIMITED  
AND IN THE MATTER OF SECTION 99 OF THE COMPANIES ACT 1981**

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**NOTICE OF SCHEME MEETING**

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**NOTICE IS HEREBY GIVEN** that:

- I. By an order dated 26 April 2019 (the “**Order**”) made in the above matter, the Supreme Court of Bermuda (the “**Court**”) has directed that a meeting (the “**Scheme Meeting**”) of the holders of common shares of Sagicor Financial Corporation Limited (“**Sagicor**”) be convened for the purpose of considering and, if thought fit, approving the scheme of arrangement, with any modification thereof or addition thereto or condition approved or imposed by the Court, pursuant to section 99 of the Companies Act 1981 of Bermuda (the “**Scheme of Arrangement**”), proposed to be made between Sagicor and its members; and
- II. The Scheme Meeting will be held on 4 June 2019 at 3:30 p.m. (Atlantic Standard Time), at the Hilton Barbados Resort, located at Needham’s Point St. Michael, Barbados.

Pursuant to and in accordance with section 100 of the Companies Act 1981 of Bermuda, the members of Sagicor on its register of members as of 18 April 2019 (the “**Scheme Shareholders**”) have been provided with notice via post that the Circular and Explanatory Statement (as amended and supplemented by a Circular Amendment dated 30 April 2019, the “**Circular**”), of which this Notice comprises an integral and inseparable part, has been made available as of 30 April 2019 on Sagicor’s website (at [www.sagicor.com](http://www.sagicor.com) under “News” on the homepage).

Scheme Shareholders may vote in person at the Scheme Meeting, or they may appoint one or more proxies, whether a member of Sagicor or not, to attend and vote in their stead. A Proxy Form for use at the Scheme Meeting has been mailed to Scheme Shareholders and is available on Sagicor’s website as an attachment to the Circular. **Scheme Shareholders are urged to read the Circular (as amended by an Amendment dated 30 April 2019) in its entirety, as it contains important matters regarding voting at the Scheme Meeting.**

It is requested that, in accordance with the instructions set out in the Proxy Form, forms appointing proxies be lodged with The Corporate Secretary either (1) by post at (A) Cecil F. de Caires Building, Wildey, St. Michael, Barbados or (B) Sagicor Financial Corporation Limited c/o Sagicor Life Inc., Sagicor Financial Centre, 16 Queen’s Park West, Port of Spain, Trinidad or, alternatively, (2) by email in PDF format to

*Notice Convening the Meeting  
April 30, 2019*

[legal\\_proxies@sagicor.com](mailto:legal_proxies@sagicor.com) (legal [underscore] proxies [at] sagicor [dot] com), in any case to be received by the Company **no later than 3:30 p.m. (Atlantic Standard Time) on 31 May 2019**. Scheme Shareholders are urged to return their Proxy Forms in one of these manners as early as possible to facilitate timely processing. The Chairman shall have discretion as to the validity of any appointment of proxy.

By the Order, the Court has appointed Stephen D. R. McNamara, or failing him, any other director or alternate director of the Company, to act as Chairman of the Scheme Meeting, and has directed the Chairman to report the results thereof to the Court.

The Scheme of Arrangement, if approved at the Scheme Meeting, will not come into force until it has been sanctioned by order of the Court and such order is delivered for registration to the Registrar of Companies in Bermuda.

Any enquiries relating to the Scheme of Arrangement should be directed in the first instance to [sfc\\_groupcommunications@sagicor.com](mailto:sfc_groupcommunications@sagicor.com) (sfc [underscore] groupcommunications [at] sagicor [dot] com), operating hours between 8:00 a.m. and 4:30 p.m. (Atlantic Standard Time) on Mondays to Fridays, excluding public holidays.

Dated: 30 April 2019

By Order of the Supreme Court of Bermuda

## CIRCULAR AMENDMENT

30 April 2019

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### How to Read this Circular Amendment

This Circular Amendment, dated 30 April 2019, amends, supplements and forms an integral part of the original Circular and Explanatory Statement, dated 11 February 2019 (the “Original Circular” and as amended by this Circular Amendment, the “Circular”). As such, the Original Circular should be read in conjunction with this Circular Amendment. All capitalized terms not otherwise defined herein have the respective meanings ascribed thereto in the Original Circular.

Any inconsistency in terms between any of the Original Circular, the Circular Amendment and any notices pertaining to the Scheme of Arrangement posted by Sagicor should be resolved in favour of the terms of the latest document. Any statement contained in the Original Circular and all documents attached thereto shall be deemed to be modified or superseded for purposes of the Circular to the extent that a statement contained in this Circular Amendment, including in the Amended Scheme, modifies or supersedes such statement. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document that it modifies or supersedes. The making of a modifying or superseding statement will not be deemed an admission for any purpose that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made. Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of the Circular. For the foregoing purposes, the Circular includes all documents attached thereto.

The contents of the Amendment to the Management Information Circular published on 26 April 2019 by AQY (the “Amendment to the AQY Circular”) and all documents and materials therein incorporated by reference, including (i) the audited financial results as at and for the year ended December 31, 2018 of Sagicor, together with the auditor’s report thereon and the associated management’s discussion and analysis thereof, (ii) the audited financial results as at and for the year ended December 31, 2018 of Scotia Jamaica Life Insurance Company Limited (“SJLIC”), together with the auditor’s report thereon and the associated management’s discussion and analysis thereof, and (iii) the unaudited financial results as at and for the three months ended January 31, 2019 of ScotiaLife Trinidad and Tobago Limited (“SLTT”), together with the associated management’s discussion and analysis thereof (collectively, the “Updated Financial Information”), are herein incorporated by reference. The Amendment to the AQY Circular and the Updated Financial Information can be accessed on AQY’s SEDAR profile at [www.sedar.com](http://www.sedar.com).

In connection with the publication of this Circular Amendment and as a result of the new Voting Record Date, any previous proxy forms or Consideration Election Forms that Scheme Shareholders submitted in response to the Original Circular are now void and of no effect. As a result, enclosed with this Circular Amendment is an amended Proxy Form and an amended Consideration Election Form for Scheme Shareholders to fill out and submit, as applicable.

## **I. EXPECTED TIMELINE**

Below is the updated expected timeline for the Transaction. To the extent that Sagicor and AQY mutually agree, and to the extent permitted at law, the dates specified herein are subject to modification, in which case Sagicor will provide notice of the new date if required by applicable law or pursuant to its by-laws, including notice on Sagicor's website at [www.sagicor.com](http://www.sagicor.com) under "News" on the website's homepage. Capitalized terms not otherwise defined in this timeline shall have the meanings ascribed to such terms in the Original Circular.

27 November 2018	Parties signed the Arrangement Agreement and publicly announced the Transaction.
3 December 2018	AQY filed the preliminary AQY Prospectus with Canadian Securities Administrators.
6 December 2018, 5:00 p.m. (Atlantic Standard Time)	Election Record Date (or such other date as is required by a Governmental Entity).
7 February 2019	AQY filed the final AQY Prospectus in Canada.
11 February 2019	Original Circular posted to Sagicor website, and Sagicor disclosure documents including the Original Circular mailed to the Scheme Shareholders.
9 April 2019	Voting Record Date was advertised not less than seven days before the occurrence of the Voting Record Date in each jurisdiction in which Sagicor's shares are listed or admitted for trading on a stock exchange.
18 April 2019	Voting Record Date.
23 April 2019	Sagicor filed originating summons and supporting affidavit with the Court requesting directions in the form of an order to convene the Scheme Meeting.
26 April 2019	Order of the Court for directions for convening the Scheme Meeting obtained.
29 April 2019	AQY mails its revised circular to AQY shareholders which will include updated pro forma financials. The Amendment to the AQY Circular can be found on AQY's SEDAR profile at <a href="http://www.sedar.com">www.sedar.com</a> .
30 April 2019	This Circular Amendment, amending, supplementing and forming an integral part of the Original Circular (as amended, the "Circular"), is posted on Sagicor's website (together with the Notice convening the Scheme Meeting, Proxy Form, Consideration Election Form and the Amended Scheme) and a

notice of such online posting is mailed to the Scheme Shareholders of record on the Voting Record Date.

31 May 2019	Deadline for return of Proxy Forms for Scheme Meeting.
4 June 2019	The Scheme Meeting will occur. The Sagicor Annual General Meeting will occur.
11 June 2019	Election Deadline for return of Consideration Election Forms.
14 June 2019	Assuming the Scheme of Arrangement is approved at the Scheme Meeting, Court Hearing to be held for the purpose of obtaining the Court's sanction of the Scheme of Arrangement.
December 2018 to Closing Date	During this time period, Sagicor and AQY will seek various regulatory approvals, including approvals in Barbados and Trinidad and Tobago.
Two (2) business days prior to the Closing Date, which is expected in the third quarter of 2019	Closing of Register of Members (for the purpose of determining the Scheme Shareholders entitled to the Scheme Consideration).
In the third quarter of 2019	The Effective Time shall occur only when the order of the Court sanctioning the Scheme of Arrangement is filed with the Registrar of Companies of Bermuda.
In the third quarter of 2019	Sagicor to delist from Sagicor stock exchanges (Barbados, Trinidad and Tobago and London).
Shortly after the Effective Time, which is expected in the third quarter of 2019	New Sagicor Shares begin trading on the TSX.

## II. SUMMARY OF UPDATED INFORMATION ABOUT THE OFFER INCLUDING TERMS OF NEW SUBSCRIPTION FOR AQY SHARES

### *1. US\$120,000,000 in New Subscriptions for Shares of AQY*

In order to satisfy the minimum cash requirements at the closing of the Transaction, AQY and its affiliate and sponsor Alignvest II LP (the “Sponsor”) have, effective 10 April 2019, entered into two subscription agreements (the “Subscription Agreements”) for Class B Shares in AQY (“Class B Shares”<sup>1</sup>) for an aggregate subscription amount of US\$120,000,000 (the “New Placement”).

AQY entered into the Subscription Agreements with each of the two subscribers (the “Subscribers”): (i) HG Vora Capital Management LLC (“HG Vora” and such subscription agreement, the “HG Vora Subscription Agreement”) and (ii) KGT Investments, LLC (“KGT Investments” and such subscription agreement, the “KGT Investments Subscription Agreement”). KGT Investments is controlled by Mahmood Khimji, a proposed Director of New Sagicor.

Pursuant to the respective terms of each Subscription Agreement, in exchange for AQY receiving the purchase price of US\$60,000,000 in immediately available funds (the “Purchase Price”) at the closing of the Transaction, the Subscriber shall, at closing, (i) subscribe for Class B Shares of AQY at a price per Class B Share of Cdn. \$10.00 and (ii) for nominal consideration, receive 2,400,000 Class B Shares previously held by founders of AQY (the “Transferred Founder Shares”). The proceeds received by AQY from such subscriptions will be used in connection with the Transaction. Additionally, each Subscriber may elect to apply all or a portion of the Purchase Price to the purchase of Class A restricted voting shares (“Class A Shares”) in AQY. The effect of the New Placement on pro forma share ownership of AQY after giving effect to the Transaction is described in the Amendment to the AQY Circular, which can be accessed on AQY’s SEDAR profile at [www.sedar.com](http://www.sedar.com).

#### *Restrictions on Transfer*

The Class B Shares obtained by the Subscribers pursuant to the Subscription Agreements will be subject to certain restrictions on transfer for at least six (6) months following the closing of the Transaction. In addition, the Transferred Founder Shares will remain subject to certain transfer restrictions specified in the Transfer Restrictions Agreement and Undertaking dated 25 May 2017 (the “Undertaking”) of the Sponsor and others in favour of AQY, Scotia Capital Inc. and Citigroup Global Markets Canada Inc. on behalf of themselves and the underwriting syndicate in respect of AQY’s initial public offering. Furthermore, the Transferred Founder Shares will remain subject to the conditions and restrictions set forth in Section 6.06 of the Arrangement Agreement, including without limitation the following: subject to Sections 6.06(d), (e) and (f) of the Arrangement Agreement, (A) 25.25% of the Transferred Founders Shares shall be subject to the escrow provisions and minimum book-value requirements set forth in Section 6.06(a) of the Arrangement Agreement (as it may be amended) and (B) 25.25% of the Transferred Founders Shares shall be subject to the escrow provisions and minimum share price requirements set forth in Section 6.06(b) of the Arrangement Agreement (as it may be amended).

#### *Participation Rights*

Furthermore, each Subscription Agreement grants the respective Subscriber, so long as it (along with its affiliate funds) beneficially owns in the aggregate at least five percent (5%) of the common shares issued and outstanding of New Sagicor, on a fully diluted basis (including any Transferred Founder Shares), the

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<sup>1</sup> Class B Shares are shares of AQY that will be converted into common shares of AQY upon the Effective Time of the Scheme of Arrangement.

right to purchase its aggregate pro rata portion of any new issuances (with customary exclusions) of common shares or securities convertible into or exchangeable for common shares of New Sagicor, until the fifth (5<sup>th</sup>) anniversary of the Effective Time.

The Sponsor will be entitled to similar participation rights commencing at the closing of the Transaction.

#### *Director Nomination Rights*

Upon completion of the Transaction, the Subscribers each will have the right to nominate for election, one (1) eligible and qualified director to serve on the board of directors of New Sagicor (the “New Sagicor Board”). The initial nominees of the Subscribers are expected to be Mr. Mahmood Khimji, who is already a proposed director of New Sagicor, and Ms. Aviva Shneider, who is proposed to serve on the New Sagicor Board in place of Mr. Alister Campbell. Ms. Shneider resides in New York, United States of America. Ms. Shneider has significant experience in private and public market investing. She is the Founder of Bayes Ventures, a venture capital firm; currently sits on the board of Alliant National Title Insurance Company; and was previously on the boards of AlixPartners, 2-10 Home Buyers Warranty, LifeCare Hospitals, Kirby Lester and Cyrus Insurance. From 2015 to 2018, Ms. Shneider co-headed Caisse de Dépôt et Placement du Québec’s direct private equity investments in the United States and Latin America. Prior to this, Ms. Shneider spent ten years with Silver Point Capital, a Greenwich, Connecticut-based multi-strategy hedge fund. Ms. Shneider also worked at McKinsey & Company and is a trained actuary (ACAS, ASA) with a Bachelors in Math from the University of Waterloo and an MBA from The Wharton School at the University of Pennsylvania.

KGT Investments will retain director nomination rights for so long as it, together with any applicable related parties (but excluding HG Vora), beneficially owns in the aggregate, directly or indirectly, at least 50% of the New Sagicor Common Shares that it owns immediately following the closing of the Transaction, on a fully diluted basis.

HG Vora will retain director nomination rights for so long as it, together with any applicable fund managed or controlled by it, beneficially owns in the aggregate, directly or indirectly, at least 5% of the issued and outstanding New Sagicor Common Shares, on a fully diluted basis.

The Sponsor will be entitled to similar director nomination rights commencing at the closing of the Transaction.

As a result of these changes, following the closing of the Transaction, the Audit Committee of New Sagicor is expected to consist of John Shettle, Aviva Shneider, Peter Clarke, Stephen Facey and Rik Parkhill. Each member of the Audit Committee is expected to be independent (as defined in Canadian National Instrument 52-110) and none are expected to receive, directly or indirectly, any compensation from New Sagicor other than for service as a member of the New Sagicor Board and its committees. All proposed members of the Audit Committee will be financially literate (as defined under National Instrument 52-110). Peter Clarke is proposed as Chair of the Investment and Risk Committee in place of Mr. Campbell.

## ***2. Summary of Investment Advisory and Management Agreement***

Sagicor and Alignvest Management Corporation, an affiliate of AQY (with certain of its affiliates or joint venture participants, “AMC”), have entered into an Investment Advisory and Management Agreement (the “IAM Agreement”). It is a condition precedent, among others, to the obligations of Sagicor and AQY to closing pursuant to the Arrangement Agreement, and a condition precedent to the obligation of KGT Investments to closing under the KGT Investments Subscription Agreement, that the IAM Agreement have been executed and remain in full force and effect at closing of the Transaction.

Pursuant to the terms of the IAM Agreement, Sagicor appoints AMC to provide certain investment advisory services (“Investment Advisory Services”) for Sagicor and certain of its subsidiaries and may, at its discretion, appoint AMC to provide investment management services (“Investment Management Services”) in respect of Sagicor’s and its subsidiaries’ assets. AMC will have a right of first offer to provide Investment Advisory Services (other than those it already provides under the IAM Agreement) and Investment Management Services to Sagicor and its subsidiaries where Sagicor wishes to externalize such services, provided that AMC has clearly defined and relevant core competencies to provide such services. The fees for any Investment Management Services provided will be agreed upon by Sagicor and AMC, each acting reasonably. AMC and KGT Investments intend to seek to create a joint venture to provide any Investment Management Services to Sagicor.

As consideration for the Investment Advisory Services provided under the IAM Agreement, Sagicor has agreed to pay to AMC an annual fee of US\$2,500,000, reduced annually for any fees paid to AMC with respect to Investment Management Services or other services, and will reimburse AMC for any direct costs incurred by AMC in providing any services.

### ***3. Amendments to the Arrangement Agreement***

AQY and Sagicor entered into a second amendment to the Arrangement Agreement on 10 April 2019 (the “Second Amendment”). The Second Amendment amended the Arrangement Agreement to, among other things: (i) reflect the entering into of the Subscription Agreements and incorporate the necessary terms relating thereto; (ii) change the “Outside Date” to 30 November 2019 (which may be extended to 31 December 2019 if necessary to obtain required regulatory approvals); (iii) acknowledge the entering into of the IAM Agreement, satisfying the condition in Section 7.01(l) of the Arrangement Agreement; and (iv) agree that the minimum cash requirement in Section 7.03(e) of the Arrangement Agreement may be supplemented by cash received by AQY pursuant to the Subscription Agreements. A copy has been filed on Sagicor’s website ([www.sagicor.com](http://www.sagicor.com)), under “News”.

### ***4. Barbados Brokerage Fee Rates to be lowered to match Trinidad Brokerage Fee Rates***

In connection with the Board’s continued efforts to ensure the best terms of the Transaction for Scheme Shareholders, the brokerage fees to be assessed in connection with transfer of Scheme Shares listed on the Barbados Stock Exchange (“BSE”) will be lowered to equal, on a per-share basis, the brokerage fees to be assessed in connection with the transfer of Scheme Shares listed on the Trinidad and Tobago Stock Exchange (“TTSE”). The brokerage fee borne by Scheme Shareholders for the transfer of Scheme Shares listed on the BSE is expected to be, per Scheme Share, no more than 0.4% of the trading price of Scheme Shares at time of closing of the Transaction. The brokerage fee borne by Scheme Shareholders for the transfer of Scheme Shares listed on the TTSE is expected to be the same on a per-share basis.

### ***5. Andre Mousseau’s Employment Agreement***

Mr. Andre Mousseau’s employment terms have now been determined. In respect of the year ended 31 December 2019, Mr. Mousseau will have a base salary of US\$550,000 per annum. This base salary is subject to review and increase, but not decrease, by the President of New Sagicor and/or the New Sagicor Board.

In 2019, Mr. Mousseau will also have a target annual incentive bonus payable in cash of 60% of his base salary (the target bonus would require target performance metrics to be satisfied, failing which a lesser or no bonus would be awarded). In later years, different short-term incentive plans may be adopted, but this remains to be determined.

Mr. Mousseau will, following the closing of the Transaction, also be granted a long-term incentive consisting of restricted stock units (“RSUs”) in respect of 360,000 New Sagicor Common Shares. 1/3rd of these RSUs will vest on a time basis (1/9th per year in each of 2019, 2020 and 2021), 1/3rd will vest based on return on equity targets, and 1/3rd will vest only if the New Sagicor Common Shares trade above C\$12.00 per share for 20 out of 30 consecutive trading days prior to 31 December 2023. In each case, vesting is contingent on Mr. Mousseau’s continued employment at the applicable date, subject to certain exceptions in the event of Mr. Mousseau’s termination without cause or resignation for good reason.

***6. AQY is sending to its shareholders the Amendment to the AQY Circular, which incorporates by reference the updated FY2018 Sagicor and BNS financials, a Sagicor MD&A and the updated unaudited pro forma financial statements of AQY.***

In connection with the changes to the Transaction and Scheme of Arrangement described herein, AQY has published and filed with the relevant securities law authorities the Amendment to the AQY Circular, which may be accessed on AQY’s SEDAR profile at [www.sedar.com](http://www.sedar.com). This incorporates by reference (i) the FY2018 audited consolidated financials of Sagicor, ScotiaLife Trinidad and Tobago Limited and Scotia Jamaica Life Insurance Company Limited, (ii) management discussion and analysis of Sagicor and (iii) updated unaudited pro forma financial statements of AQY. These may be accessed on AQY’s SEDAR profile at [www.sedar.com](http://www.sedar.com).

***7. General Updates on the Sagicor Group in 2018***

Sagicor Group (as defined in the Circular) delivered strong operational performance for financial year 2018. Each business segment grew its revenue, and each delivered positive net income, in spite of significant one-time items, in particular the restructuring of the Government of Barbados (“GoB”) debt. Sagicor is pleased with our performance in the face of these challenges.

Sagicor’s total revenue for 2018 increased 22% to US \$1,484.3 million, compared to the prior year amount of US\$1,218.6 million, an increase of US \$265.7 million. All segments experienced year-on-year growth. The largest single source of revenue growth was increased premiums in the USA segment driven by a strategic direction to increase production and to cease reinsurance and retain 100% of production starting in Q2 2018. In addition, fee income grew significantly in the Jamaican segment due in part to growth in the investment banking business.

Sagicor Group net income for 2018 was US \$103.0 million, compared to US \$115.9 million in the prior year. Net income attributable to shareholders was US \$43.7 million, compared to US \$72.4 million in the prior year, a reduction of US \$28.7 million. Both Sagicor Group net income and net income attributable to shareholders were affected by the GoB restructuring. Sagicor management estimates that absent the GoB restructuring, net income attributable to shareholders would have been US \$82.9 million, representing growth of 15%.

Benefits for 2018 were US \$765.3 million, compared to US \$659.4 million for the prior year, an increase of 16%. The growth in benefits (which include actuarial provisions for future benefits) reflects and is consistent with Sagicor’s revenue growth.

Expenses for 2018 were US \$590.7 million, compared to US \$436.4 million for the prior year, driven in part by US \$95.5 million of credit impairment provisions, which were partially offset by positive change in actuarial liabilities related to restructured debt. Administrative expenses grew 13% to US \$303.1 million, as Sagicor incurred one-time costs related to its ongoing transaction with AQY. Commissions and related compensation grew 19% to US \$117.3 million, in line with growth in premiums.

Income taxes for 2018 were US \$50.7 million. This compared to US \$19.3 million in the prior year when Sagicor had a one-time tax benefit of US \$14.2 million in the USA segment arising from the Tax Cuts and Jobs Act. The remaining increase in taxes resulted from growth in taxable lines of business.

Sagicor Group assets for 2018 were US \$7.3 billion and Sagicor Group liabilities were US \$6.2 billion, resulting in Sagicor Group equity of US \$1.1 billion, compared to US \$0.9 billion in the prior year. Shareholders' equity was US \$600.9 million, compared to US \$624.6 million for the prior year.

Sagicor Group's debt for 2018 was US \$490.3 million, with a debt to capital ratio of 30.2%, compared to 30.6% for the prior year. The increase in the Sagicor Group's debt is related to the debt of the Sagicor X Fund Group, which remains unchanged, but is now consolidated onto Sagicor Group's balance sheet.

Sagicor has fully provisioned for the exchange of GoB debt as agreed with the Government of Barbados. On 7 September 2018 the Government of Barbados entered into a Staff-Level Agreement with the International Monetary Fund (IMF) to provide financial and technical assistance. As part of the programme, the GoB announced on 15 October 2018 that its exchange offer received unanimous support from the domestic creditors including Sagicor. The Sagicor Group has made a gross provision of US \$ 98.8 million and took a charge, net of offsetting adjustments, of US \$ 48.8 million attributable to shareholders.

During the year, the Sagicor Group adopted two new accounting standards which became effective from 1 January 2018: IFRS 15, Revenue from Contracts with Customers which affects how income is recognised on contracts by companies, and IFRS 9, Financial Instruments. IFRS 9 changes the way that financial instruments are recognised and measured. The standard introduces new measurement categories for financial instruments and an expected, instead of an incurred, credit loss model for impairment. In addition, our subsidiary, Sagicor Group Jamaica, was deemed to have effective control of Sagicor X Fund Group from 1 October 2018 based on its shareholding and influence and from that date has accounted for Sagicor X Fund as a subsidiary as required by IFRS 10. This change has resulted in the operations, results and balance sheet of Sagicor X Fund Group being included within the financial statements. This has the effect of increasing assets and debt on Sagicor Group's consolidated balance sheet, including a significant increase in non-controlling interests in subsidiaries.

The discontinued operations represent Sagicor's UK business, which was sold in 2013. During 2018 there were positive developments in this exposure which resulted in net income of US \$7.1 million. At close of the year the company carried a receivable of US \$17.2 million in respect of this business which was settled by a cash payment to Sagicor in February 2019 to fully close off Sagicor's exposure to this business.

Sagicor voluntarily adopted Canadian risk based capital and reserving standards in 1991. The capital ratio, "Minimum Continuing Capital and Surplus Requirements" ("MCCSR") seeks to demonstrate to stakeholders the financial strength of the company. Canadian regulators expected insurance companies to maintain an MCCSR ratio of 150% and Sagicor has consistently maintained a ratio above 200%. As at the end of the year Sagicor's MCCSR Ratio was 234%.

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### **III. QUESTIONS AND ANSWERS**

*Please find below questions and answers that we believe will assist you in further understanding certain changes to the Transaction between Sagicor and AQY.*

**Are there any changes in the consideration being offered to Sagicor shareholders as compared to that detailed in the last proxy circular?**

No. Sagicor shareholders will continue to receive consideration worth US\$1.75 per share under the Transaction. Sagicor shareholders will continue to have the option to elect to receive cash payment for up to 10,000 shares each.

**Will the Scheme Meeting to consider the Scheme of Arrangement be held on the same date as Sagicor's Annual General Meeting?**

Yes. The Board has decided to hold the Scheme Meeting to be convened for the purposes of considering and voting on the Scheme of Arrangement on the same day and at the same location as its 2019 Annual General Meeting, which will be held on 4 June 2019 (with the Scheme Meeting to be held at 3:30 p.m. (Atlantic Standard Time) and the Annual General Meeting to be held at 5:30 p.m. (Atlantic Standard Time)). Therefore, the proceedings of the Scheme Meeting shall be conducted separately from the proceedings of Sagicor's Annual General Meeting.

**What should I do if I submitted a Proxy Form and/or a Consideration Election Form in connection with the Original Circular and the original date of the Scheme Meeting?**

You may have submitted a Proxy Form or Consideration Election Form in connection with the Original Circular and the original date of the Scheme Meeting. However, as a result of the new Voting Record Date, any such previous submissions are now void and of no effect. If you wish to submit proxy instructions for the Scheme Meeting or to register your election to receive cash consideration for which you may be eligible under the Scheme of Arrangement, you must validly submit the completed Proxy Form or Consideration Election Form, as applicable. Please see the instructions to the Proxy Form and Consideration Election Form contained in this Amended Circular for more information on how and when to submit these forms.

**Can I use one proxy form for both Meetings?**

No. The Proxy Form contained in this Circular Amendment is for use only at the Scheme Meeting. A different proxy form for submitting voting instructions for the Sagicor Annual General Meeting has been separately issued by Sagicor, and you should refer to that proxy form if interested in submitting a proxy for the Annual General Meeting.

**My Sagicor shares may be pledged as security. What should I do?**

Scheme Shareholders should review their current financial arrangements and agreements to ascertain whether their Sagicor shares are pledged as security thereunder. A Shareholder whose shares in Sagicor are pledged or charged in favour of secured parties should contact and notify the respective secured party that the pledged or charged shares in Sagicor will be transferred free and clear of all liens, claims and encumbrances at the Effective Time pursuant to the Scheme of Arrangement. This will render the pledge or charge ineffective over such shares. Based on the Shareholder's individual agreement(s) with a secured party, such Shareholder may be required to substitute the AQY shares or Cash Consideration, as applicable, for the transferred Shares (this will not necessarily require the applicable Shareholder to enter into further agreements) OR execute a new pledge or charge in favour of the secured party in substitution of the

previously pledged Sagicor shares, OR otherwise make such alternative security arrangements as the Shareholder and secured party may mutually agree.

**Do I need a Canadian broker or brokerage account to receive AQY shares?**

No. Scheme Shareholders may receive and hold shares in AQY without engaging a Canadian bank or broker. However, in order for you to sell such shares in AQY, we recommend engaging a Caribbean broker that has correspondent relationships with Canadian banks or brokers. Sagicor and AQY will work to put in place correspondent relationships between Barbados and Trinidad and Tobago banks and brokers, and Canadian banks and brokers, and will provide further details regarding such relationships at or before closing of the Transaction.

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IN THE SUPREME COURT OF BERMUDA  
CIVIL JURISDICTION  
COMMERCIAL COURT

2019 No. 35

IN THE MATTER OF  
SAGICOR FINANCIAL CORPORATION LIMITED

**PROXY FORM FOR USE AT THE MEETING OF THE SCHEME SHAREHOLDERS (DEFINED BELOW) CONVENED AT THE DIRECTION OF THE SUPREME COURT OF BERMUDA (THE “COURT”) ON 4 JUNE 2019 PURSUANT TO SECTION 99 OF THE COMPANIES ACT 1981 OF BERMUDA (THE “SCHEME MEETING”) AND ANY ADJOURNMENT OR POSTPONEMENT THEREOF)**

Name of Scheme Shareholder: \_\_\_\_\_

Address of Scheme Shareholder: \_\_\_\_\_

The undersigned, being a member registered in the register of members of SAGICOR FINANCIAL CORPORATION LIMITED (the “Company”) at 5:00 p.m. (Atlantic Standard Time) on 18 April 2019 (a “Scheme Shareholder”), hereby appoint(s) STEPHEN D. R. McNAMARA, Chairman of the Board, or failing him, DODRIDGE D. MILLER, President and Chief Executive Officer and Director, or instead of either of them:

.....  
*(please print name of proxy on the above line only if you wish to appoint a proxy other than the Chairman or President)*

of

.....  
*(please print proxy’s address on the above line only if you wish to appoint a proxy other than the Chairman or President)*

as my/our proxy to attend, vote and otherwise act for and on behalf of the undersigned in respect of all matters that may properly come before the Scheme Meeting to be held on 4 June 2019 and any adjournments or postponement thereof for the purposes of considering and, if thought fit, approving (with or without modification) the proposed Scheme of Arrangement referred to in the circular dated 30 April 2019 (the “Circular”) and as set out in the Notice of the Scheme Meeting forming part of the Circular (the “Scheme Meeting Notice”). Where no instruction is given with respect to the proposal below, the undersigned hereby instructs the proxy to vote “FOR” each proposal and if any other matter should properly come before the Scheme Meeting the undersigned authorises the proxy to vote on such matter in his or her discretion.

**Capitalized terms not otherwise defined herein shall have the meaning ascribed to such terms in the Circular. Scheme Shareholders are urged to read the Scheme Meeting Notice and Circular in their entirety before completing this proxy form as the Scheme Meeting Notice and Circular contain important matters regarding voting on the Scheme of Arrangement.**

**Please mark your direction with an 'X'**

RESOLUTION	FOR	AGAINST
<p><b>RESOLVED THAT</b> the Scheme of Arrangement, with any modification thereof or addition thereto or condition approved or imposed by the Court, be and the same is hereby approved.</p>	<input type="checkbox"/>	<input type="checkbox"/>

Signed by, or on behalf of, the above named Scheme Shareholder:

  X    
Signature

\_\_\_\_\_  
Name (Please Print)

\_\_\_\_\_  
Title/Capacity

\_\_\_\_\_  
Date (DD/MM/YYYY)

\_\_\_\_\_  
Address line 1

\_\_\_\_\_  
Address line 2

**To be valid, this form must be received by the Company by 3:30 p.m. (Atlantic Standard Time) on 31 May 2019.** Please complete, sign and return this form by the deadline to: (i) The Corporate Secretary, Sagicor Financial Corporation Limited, Cecil F. De Caires Building, Wildey, St. Michael, Barbados, OR (ii) c/o Sagicor Life Inc., Sagicor Financial Centre, 16 Queen’s Park West, Port of Spain, Trinidad OR (iii) you may submit this Proxy Form by emailing a legible and complete PDF of the Proxy Form to [legal\\_proxies@sagicor.com](mailto:legal_proxies@sagicor.com) (legal [underscore] proxies [at] sagicor [dot] com). Scheme Shareholders are urged to return their Proxy Form in one of these manners as early as possible to facilitate timely processing. The Chairman shall have discretion as to the validity of any appointment of proxy.

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**NOTES ON COMPLETING THE PROXY FORM:**

- 1. This is your proxy authorisation form. To be valid, this form must be received by the Company by 3:30 p.m. (Atlantic Standard Time) on 31 May 2019. Please complete, sign and return this form by the deadline to: (i) The Corporate Secretary, Sagicor Financial Corporation Limited, Cecil F. De Caires Building, Wildey, St. Michael, Barbados, OR (ii) c/o Sagicor Life Inc., Sagicor Financial Centre, 16 Queen's Park West, Port of Spain, Trinidad OR (iii) you may submit the Proxy Form by emailing a legible and complete PDF of the Proxy Form to [legal\\_proxies@sagicor.com](mailto:legal_proxies@sagicor.com) (legal [underscore] proxies [at] sagicor [dot] com). Scheme Shareholders are urged to return their Proxy Form in one of these manners as early as possible to facilitate timely processing.**
2. The Chairman shall have discretion as to the validity of any appointment of proxy. This form must be executed by the Scheme Shareholder or by his/her attorney duly authorised in writing. If the Scheme Shareholder is a body corporate or other entity, the form must be executed by the officers or attorney thereof or the person duly authorised, in which case each signatory should state the capacity in which he/she signs. Alternatively, if the Scheme Shareholder is a body corporate or other entity, votes at the Scheme Meeting may be given by an individual duly authorised by that body corporate or other entity to represent it at meetings of Scheme Shareholders. If this form is not dated in the space provided, it will be deemed to bear the date on which it was mailed to the Scheme Shareholder. This proxy authorization form confers sole discretionary authority upon the person whom it appoints in respect of any variation or amendments or additions to the matters identified in the Scheme Meeting Notice and any other matter that may properly come before the Scheme Meeting or any adjournment or postponements thereof (as further described below).
3. A proxy need not be a Scheme Shareholder but must attend the Scheme Meeting to represent you. If the name of a proxy is not inserted in the space provided above, Stephen D R McNamara, Chairman of the Board, or failing him, Dodridge D Miller, President and Chief Executive Officer and Director will be deemed appointed as proxy.
- 4. Please indicate how you wish your votes to be cast by marking "X" in the appropriate box: If you wish to vote FOR the Scheme, place an "X" in the box marked "FOR". If you wish to vote AGAINST the Scheme, place an "X" in the box marked "AGAINST". In the absence of any specific instructions by a Scheme Shareholder in the proxy form, the Scheme Shares represented by the proxy received will be voted "FOR" the proposal. On any variation or amendments or additions to the matters identified in the Scheme Meeting Notice and any other matter that may properly come before the Scheme Meeting or any adjournment or postponement thereof, the proxy shall vote (or abstain from voting) at his or her sole discretion. In addition, please remember to sign and date the proxy form to validate your proxy instruction.**

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## CONSIDERATION ELECTION FORM

### In respect of the Scheme of Arrangement

*In connection with the Transaction contemplated by the Scheme of Arrangement, Shareholders of Sagikor may use this Consideration Election Form to elect (an “Election”) to receive cash (the “Cash Consideration”) in exchange for no more than 10,000 of the shares of Sagikor (“Scheme Shares”) that (i) such Shareholder held on 6 December 2018 (the “Election Record Date”), and (ii) such Shareholder continues to hold on closing of the Transaction contemplated by the Scheme of Arrangement (the “Effective Time”). Such shares – up to 10,000 of the Scheme Shares that you held on the Election Record Date and continue to hold at the Effective Time – are referred to herein as “Cash Eligible Shares”. Capitalized terms used but not defined herein shall have the respective meanings assigned to such terms in the Circular.*

*All shareholders using this Consideration Election Form should review the instructions attached at the back of this form prior to filling out an Election. You should use this form only if you wish to elect to receive cash for your Cash Eligible Shares. If you do not wish to elect to receive cash for your Cash Eligible Shares, you do not need to return this form and upon closing of the proposed Transaction you will receive common shares in AQY, the acquirer, without further action by you.*

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### MY ELECTION

I, \_\_\_\_\_, being a \_\_\_\_\_ Scheme Shareholder, hereby elect to receive the following consideration in exchange for up to 10,000 Scheme Shares that are registered in my name as at the Election Record Date (6 December 2018) provided that I continue to hold such Scheme Shares at the time of closing of the Scheme of Arrangement (such shares, my “Cash Eligible Shares”):

#### ELECTION

*(select only one of the below two options)*

1.  I elect to receive **cash for all** of my Cash Eligible Shares.

2.  I elect to receive **cash for** \_\_\_\_\_ *(fill in the number of shares)* of my Cash Eligible Shares. I acknowledge that I will receive AQY shares for the remainder of my Cash Eligible Shares.

This Consideration Election Form is signed by, or on behalf of, the above named Scheme Shareholder and each shareholder who is a jointly registered owner of such Scheme Shares:

x _____ <i>Signature</i>  _____ <i>Name</i>  _____ <i>Title/Capacity</i>  _____ <i>Date (dd/mm/yyyy)</i>	<i>Addresses (list any addresses you have registered your shares under):</i>  _____  _____  _____  _____
x _____ <i>Signature</i>  _____ <i>Name</i>  _____ <i>Title/Capacity</i>  _____ <i>Date (dd/mm/yyyy)</i>	<i>Addresses (list any addresses you have registered your shares under):</i>  _____  _____  _____  _____

**How to submit this form:**

If you wish to make an election, please complete and mail this Consideration Election Form to Sagicor at one of the three following addresses:

- (i) The Corporate Secretary, Sagicor Financial Corporation Limited, Cecil F De Caires Building, Wildey, St. Michael, Barbados OR
- (ii) First Citizens Brokerage and Advisory Services Limited, #17 Wainwright Street, St. Clair, Port of Spain, Trinidad and Tobago, ATTN: Sagicor Scheme of Arrangement OR
- (iii) First Citizens Brokerage and Advisory Services Limited, #46, Lady Hailes Avenue, San Fernando, Trinidad and Tobago, ATTN: Sagicor Scheme of Arrangement.

Alternatively, in lieu of mailing your Consideration Election Form to Sagicor at the above addresses, you may email the completed and executed Consideration Election Form by the Election Deadline to: [legal\\_election@sagicor.com](mailto:legal_election@sagicor.com) (legal [underscore] election [at] sagicor [dot] com).

**In order for an Election to be treated as valid by Sagicor, Sagicor must receive the Consideration Election Form by no later than 5:30 p.m. (Atlantic Standard Time) on 11 June 2019 (the “Election Deadline”).**

*[The remainder of this page is intentionally left blank.]*

**INSTRUCTIONS FOR COMPLETING THE CONSIDERATION ELECTION FORM:**

1. **Your Election shall only be exercisable in respect of your Cash Eligible Shares.**
2. Sagicor Shareholders will receive common shares in AQY (“AQY Shares”) for (i) any Scheme Shares that you hold at the Effective Time that are not Cash Eligible Shares (including any Scheme Shares above the first 10,000 Scheme Shares you hold) and (ii) any Cash Eligible Shares for which you do not make an election. **If you do not wish to receive cash for any of your eligible Scheme Shares, you do not need to return the Consideration Election Form.**
3. Please mark your Election on the form above with an  beside ONLY ONE OF Options 1 or 2. If Option 2 is marked, it should be completed in accordance with the instructions at item 4 immediately below.
4. If you have elected Option 2, please insert the number of Scheme Shares which you elect to be exchanged for the Cash Consideration. If you elect Option 2, and the number of Scheme Shares which you elect to be exchanged for the Cash Consideration exceeds the number of your Cash Eligible Shares, your Option 2 Election for Cash Consideration will be cut back until equal to the number of your Cash Eligible Shares.
5. This form must be executed by the Scheme Shareholder or by his/her attorney duly authorised in writing. If the Scheme Shareholder is a body corporate or other entity, the form must be executed by the officers or attorney thereof or the person duly authorised, in which case each signatory should state the capacity in which he/she signs. If this form is not dated in the space provided, it will be deemed to bear the date on which it was mailed to the Scheme Shareholder.
6. You must list any addresses associated with the registration of your shares.
7. **Should you fail to make an Election or fail to return a validly and properly completed and executed Consideration Election Form by the Election Deadline (11 June 2019), you will be deemed to have elected to receive the shares in AQY as consideration for your Cash Eligible Shares.**
8. **Certain Terms and Conditions of the Election; Payment of Consideration.** The maximum amount of Cash Eligible Shares may be adjusted from 10,000 Cash Eligible Shares to a new number (the “Specified Number”) in accordance with a mechanism detailed in the Arrangement Agreement dated 27 November 2018 between AQY and Sagicor (as subsequently amended by the First Amendment dated 28 January 2019 and the Second Amendment dated 10 April 2019, the “Arrangement Agreement”). If the aggregate amount of Cash Consideration elected by Scheme Shareholders is, together with any amount payable under the paragraph immediately below, greater than US\$205 million (or such other amount as AQY and Sagicor mutually agree, with a potential floor as AQY and Sagicor may mutually agree), then the Specified Number shall be adjusted in accordance with the Arrangement Agreement. This may result in a Specified Number which is less than 10,000 Scheme Shares.

If it would be contrary to applicable Laws to offer or pay the AQY Shares as consideration in respect of Scheme Shares held by a Person located in any jurisdiction, both AQY and Sagicor reserve the right to take such action as either may deem necessary to comply with such Laws, and in addition or in the alternative AQY may in its discretion pay US\$1.75 per each such Scheme Share if it determines that compliance would be excessively costly or impractical, acting reasonably.

If an eligible Scheme Shareholder (1) elects to receive Cash Consideration for some of but not all of its Scheme Shares and (2) transfers any Scheme Shares prior to the Effective Time, then such Scheme Shareholder shall be deemed to have transferred Scheme Shares for which such Scheme Shareholder shall receive AQY Shares as consideration until such time as such Scheme Shareholder has transferred a number of such Scheme Shares exceeding the number of Scheme Shares for which such Scheme Shareholder will be deemed to receive AQY Shares as consideration. At such time, any remaining such Scheme Shares transferred by such Scheme Shareholder shall be deemed to be Scheme Shares for which such Scheme Shareholder elected to receive Cash Consideration.

Cash Consideration will be paid to each applicable Scheme Shareholder in the form of a cheque mailed (by ordinary mail) to the address of such Scheme Shareholder listed in the Register of Members immediately prior to the Effective Time within seven (7) business days following the date on which the Scheme of Arrangement becomes effective. All such cheques will be sent at the risk of the person(s) entitled thereto and none of Sagicor or AQY or any of their respective directors, officers, employees, agents, affiliates or advisers or any other person involved in the Scheme of Arrangement will be responsible for any loss or delay in dispatch.

## *Instructions for Completing the Consideration Election Form*

Upon the expiry of six (6) months from the posting of a cheque, AQY or the Paying Agent shall be entitled to cancel or countermand any cheque that has not been cashed and shall hold all monies represented thereby. Upon the expiry of seven (7) years following the date on which the Scheme of Arrangement becomes effective, any sums so held shall be released to and shall become the property of AQY and AQY shall be released from all obligations to make payments to any Scheme Shareholder in respect of the Cash Consideration.

In respect of the AQY Shares received as consideration ("Share Consideration"), AQY shall, as at the effective time of the Scheme of Arrangement, allot and issue, credited as fully paid, the relevant Share Consideration to each applicable Scheme Shareholder that is entitled to the Share Consideration, whereupon such Scheme Shareholder shall become a registered holder of AQY Shares which shall be issued in direct registration system ("DRS") form, meaning that the form will indicate the number of shares that are registered in the holder's name in AQY's shareholder register. The applicable DRS instrument shall be mailed (by ordinary mail) within thirty (30) business days following the date on which the Scheme of Arrangement becomes effective to each applicable Scheme Shareholder at the address of such Scheme Shareholder listed in the Register of Members immediately prior to the Effective Time. All such DRS instruments which are mailed will be sent at the risk of the person(s) entitled thereto and none of Sagicor or AQY or any of their respective directors, officers, employees, agents, affiliates or advisers or any other person involved in the Scheme of Arrangement will be responsible for any loss or delay in dispatch.

**Scheme Shareholders are urged carefully to read the Circular in consultation with their accountants, investment, tax or other advisers and legal counsel before making an Election.**

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**AMENDED SCHEME**

*[attached]*

**THE SCHEME**  
**IN THE SUPREME COURT OF BERMUDA**  
**CIVIL JURISDICTION**  
**(COMMERCIAL COURT)**

**2019: No. 35**

**IN THE MATTER OF SAGICOR FINANCIAL CORPORATION LIMITED**

**and**

**IN THE MATTER OF THE COMPANIES ACT 1981**

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**SCHEME OF ARRANGEMENT**

**(under section 99 of the Companies Act 1981)**

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**Between**

**SAGICOR FINANCIAL CORPORATION LIMITED**

(an exempted company incorporated with limited liability and registered under the laws of  
Bermuda with registration number 51625)

**and**

**THE SCHEME SHAREHOLDERS**

(as hereinafter defined)

**PART I**  
**RECITALS**

**DEFINITIONS**

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

- “AQY”** means Alignvest Acquisition II Corporation, a corporation incorporated under the laws of the Province of Ontario, Canada;
- “AQY Prospectus”** means the non-offering preliminary prospectus and/or final prospectus of AQY, and any amendment thereto, as the context requires;
- “AQY Securities Laws”** means the Securities Act (Ontario) and all the securities laws of each province and territory of Canada, except Quebec, and the rules, regulations and policies of the Toronto Stock Exchange;
- “AQY Shares”** means AQY common shares;
- “Arrangement Agreement”** means that certain Arrangement Agreement, dated as of November 27, 2018, by and between AQY and the Company, as may be amended from time to time, the text of which may be accessed at the following link: [https://www.sagicor.com/Documents/News/Arrangement Agreement\\_AQY\\_Sagicor.pdf](https://www.sagicor.com/Documents/News/Arrangement%20Agreement_AQY_Sagicor.pdf);
- “Board”** means the board of directors of the Company;
- “Business Day”** means any day except a Saturday, a Sunday or any other day on which commercial banks are required or authorized to close in Toronto, Ontario or Hamilton, Bermuda;
- “Bye-laws”** means the Bye-laws of the Company;
- “Cash Consideration”** means the cash consideration in the amount of US\$1.75 per Scheme Share made available to each Scheme Shareholder as at the Election Record Date in respect of each Scheme Share up to the Specified Number held by each such Scheme Shareholder as at the Election Record

Date (provided that each such Scheme Share up to the Specified Number continues to be held by such Scheme Shareholder at the Effective Time) in exchange for the transfer of each such Scheme Share to AQY at the Effective Time pursuant to this Scheme;

**“Cash Qualifying Scheme Shareholder(s)”**

means a Scheme Shareholder as at the Election Record Date which has validly elected to receive the Cash Consideration in respect of each Scheme Share up to the Specified Number held by such Scheme Shareholder as at the Election Record Date (provided that each such Scheme Share up to the Specified Number continues to be held by such Scheme Shareholder at the Effective Time), such election having been made by such Scheme Shareholder and received by the Company on or prior to the Election Deadline at the address set out in the Consideration Election Form;

**“Central Banks”**

means the central banks of the jurisdictions where the Company carries on business, including the Federal Reserve Bank, the Central Bank of Bahamas, the Cayman Islands Monetary Authority, the Eastern Caribbean Central Bank, the Central Bank of Trinidad and Tobago, the Bank of Jamaica and the Central Bank of Barbados;

**“Closing Date”**

means the date on which the Effective Time occurs;

**“Closing Exchange Rate”**

means the CAD/USD exchange rate as of 5:00PM (Toronto time) on the date which is one (1) Business Day prior to the Closing Date (or such earlier date as is required by a Governmental Authority or mutually agreed by the Company and AQY) using the mid-rate from the “BFIX” screen of Bloomberg (and if such rate or screen is not available, Company and AQY shall agree on a replacement data source, each acting reasonably);

**“Companies Act”**

means the Companies Act 1981 of Bermuda;

<b>“Company”</b>	means Sagicor Financial Corporation Limited, an exempted company with limited liability continued under the laws of Bermuda with registration number 51625;
<b>“Consideration Election Form”</b>	means the election form set out in the Shareholder Circular wherein the eligible Scheme Shareholders as at the Election Record Date may elect to receive either the Cash Consideration or the First Share Consideration, or a combination of the Cash Consideration and First Share Consideration, in accordance with the terms of the Arrangement Agreement and of this Scheme and the instructions therein, for up to the Specified Number, it being instructed in the Consideration Election Form that (i) a Scheme Shareholder need return the Consideration Election Form only to register an election for any Cash Consideration and that (ii) an election to receive First Share Consideration shall be registered by default in respect of any Scheme Shares for which such Scheme Shareholder does not validly elect Cash Consideration;
<b>“Court”</b>	means the Supreme Court of Bermuda;
<b>“Depository Interest Holders”</b>	means holders of Depository Interests appearing on the DI Register immediately prior to the cancellation thereof as contemplated in clause 44 of this Scheme;
<b>“Depository Interests”</b>	means dematerialized depository interests issued by the DI Depository representing the underlying Scheme Shares;
<b>“Depository”</b>	means the Barbados Central Securities Depository;
<b>“DI Depository”</b>	means Computershare Investor Services PLC;
<b>“DI Register”</b>	means the register of Depository Interest Holders maintained by the DI Depository;
<b>“DRS”</b>	means the Direct Registration System, a service offering by TSX Trust;
<b>“Effective Time”</b>	means the date and time at which an office copy of the Order of the Court sanctioning this Scheme and making such facilitating orders as

are appropriate pursuant to section 99 of the Companies Act shall have been delivered to the Registrar of Companies in Bermuda for registration, at which time this Scheme shall become effective prior to the Outside Date;

**“Election Deadline”**

means 5:30 p.m. (Atlantic Standard Time) on 11 June 2019 (or such later date as may be notified to the Shareholders by announcement on the Company’s website, such announcement to be accessed on the Company’s website at [www.sagicor.com](http://www.sagicor.com) under “News” on the website’s homepage), being the date by which the Company must receive a completed and executed Consideration Election Form at the address provided in the Consideration Election Form;

**“Election Record Date”**

means 5:00 p.m. (Atlantic Standard Time) on December 6, 2018, or such other date as is required by a Governmental Entity;

**“Exchange Ratio”**

means the number which is the quotient of (i) 1.75 divided by (ii) the product of 10.00 and the Closing Exchange Rate;

**“First Share Consideration”**

means the share consideration with an agreed value of US\$1.75 per Scheme Share made available to each Scheme Shareholder as at the Election Record Date and payable in the form of AQY Shares equal to the product of the Exchange Ratio multiplied by the number of Scheme Shares up to the Specified Number held by such Scheme Shareholder as at the Election Record Date (provided that each such Scheme Share up to the Specified Number continues to be held by such Scheme Shareholder at the Effective Time) in exchange for the transfer of such Scheme Share at the Effective Time to AQY pursuant to this Scheme, rounded down for each applicable Scheme Shareholder to the next whole number of AQY Shares;

**“Governmental Authority”**

means any: (a) country, nation, state, commonwealth, province, territory, county, municipality, district or other jurisdiction of any nature; (b) federal, state, provincial, local, municipal, foreign or other government; (c) governmental authority of any nature (including any governmental division,

department, agency, commission, instrumentality, organization, body or entity and any court or other tribunal), including, for greater certainty, a Securities Authority; (d) any quasi-governmental or private body exercising any regulatory, expropriation or taxing authority under or for the account of any of the foregoing; (e) applicable stock exchanges; (f) applicable Central Banks; or (g) applicable self-regulatory organizations, including, if applicable, the Investment Industry Regulatory Organization of Canada and the Financial Industry Regulatory Authority;

**“Latest Practicable Date”**

means 31 January 2019, being the latest practicable date upon which it was practicable for the purpose of ascertaining certain information contained herein;

**“Law”**

means any federal, state, local, municipal, provincial, foreign or other law, statute, constitution, principle of common law, resolution, ordinance, code, edict, consent order, consent decree, decree, Order, judgment, rule, regulation, ruling, directive, regulatory guidance, agreement or requirement issued, enacted, adopted, promulgated, implemented or otherwise put into effect by or with or under the authority of any Governmental Authority;

**“Order”**

means any order, writ, assessment, decision, injunction, decree, judgment, ruling, award, settlement or stipulation issued, promulgated or entered into by or with any Governmental Authority;

**“Other Share Consideration”**

means the share consideration with an agreed value of US\$1.75 per Scheme Share made available to each Scheme Shareholder as at the Election Record Date and payable in the form of AQY Shares equal to the product of the Exchange Ratio multiplied by the number of Scheme Shares held by such Scheme Shareholder as at the Effective Time (other than the Scheme Shares held by such Scheme Shareholder being exchanged for Cash Consideration or First Share Consideration) in exchange for the transfer of each such Scheme Share to AQY at the Effective Time pursuant to this Scheme, rounded down for each applicable

	Scheme Shareholder to the next whole number of AQY Shares;
<b>“Outside Date”</b>	means 30 November 2019 or such other date as may be agreed between AQY and the Company pursuant to the Arrangement Agreement;
<b>“Paying Agent”</b>	means Computershare Communication Services Inc;
<b>“Person”</b>	means an individual, company (including not-for-profit company), corporation (including not-for-profit corporation), body corporate, general or limited partnership, limited liability partnership, limited liability company, unlimited liability corporation, joint venture, association, trust, estate, association, trustee, executor, administrator, legal representative, Governmental Authority, unincorporated organization or other entity of any kind or nature;
<b>“Register Closure Period”</b>	means the period during which the Register of Members will be closed in order to determine the entitlement of a Scheme Shareholder to the consideration under this Scheme, the starting and ending dates of which will be determined by the Company before the Closing Date and which will be notified to the Scheme Shareholders by the Company seven (7) days in advance of the starting date of the Register Closure Period;
<b>“Register of Members”</b>	means the register of members of the Company (including the branch registers);
<b>“Sagikor Securities Laws”</b>	means the securities laws of each of Barbados, Trinidad and Tobago, and the United Kingdom, and the rules, regulations and policies of the Stock Exchanges;
<b>“Shares”</b>	means common shares of par value U.S.\$0.01 each in the share capital of the Company;
<b>“Sagikor Share Plans”</b>	means Sagikor’s Employee Share Ownership Plan effective 31 December 2005 and the executive Long-term Incentive Plan effective 31 December 2005;
<b>“Scheme”</b>	means the scheme of arrangement in respect of the Company under section 99 of the Companies

Act as set out in this document in its present form or with or subject to any modifications, additions or conditions that are consented to by the Company and AQY, each acting reasonably, and that the Court may approve or impose;

**“Scheme Consideration”**

means the consideration payable to Scheme Shareholders as at the Effective Time in exchange for the transfer of the Scheme Shares to AQY in accordance with this Scheme, comprising (1) for eligible Persons, the option of the Cash Consideration, the First Share Consideration, or a combination of both, for up to the Specified Number held by each eligible Scheme Shareholder, and (2) in all other cases, the Other Share Consideration;

**“Scheme Meeting”**

means the meeting of Scheme Shareholders as at the Voting Record Date to be convened at the direction of the Court at which this Scheme (with or without modification) will be voted upon, including any postponement or adjournment thereof;

**“Scheme Shareholders”**

means the holders of Scheme Shares appearing on the Register of Members at the applicable time;

**“Scheme Share(s)”**

means all of the Shares in issue as at the applicable time;

**“Securities Authority”**

means the Governmental Authority having jurisdiction to enforce AQY Securities Laws or Sagicor Securities Laws, as applicable;

**“Share Consideration”**

means the First Share Consideration and the Other Share Consideration;

**“Share Qualifying Scheme Shareholder(s)”**

means the Scheme Shareholders as at the Effective Time: (a) who or which are eligible to receive the First Share Consideration; and (b) in all other cases, who or which are entitled to receive the Other Share Consideration;

**“Shareholder Circular”**

means the circular to Scheme Shareholders dated 11 February 2019 and accompanying explanatory statement pursuant to section 100 of the Companies Act, including all schedules, appendices and exhibits to, and information

incorporated by reference in, the explanatory Statement, , as amended by the circular amendment to Scheme Shareholders dated 30 April 2019, accessible on the Company's website at [www.sagicor.com](http://www.sagicor.com) under "News" on the website's homepage and as such Shareholder Circular may be subsequently amended, supplemented or otherwise modified from time to time in accordance with the terms of the Arrangement Agreement;

- "Shareholder(s)"** means holder(s) of Shares registered as such in the Register of Members;
- "Share(s)"** means common share(s) of par value US\$0.01 each in the share capital of the Company;
- "Specified Number"** means 10,000 Scheme Shares, subject to the adjustment mechanism set out at clause 4;
- "Stock Exchanges"** means the Barbados Stock Exchange, the Trinidad and Tobago Stock Exchange and the London Stock Exchange;
- "Tax" or "Taxes"** means: (a) taxes, charges, withholdings, fees, levies, imposts, duties and governmental fees or other like assessments or charges of any kind whatsoever in the nature of taxes imposed by any U.S. or non-U.S. federal, state, provincial, local or foreign Governmental Authority responsible for the administration of Taxes (including those related to income, net income, gross income, receipts, capital, windfall profit, severance, property (real and personal), production, sales, goods and services, use, business and occupation, license, excise, registration, franchise, employment, payroll (including social security contributions), deductions at source, withholding, alternative or add-on minimum, intangibles, ad valorem, transfer, gains, stamp, customs, duties, estimated, transaction, title, capital, paid-up capital, profits, premium, value added, recording, inventory and merchandise, business privilege, federal highway use, commercial rent or environmental tax); (b) interest, penalties, fines, additions to tax or additional amounts imposed by any Governmental Authority (i) in connection with any item described in item (a) or (ii) as a result of the failure to timely and

accurately file any tax return; and (c) liabilities of any other Person for any items described in item (a) and/or (b) payable by reason of transferee or successor liability or under Treasury Regulation Section 1.1502-6 (or any analogous provision of U.S. or non-U.S. federal, state, provincial, local or foreign Law);

**“TSE”** means the Trinidad and Tobago Stock Exchange.

**“US\$” or “US dollar”** means United States dollars, the lawful currency of the United States of America; and

**“Voting Record Date”** means 5.00 p.m. (Atlantic Standard Time) on 18 April 2019 (or such later date as may be notified to the Shareholders by announcement on the Company’s website, such announcement to be accessed on the Company’s website at [www.sagicor.com](http://www.sagicor.com) under “News” on the website’s homepage), being the date designated as the record date for determining the Shareholders entitled to receive notice of and vote at the Scheme Meeting as set out in the Shareholder Circular or in any notice to the Shareholders after the date of the Shareholder Circular.

## **INTERPRETATION**

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

- (6) to the extent that there shall be any conflict or inconsistency between the terms of this Scheme and the Shareholder Circular then the terms of this Scheme shall prevail.

## **Background**

- (C) The Company was continued into Bermuda on 20 July 2016 as an exempted company with registration number 51625.
- (D) As at the Latest Practicable Date the Company had an authorised share capital of US\$9,700,000 divided into 650,000,000 common shares of par value US\$0.01 each and 320,000,000 preference shares of par value US\$0.01 each, of which (i) 306,555,644 common shares had been issued and were fully paid up or credited as fully paid up, and the remainder remained unissued; and (ii) zero (0) preference shares had been issued.

## **THE PURPOSE OF THIS SCHEME**

- (E) The purpose of this Scheme is to provide for the exchange of Scheme Shares for fully paid and non-assessable AQY Shares and/or, for eligible shareholders, cash in certain circumstances. Under this Scheme, it is proposed that at the Effective Time all of the Scheme Shares issued and outstanding immediately prior to the Effective Time shall be transferred to AQY in exchange for the Scheme Shareholders receiving the Scheme Consideration.
- (F) The Scheme Consideration payable to Scheme Shareholders as at the Effective Time in exchange for the transfer of the Scheme Shares to AQY in accordance with this Scheme, comprises (1) in the case of Persons who were also Scheme Shareholders as at the Election Record Date, the option of either the Cash Consideration or the First Share Consideration, or a combination of Cash Consideration and First Share Consideration, for up to the Specified Number held by each Scheme Shareholder as at the Election Record Date which continue to be held as at the Effective Time by such Scheme Shareholder; and/or (2) in cases other than the circumstances set out in paragraph (1), the Other Share Consideration.
- (G) Each Scheme Shareholder as at the Election Record Date may elect to receive either the Cash Consideration or the First Share Consideration, or a combination of Cash Consideration and First Share Consideration, for up to the Specified Number then held and which continue to be held by such Scheme Shareholder at the Effective Time, and such election shall be made on the Consideration Election Form on or prior to the Election Deadline in accordance with the instructions therein. If an eligible Scheme Shareholder (1) elects to receive a combination of Cash Consideration and First Share Consideration for up to the Specified Number held by such Scheme Shareholder as at the Election Record Date and (2) transfers any such Scheme Shares prior to the Effective Time, then such Scheme Shareholder shall be deemed to have transferred Scheme Shares for which such Scheme Shareholder elected to receive First Share Consideration until such time as such Scheme Shareholder has transferred a number of such Scheme Shares that exceeds the number of Scheme Shares for which such Scheme Shareholder elected to receive First Share Consideration, at which time any remaining such Scheme Shares transferred by such Scheme Shareholder shall be deemed to be Scheme Shares for which such Scheme Shareholder elected to receive Cash Consideration.

- (H) If no valid election is made by a Scheme Shareholder as at the Election Record Date by the Election Deadline, such Scheme Shareholder shall receive the Other Share Consideration in respect of all Scheme Shares which continue to be held as at the Effective Time.
- (I) At the Effective Time, AQY and the Company shall enter into an assignment and assumption agreement pursuant to which the rights and obligations of the Company under the Sagicor Share Plans shall be assigned to, and assumed by, AQY, whereupon each unvested Share under a Sagicor Share Plan that is outstanding at the Effective Time will, in accordance with its terms, be exchanged for or become a right, subject to the applicable vesting conditions being satisfied, to receive from AQY the number of AQY Shares equal to the product of the Exchange Ratio multiplied by the number of such Shares, rounded down to the nearest whole number of AQY Shares. Subject to the foregoing, the term to expiry, vesting conditions, and all other terms and conditions of the right to receive such AQY Shares will be the same as the terms and conditions of such grant under such Sagicor Share Plan, and any document or agreement previously evidencing such grant under such Sagicor Share Plan shall thereafter evidence and be deemed to evidence such right to receive AQY Shares.
- (J) At the Effective Time, each option to acquire Shares under a Sagicor Share Plan that is outstanding on the Effective Time (and not exercised for Shares prior thereto) will, in accordance with its terms, be exchanged for or become an option from AQY (a “**Replacement Option**”) to purchase the number of AQY Shares equal to the product of the Exchange Ratio multiplied by the number of Shares that may be purchased as if such option to acquire Shares were exercisable and exercised immediately prior to the Effective Time. Such Replacement Option shall provide for an exercise price per AQY Share equal to the exercise price per Share of such option to acquire Shares immediately prior to the Effective Time divided by such Exchange Ratio. If the foregoing calculation results in a Replacement Option being exercisable for a fraction of an AQY Share, then the number of AQY Shares subject to such Replacement Option shall be rounded down to the next whole number of AQY Shares and the total exercise price for the Replacement Option will be reduced by the exercise price of the fractional AQY Shares. Subject to the foregoing, the term to expiry, conditions to and manner of exercising, vesting schedule, and all other terms and conditions of such Replacement Option will be the same as the terms and conditions of such option to acquire Shares, any document or agreement previously evidencing such option to acquire Shares shall thereafter evidence and be deemed to evidence such Replacement Option.

## **PART II**

### **THE SCHEME**

#### **Application and effectiveness of this Scheme**

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

overrides the memorandum of association and bye-laws of the Company. This Scheme will become effective at, and be binding at and after, the Effective Time on (i) the Company and (ii) all registered and all beneficial holders of Scheme Shares, in each case without any further authorization, act or formality on the part of any Person.

### **Effect of this Scheme**

2. At the Effective Time, all of the right, title and interest of the Scheme Shareholders in the Scheme Shares shall be subject to the arrangement implemented by the mechanism set out in clause 3 of this Part II.

### **Compromise and Arrangement with Scheme Shareholders**

3. At the Effective Time, in consideration of the rights of the Scheme Shareholders under this Scheme and in exchange for each Scheme Share issued and outstanding immediately prior to the Effective Time and notwithstanding any term of any relevant document, the following shall occur:
  - (a) all the Scheme Shares shall be transferred to AQY, together with all rights and entitlements attaching to them as at the Effective Time without the need for any further act by any Scheme Shareholder, and free and clear of all liens, claims and encumbrances;
  - (b) each holder of Scheme Shares at the Effective Time shall cease to be the holder of such Scheme Shares and shall cease to have any rights as a holder of such Scheme Shares and each such holder's name will be removed from the Register of Members and AQY will be recorded as the registered holder of all of the Scheme Shares in the Register of Members and will be deemed to be the legal and beneficial owner of such Scheme Shares, free and clear of all liens, claims and encumbrances;
  - (c) in exchange for the Scheme Shares, the Company shall procure that AQY shall issue and allot or pay (as applicable) the Scheme Consideration to the Scheme Shareholders as follows:
    - (i) subject to clause 37, in respect of the Cash Consideration, to those eligible shareholders, cheques for payment of the Cash Consideration will be made to each Cash Qualifying Scheme Shareholder as soon as possible but in any event within 7 Business Days following this Scheme becoming effective;
    - (ii) in respect of the First Share Consideration, AQY shall, as at the Effective Time, allot and issue, credited as fully paid, free and clear of all liens, claims and encumbrances, the relevant Share Consideration to each Share Qualifying Scheme Shareholder that elected to receive First Share Consideration or that did not make a valid election by the Election Deadline, whereupon such Share Qualifying Scheme Shareholder shall become a registered holder of AQY Shares (such shares shall be issued in DRS form and the applicable DRS statement shall be mailed within 30 Business Days following the Effective Time); and

- (iii) in respect of the Other Share Consideration, AQY shall, as at the Effective Time, allot and issue, credited as fully paid, free and clear of all liens, claims and encumbrances, the relevant Share Consideration to such Share Qualifying Scheme Shareholder whereupon such Share Qualifying Scheme Shareholder shall become a registered holder of AQY Shares (such shares shall be issued in DRS form and the applicable DRS statement shall be mailed within 30 Business Days following the Effective Time).
- 4. The Specified Number has been determined based on the number of Scheme Shares issued to the Scheme Shareholders existing at or about the time of execution of the Arrangement Agreement and assuming that (i) all of such Scheme Shareholders were entitled to and fully elected to receive the Cash Consideration in respect of up to their first 10,000 Scheme Shares; and (ii) that such number of Scheme Shares continued to be held by the Scheme Shareholders at the Election Record Date and at the Effective Time. In the event that the aggregate amount of Cash Consideration elected by Cash Qualifying Scheme Shareholders is, together with any amount payable under Section 2.12 of the Arrangement Agreement, greater than US\$205 million (or such other amount as AQY and the Company mutually agree, with a potential floor as AQY and the Company may mutually agree), then the Specified Number shall be adjusted in accordance with the Arrangement Agreement.
- 5. In the event that it would be contrary to applicable Laws to offer or pay the First Share Consideration or the Other Share Consideration in respect of Scheme Shares held by a Person located in any jurisdiction, both AQY and the Company may take such action as either may deem necessary to comply with such Laws, and in addition or in the alternative AQY may in its discretion pay U.S.\$1.75 per each such Scheme Share if it determines that compliance with such Laws would be excessively costly or impractical, acting reasonably.
- 6. The eligibility of Scheme Shareholders located within the UK to elect between Cash Consideration, First Share Consideration, and a combination of both, is conditional upon either (i) the UK Listing Authority's approval of the AQY Prospectus as an "equivalent document" to a prospectus prepared in accordance with the requirements of the UK's Prospectus Regulations 2005 (SI 2005/1433), as amended, or (ii) an exemption from applicable public offering requirements to file a prospectus in the UK applying. In the event that neither of these conditions is satisfied, then such Scheme Shareholders shall not be eligible to elect their Scheme Consideration. Instead, such Scheme Shareholders shall receive all of their Scheme Consideration as Share Consideration, which consideration shall be delivered according to the terms applicable to delivery of Share Consideration.
- 7. All existing certificates (if any) representing the Scheme Shares will cease to have effect as documents or evidence of title as from the Effective Time.
- 8. The Company will make an announcement of the last day for dealing in the Shares and of the exact dates the effectiveness of this Scheme and the withdrawal of the listing of the Shares on the Stock Exchanges will become effective.

#### **Adjustments to the Exchange Ratio**

9. The Exchange Ratio shall be adjusted to reflect fully the effect of any share split, reverse share split, dividend (including any dividend or distribution of securities convertible into AQY Shares or Shares other than dividends paid in lieu of ordinary course dividends), reorganization, recapitalization or other like change with respect to AQY Shares or Shares occurring after the date of the Arrangement Agreement and prior to the Effective Time.

**Beneficial Owners whose Shares are held by a Scheme Shareholder**

10. Except as set out below or required by Law, no Person shall be recognised by the Company as holding any Shares in trust.
11. A Depositary Interest Holder shall be deemed a Scheme Shareholder and Depositary Interests shall be deemed Scheme Shares solely for the purposes of entitling a Depositary Interest Holder to make an election for the Cash Consideration or the First Share Consideration (provided that each such Depositary Interest is held by such Depositary Interest Holder on the Election Record Date and the associated underlying Scheme Shares are held by such Depositary Interest Holder at the Effective Time).

**Scheme Conditions**

12. This Scheme is conditional on:
  - a. this Scheme being approved by a majority in number representing not less than three-fourths in value of the Scheme Shareholders as at the Voting Record Date present and voting in person or by proxy at the Scheme Meeting;
  - b. this Scheme, with or without modification, being sanctioned by the Court;
  - c. the satisfaction or waiver by the applicable party of all other conditions precedent to this Scheme required pursuant to Article VII of the Arrangement Agreement;
  - d. the Arrangement Agreement not having been terminated in accordance with its terms; and
  - e. a copy of Order of the Court sanctioning this Scheme under section 99(3) of the Companies Act being delivered to the Registrar of Companies in Bermuda for registration.

**Delivery of the Order of the Court**

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

### **PART III**

#### **VOTING AT THE SCHEME MEETING**

##### **Voting Record Date**

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

##### **Depositary Interests**

15. The DI Depositary, as the issuer of the Depositary Interests representing the underlying Scheme Shares deposited with its custodian, shall be counted as two Scheme Shareholders for the purposes of ascertaining whether or not the requirement that a majority in number of the Scheme Shareholders approve this Scheme has been satisfied pursuant to section 99(2) of the Companies Act. In the event that the Scheme Shares voted by the DI Depositary are unanimous in favour or against this Scheme, the DI Depositary shall cast only one vote in accordance with the unanimous vote. In addition, the Scheme Shares voted for and/or against this Scheme by the DI Depositary shall be counted for the purposes of ascertaining whether or not the requirement that a majority representing three-fourths in value of the Scheme Shareholders approve this Scheme has been satisfied pursuant to section 99(2) of the Companies Act. For the foregoing purposes, the DI Depositary shall specify the number of votes cast in favour of and against this Scheme and, in each case, the number of Depositary Interest Holders on whose instructions such votes are cast. Such information shall be included in the report of the Chairman of the Scheme Meeting which will be provided to the Court at the hearing of the petition to sanction this Scheme.

### **PART IV**

#### **DISTRIBUTIONS**

##### **Distribution to Scheme Shareholders**

16. Upon this Scheme becoming effective, payment of the Scheme Consideration will be effected as provided in clause 3 of Part II hereof.
17. Subject to clause 3 and clause 37, in the event that a Cash Qualifying Scheme Shareholder validly elects to receive Cash Consideration, the cheque will be mailed (by ordinary mail) to the address of such Scheme Shareholder listed in the Register of Members immediately prior to the Effective Time and the mailing (by ordinary mail) of such cheque within the time period specified herein shall be deemed sufficient consideration for the transfer of each applicable Scheme Share to AQY. All such cheques will be sent at the risk of the Person(s) entitled thereto and none of the Company or AQY or any of their respective directors, officers, employees, agents, Affiliates or advisers or any other Person involved in this Scheme will be responsible for any loss or delay in dispatch.

18. Upon the expiry of six (6) months from the posting of a cheque, AQY or the Paying Agent shall be entitled to cancel or countermand any cheque that has not been cashed and shall hold all monies represented thereby pursuant to the Arrangement Agreement.
19. Upon the expiry of seven (7) years from the Effective Time, any sums held in accordance with clause 18 shall be released to and shall become the property of AQY and AQY shall be released from all obligations to make payments to any Scheme Shareholder in respect of the Cash Consideration pursuant to this Scheme.
20. In the case of the First Share Consideration or the Other Share Consideration, the DRS instrument will be mailed (by ordinary mail) to the address of such Scheme Shareholder listed in the Register of Members immediately prior to the Effective Time.

#### **Rights of Scheme Shareholders**

21. With effect from and including the Effective Time, each holder of Scheme Shares shall in accordance with this Scheme cease to have any rights with respect to Scheme Shares, except the right to receive the Scheme Consideration subject to and in accordance with the terms hereof. With effect from and including the Effective Time, all existing Scheme Shares shall be transferred to AQY and the Register of Members shall be updated to reflect such transfers, and AQY will be recorded as the registered holder of all of the Scheme Shares and will be deemed to be the legal and beneficial owner of such Scheme Shares, free and clear of all liens, claims and encumbrances.

### **PART V**

#### **GENERAL SCHEME PROVISIONS**

##### **Effective Time and Notification to Scheme Shareholder**

22. This Scheme shall become effective at the Effective Time.
23. The Company shall give notification of this Scheme having become effective by making a public announcement by newspaper advertisement published in each jurisdiction in which Shares are listed or admitted for trading on a stock exchange.

##### **Dividends**

24. If, in accordance with the terms of the Arrangement Agreement, any dividend is declared by the Company on or before the Effective Time with a record date for entitlement to any such dividend which is on or before the Effective Time, Shareholders whose names appear in the Register of Members as at the record date for entitlement to any such dividend will be entitled to receive such dividend.
25. All mandates and instructions in force at the Effective Time in relation to Scheme Shares (including elections for payment of dividends (if any)) will cease to be valid, unless determined otherwise by AQY (in relation to the applicable AQY Shares) in its sole discretion from time to time.

### **Scheme Costs**

26. Subject to clauses 38 – 43, the Company shall pay in full all costs, charges, expenses and disbursements incurred by it or its agents in connection with the preparation and implementation of this Scheme, including the costs of holding the Scheme Meeting and obtaining the sanction of the Court.

### **Existing Instruments of Transfer and Certificates**

27. Subject to clause 37, as from the Effective Time, all instruments of transfer and certificates (if any) validly existing in respect of a transfer or holding of any Scheme Shares shall as from the Effective Time, cease to have effect as documents or evidence of transfer or title and every holder thereof shall be bound and deemed to have delivered to AQY its, his or her entire interest in Scheme Shares as at the Effective Time.

### **No Liability when Acting in Good Faith**

28. Neither the Company nor AQY, nor any of their respective directors, officers, agents or advisers, will be liable to a Scheme Shareholder for anything done or omitted to be done in the implementation and performance of this Scheme in good faith.

### **Modifications to this Scheme**

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

### **Notice of the Scheme Meeting**

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

### **Transmission of documents**

31. Neither the Company nor AQY shall be responsible for any loss or delay in the transmission of any notices, other documents or payments posted by or to Scheme Shareholders, which shall be posted at the risk of the relevant Scheme Shareholder.

### **Exercise of Discretion**

32. Subject to the terms of the Arrangement Agreement, when under any provision of this Scheme a matter is to be determined by the Company or AQY, then it will have discretion to interpret such matter under this Scheme in a manner that it considers fair and reasonable, and its decisions will be binding on all concerned.

### **Paying Agent; Currency**

33. Unless otherwise specified, all references to amounts of money in this Scheme refer to the lawful currency of the United States of America. Where any amount is payable hereunder by AQY, AQY may pay directly or through the Paying Agent, and may, or may direct the Paying Agent to, convert it into another currency and make the payment of the amount (net of conversion and other costs) so converted in such other currency.

#### **No Right of Dissent**

34. Holders of Scheme Shares shall not be entitled to exercise rights of dissent with respect to such Scheme Shares.

#### **Governing Law and Jurisdiction**

35. At and with effect from the Effective Time, the operative terms of this Scheme shall be governed by, and construed in accordance with, the laws of Bermuda and the Courts of Bermuda shall have exclusive jurisdiction to hear and determine any suit, action or proceeding and to settle any dispute which arises out of or connected with the terms of this Scheme or their implementation or out of any action taken or omitted to be taken under this Scheme or in connection with the administration of this Scheme.
36. The terms of this Scheme and the obligations imposed on the Company hereunder shall take effect subject to any prohibition or condition imposed by any applicable Law.

#### **Share Certificates**

37. To the extent any share certificates representing any Scheme Shares exist immediately prior to the Effective Time, the following shall apply:
- (a) A Scheme Shareholder who wishes to receive share certificates in respect of the AQY Shares or if eligible, the Cash Consideration, as applicable, shall surrender to the Depository any and all share certificates held by such Scheme Shareholder which immediately prior to the Effective Time represented Scheme Shares that were transferred for the Scheme Consideration as provided for under this Scheme, together with a duly completed letter of transmittal or such other documents and instruments as the Company, AQY or the Depository may reasonably require whereupon, the holder of such surrendered certificate shall be entitled to receive in exchange therefor the Cash Consideration or a share certificate in respect of the AQY Shares held by such Scheme Shareholder, as applicable, and the certificate so surrendered shall forthwith be cancelled. If not surrendered as contemplated hereby on or prior to the Effective Time, each certificate which immediately prior to the Effective Time represented Scheme Shares shall be deemed at all times after the Effective Time to represent only the right to receive upon such surrender a share certificate in respect of AQY Shares or Cash Consideration, as applicable. For the purpose of this clause 37(a), Cash Consideration shall be paid by AQY by cheque made to the eligible Scheme

Shareholder as soon as possible but in any event within 7 Business Days following the satisfaction of the conditions set out in this clause 37(a).

- (b) In the event any certificate which immediately prior to the Effective Time represented one or more issued and outstanding Scheme Shares that were exchanged pursuant hereto shall have been lost, stolen or destroyed, upon the making of an affidavit of that fact by the Scheme Shareholder claiming such certificate to be lost, stolen or destroyed together with a written request by such Scheme Shareholder to the Depository for a share certificate in respect of AQY Shares (as applicable), such Scheme Shareholder shall, in exchange for such lost, stolen or destroyed certificate and letter of transmittal or such other documents and instruments as the Company, AQY or Depository may reasonably require, be entitled to a share certificate in respect of the AQY Shares held by such Scheme Shareholder or if eligible, the Cash Consideration, as applicable. When authorizing the issuance of a share certificate in respect of AQY Shares or payment of Cash Consideration in exchange for any lost, stolen or destroyed certificate which prior to the Effective Time represented issued and outstanding Scheme Shares, such Scheme Shareholder shall, as a condition precedent to the issuance of a share certificate in respect of AQY Shares, indemnify the Company, AQY and the Depository (and agree to obtain customary insurance therefor) in a manner reasonably satisfactory to them against any claim that may be made against them with respect to the certificate alleged to have been lost, stolen or destroyed. For the purpose of this clause 37(b), Cash Consideration shall be paid by AQY by cheque made to the eligible Scheme Shareholder as soon as possible but in any event within 7 Business Days following the satisfaction of the conditions set out in this clause 37(b).
- (c) Any certificate which immediately prior to the Effective Time represented issued and outstanding Scheme Shares that were exchanged pursuant to this Scheme that is not deposited with all other instruments required pursuant to this clause 37 on or prior to the second (2nd) anniversary of the Effective Time shall cease to represent any entitlement, claim or interest under this clause 37 or any other entitlement, claim or interest of any kind or nature. For the avoidance of doubt, on such date, the Cash Consideration to which the former holder of the certificate referred to in the preceding sentence may have been entitled from AQY shall be deemed to have been surrendered for no consideration to AQY. None of the Company, AQY, the Depository or the Paying Agent shall be liable to any Person in respect of any cash delivered to a Governmental Authority pursuant to any applicable abandoned property, escheat or similar Law.
- (d) The Scheme Consideration shall only be payable once with respect to each Scheme Share, regardless of whether it is certificated.

#### **Withholding Rights; Stamp Duty; Put-Through**

- 38. AQY, the Company, the Depository and the Paying Agent, as applicable, shall be entitled to deduct and withhold from any Scheme Consideration, including by way of the sale of AQY Shares by AQY on behalf of the Person, otherwise payable or otherwise deliverable to a Person under this Scheme such amounts as AQY and the Company, mutually agree

- are required to be deducted and withheld from such Scheme Consideration under any provision of any Law in respect of Taxes. Any such amounts will be deducted, withheld and remitted to the appropriate Governmental Authority from the Scheme Consideration payable pursuant to this Scheme and shall be treated for all purposes as having been paid to the Person in respect of which such deduction, withholding and remittance was made; provided that such deducted and withheld amounts are actually remitted to the appropriate Governmental Authority.
39. Upon any sale or transfer of Scheme Shares to AQY, the applicable Scheme Shareholder shall pay (and neither the Company nor AQY shall be required to pay, unless otherwise required by applicable Law), any documentary, stamp, stamp duty, stamp duty reserve, property transfer, transfer, or other taxes, broker fees, or stock exchange fees, that may be payable pursuant to applicable Law (other than those payable by AQY pursuant to the Arrangement Agreement) in respect of any such sale or transfer, provided that AQY, the Company, the Depository and the Paying Agent shall be entitled to deduct and withhold such amounts as AQY and the Company, acting mutually, agree are required to be deducted and withheld from any Scheme Consideration otherwise payable to any Scheme Shareholder. To the extent that amounts are so withheld, such withheld amounts shall be treated for all purposes as having been paid to the Scheme Shareholder in respect of which such deduction and withholding was made, provided that such withheld amounts are actually remitted to the appropriate Governmental Authority or Person on behalf of the applicable Scheme Shareholders. Without limitation, a portion of any AQY Shares otherwise payable may be withheld and disposed of in any marketplace by or on behalf of AQY, the Company, the Depository and the Paying Agent to acquire the net proceeds, after expenses of disposition, to make payment of such amounts to the applicable Governmental Authority or Person, and no liability shall arise therefrom provided the applicable Person acts in good faith.
40. At AQY's or the Company's discretion, the transfer of Scheme Shares to AQY may involve a put-through, cross or similar transaction on any stock exchange, and for such purposes each holder of Scheme Shares irrevocably authorizes any broker, dealer or similar Person appointed by the Company or AQY (which may include a subsidiary of the Company) to act on his, her or its behalf for such purposes.

### **Dealings and Listings**

41. The Scheme Shares that are listed on each of the BSE and the TSE (and their associated registers) that are to be received by AQY as a result of this Scheme will be transferred from Scheme Shareholders to AQY through such exchanges in transactions effected by licensed brokers. Scheme Shares that are held as Depository Interests or otherwise listed on the LSE will be transferred through the BSE and thus will be subject to the BSE-related fees. Scheme Shares transferred through the BSE will be assessed different fees than Scheme Shares transferred through the TSE.
42. Half (50%) of all exchange, transfer and brokers' fees shall be payable by AQY, and the other half (50%) of all exchange, transfer and brokers' fees shall be payable by holders of Scheme Shares through a combination of (i) the automatic deduction of such fee amounts from the Cash Consideration to which the Scheme Shareholder would otherwise be due, or (ii) the withholding of fractional AQY Shares deemed equivalent in value to the fee amount to be assessed, pursuant to the terms of clause 38 and 39.

43. The exchange, transfer and brokers' fees to be paid by Scheme Shareholders will be automatic deductions from any AQY Shares that Scheme Shareholders would otherwise receive as Scheme Consideration and will be deducted as fractional AQY Shares at the price per AQY Share that will be used to convert Scheme Shares into AQY Shares. The number of shares to be received ultimately by an eligible Scheme Shareholder as Scheme Consideration will be net of payment of the exchange, transfer and brokers' fees payable by such Scheme Shareholder, and shall be rounded down for each applicable Scheme Shareholder to the next whole number of AQY Shares.
44. Prior to the Effective Time, the Company shall seek the cancellation and delisting of the Depositary Interests listed on the LSE. Upon such cancellation, the Depositary shall transfer the legal title to the respective Scheme Shares each Depositary Interest Holder is beneficially entitled to, and which were represented by the cancelled Depositary Interests, to the respective Depositary Interest Holder and each Depositary Interest Holder shall be entered on the Register of Members as the legal holder of its respective Scheme Shares. Each such Scheme Shareholder's Scheme Shares shall then be transferred to AQY in accordance with this Scheme.
45. In order to determine the entitlement of Shareholders to the consideration under this Scheme, the register of members of the Company (including its branch registers) will be closed during the Register Closure Period.

#### **Amendments to the Scheme**

46.
  - (a) The Company and AQY may amend, modify and/or supplement this Scheme at any time and from time to time prior to the Effective Time, provided that each such amendment, modification and/or supplement must be (i) set out in writing, (ii) approved by both of them, (iii) filed with the Court and, if made following the Scheme Meeting, approved by the Court, and (iv) communicated to then or former holders of Scheme Shares if and as required by the Court.
  - (b) Any amendment, modification or supplement to this Scheme may be proposed by the Company or AQY at any time prior to the Scheme Meeting, provided that the Company and AQY shall have each consented thereto in writing, with or without any other prior notice or communication, and if so proposed and accepted by the Persons voting at the Scheme Meeting, shall become part of this Scheme for all purposes.
  - (c) Any amendment, modification or supplement to this Scheme that is approved or directed by the Court following the Scheme Meeting but prior to the Effective Date shall be effective only (i) if it is consented to by each of the Company and AQY, and (ii) if required by the Court, it is consented to by holders of the Scheme Shares in the manner directed by the Court.
  - (d) Any amendment, modification or supplement to this Scheme may be made following the Effective Time by the Company and AQY, collectively, provided that it concerns a matter which, in the reasonable opinion of the Company and AQY, is of an administrative nature required to better give effect to the

implementation of this Scheme and is not adverse to the financial or economic interests of the former Scheme Shareholders.

**Further Assurances**

47. Notwithstanding that the transactions and events set out herein shall occur and shall be deemed to occur in the order set out in this Scheme, without any authorization, act or formality, each of the parties to the Arrangement Agreement shall make, do and execute, or cause to be made, done and executed, all such further acts, deeds, agreements, transfers, assurances, instruments or documents as may reasonably be required by any of them in order to implement this Scheme and to further document or evidence any of the transactions or events set out herein.