

# ALPHA PYRENEES TRUST LIMITED

(a closed-ended investment company incorporated in Guernsey and registered with number 43932)

*Directors:*

Dick Kingston (*Chairman*)  
Christopher Bennett  
David Jeffreys  
Phillip Rose  
Serena Tremlett

*Registered office:*

Isabelle Chambers  
Route Isabelle  
St. Peter Port  
Guernsey

9 June 2010

Dear Shareholder,

## NOTICE OF ANNUAL GENERAL MEETING

This document contains the notice for the Annual General Meeting of the Company, which is to be held on Wednesday, 30 June 2010 at 9.00 am. Enclosed with this document is a Form of Proxy for use at the meeting.

### **Business at the Annual General Meeting**

Details of the items of business to be proposed at the Annual General Meeting are set out below.

#### Ordinary business

The ordinary business of the meeting includes resolutions to adopt the financial statements of the Company for the year ended 31 December 2009, to re-elect certain directors who are retiring by rotation or otherwise, to approve the reappointment of the auditors, BDO Limited, as auditors of the Company and to authorise the directors to fix their remuneration.

#### Special business

The special business of the meeting includes resolutions to approve a scrip dividend scheme and to amend the articles of incorporation of the Company to accommodate the proposed scrip dividend scheme.

#### Scrip Dividend Scheme

Subject to the passing of Resolution 6 (Amendments to articles of incorporation) and Resolution 7 (Scrip dividend scheme) the Directors are proposing to offer a scrip dividend scheme pursuant to which the Directors may offer shareholders a scrip alternative in respect of any dividend declared and/or paid by the Company. Further details of how the scheme will operate are set out in the scrip dividend circular (the "**Scrip Circular**") accompanying this letter.

In addition, to enable the Company to offer its shareholders a scrip dividend scheme it is proposed that the Company amend its articles of incorporation with immediate effect in order to update the Company's existing Articles of Incorporation (the "**Articles**").

A new article is being inserted into the Articles that allows the board of directors of the Company to offer shareholders the right to receive shares instead of cash in respect of the whole or part, of any dividend declared by the board of directors of the Company.

**Notice of annual general meeting**

Shareholders will find set out at the end of this document a notice convening the Annual General Meeting of the Company, such meeting to be held at 9.00 am on Wednesday, 30 June 2010 at Isabelle Chambers, Route Isabelle, St. Peter Port, Guernsey, at which the resolutions referred to above will be proposed.

**Action to be taken**

You will find enclosed with this document a Form of Proxy for use at the Annual General Meeting. Whether or not you propose to attend the Annual General Meeting in person, you are requested to complete and sign the Form of Proxy in accordance with the instructions printed thereon and return it to Computershare Investor Services (Jersey) Limited, PO Box 329, Queensway House, Hilgrove Street, St Helier, Jersey JE4 9XY, or be returned by fax to +44 (0) 870 873 5851, as soon as possible but, in any event, so as to arrive no later than 9.00 am on Monday, 28 June 2010.

The completion and return of a Form of Proxy will not preclude you from attending the Annual General Meeting and voting in person if you wish to do so.

**Recommendation**

Your Board considers that the resolutions to be proposed at the meeting are in the best interests of shareholders as a whole and recommends that shareholders vote in favour of such resolutions, as the directors intend to do in respect of their own beneficial holdings.

Yours faithfully

**Dick Kingston**

*Chairman*

# ALPHA PYRENEES TRUST LIMITED

*(a closed-ended investment company incorporated in Guernsey and registered with number 43932)*

## NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Annual General Meeting of Alpha Pyrenees Trust Limited (the "Company") will be held at Isabelle Chambers, Route Isabelle, St. Peter Port, Guernsey GY1 3TX on Wednesday, 30 June 2010 at 9.00 am for the following business:

### Ordinary business:

- 1 To receive and adopt the directors' report and financial statements for the year ended 31 December 2009.
- 2 To re-elect Phillip Rose as a director.
- 3 To re-elect Christopher Bennett as a director.
- 4 To re-elect David Jeffreys as a director.
- 5 To re-appoint the auditors, BDO Limited, and authorise the directors to fix their remuneration.

### Special business:

To consider and, if thought fit, pass the following resolution as a **special resolution**:

- 6 That the Articles of Incorporation of the Company be and hereby is amended as follows:
  - a. Article 4.2 is hereby deleted and replaced with the following:
    - 4.2 Subject to the provisions of these Articles, the unallotted and unissued shares shall be at the disposal of the Board which may allot, grant options over, issue warrants or otherwise dispose of them to such persons on such terms and conditions and at such times as the Board determines but so that the amount payable on application on each share which has not been offered first pro-rata to existing shareholders under Article 4.14 and which is not issued pursuant to Article 28.17, shall not be less than the net asset value per share of the shares in issue at the relevant time.
  - b. by the following new article being inserted as a new Article 28.17:
    - 28.17 The Board may offer any holders of shares (excluding any Member holding shares as treasury shares) the right to elect to receive shares instead of cash in respect of the whole or part of any dividend declared by the Board and to which such right of election is stated by the Board to apply. The following provisions shall apply:-
      - 28.17.1 the entitlement of each holder of shares to new shares (or shares transferred out of treasury, as the case may be) shall be such that the relevant value of the entitlement shall be as nearly as possible equal to (but not greater than) the cash amount (disregarding any tax credit, if any) of the dividend that such holder elects to forgo. For this purpose "relevant value" shall be calculated by reference to the average of the middle market quotations for the relevant class of the Company's shares on the London Stock Exchange as derived from the Official List (or any other publication of a Recognised Investment Exchange showing quotations for the Company's shares) on such five consecutive dealing days as the Board shall determine, provided that the first of such days shall be on or after

the day on which the shares are first quoted “ex” the relevant dividend, or in such other manner as may be approved by ordinary resolution. If considered appropriate by the Board, a certificate or report by the Auditor as to the amount of the relevant value in respect of any dividend shall be conclusive evidence of that amount and in giving such a certificate or report the Auditor may rely on advice or information from brokers or other sources of information as they think fit;

- 28.17.2 no fraction of any share shall be issued. The Board may make such provisions as it thinks fit for any fractional entitlements including provisions whereby, in whole or in part, the benefit thereof accrues to the Company and/or under which fractional entitlements are accrued and/or retained without interest and in each case accumulated on behalf of any holder of shares and such accruals or retentions are applied to the issue by way of bonus to or cash subscription on behalf of such holder of shares and/or provisions whereby cash payments may be made to such holders in respect of their fractional entitlements;
- 28.17.3 the Board, if it intends to offer an election in respect of any dividend, shall give notice to the holders of shares of the right of election offered to them, and specify the procedure to be followed which, for the avoidance of doubt, may include an election by means of an Uncertificated System and the place at which, and the latest time by which, elections must be lodged in order for elections to be effective; no such notice need be given to holders of shares who have previously given election mandates in accordance with this Article and whose mandates have not been revoked; the accidental omission to give notice of any right of election to, or the non receipt (even if the Company becomes aware of such non-receipt) of any such notice by, any holder of shares entitled to the same shall neither invalidate any offer of an election nor give rise to any claim, suit or action;
- 28.17.4 the Board shall not proceed with any election unless the Company is solvent;
- 28.17.5 in addition to the authority conferred by Article 4.2, the Board shall have authority to issue sufficient shares to give effect to any election in respect of any dividend declared by the Board after the basis of issue is determined;
- 28.17.6 the Board may exclude from any offer or make other arrangement in relation to any holders of shares where the Board believes that such exclusion or arrangement is necessary or expedient in relation to legal or practical problems under the laws of, or the requirements of any recognised regulatory body or any stock exchange in, any territory outside the UK and/or Guernsey, or the Board believes that for any other reason the offer should not be made to them;
- 28.17.7 the dividend in respect of which a right of election has been stated by the Board to apply shall not be payable on shares in respect of which an election has been made (for the purposes of this Article “**the Elected Shares**”) and instead additional shares shall be issued to the holders of the Elected Shares on the basis of issue calculated as stated. For such purpose the Board shall capitalise, out of any amount standing to the credit of any reserve or fund (including retained earnings) at the relevant time, whether or not the same is available for distribution, a sum equal to the relevant value per share determined by the Board and apply it in paying up in full the appropriate number of shares for issue and distribution to the holders of the Elected Shares on that basis. The Board may do all acts and things considered necessary or expedient to give effect to any such capitalisation;
- 28.17.8 the additional shares when issued (or transferred out of treasury, as the case may be) shall rank pari passu in all respects with the relevant class of shares then in issue except that they will not be entitled to participation in the relevant dividend;
- 28.17.9 unless the Board otherwise determines, or unless the CREST Guernsey Regulations otherwise require, the new share or shares (or the share or shares transferred out of treasury, as the case may be) which a Member has elected to receive instead of cash in respect of the whole (or some part) of the specified dividend declared or paid in respect of his Elected Shares shall be in Uncertificated form (in respect of the Member’s Elected

Shares which were in Uncertificated form on the date of the Member's election) and in Certificated form (in respect of the Member's Elected Shares which were in Certificated form on the date of the Member's election);

- 28.17.10 the Board may also from time to time establish or vary a procedure for election mandates, which, for the avoidance of doubt, may include an election by means of an Uncertificated System, under which a holder of shares may elect in respect of future rights of election offered to that holder under this Article until the election mandate is revoked or deemed to be revoked in accordance with the procedure;
- 28.17.11 the Board may decide how any costs relating to making new shares (or treasury shares, as the case may be) available in place of a cash dividend will be met, including deciding to deduct an amount from the entitlement of a shareholder under this Article; and
- 28.17.12 at any time before new shares are issued (or shares transferred out of treasury) instead of cash in respect of any part of a dividend, the Board may determine that such new shares will not be issued (or shares will not be transferred out of treasury). Any such determination may be made before or after any election has been made by holders of shares in respect of the relevant dividend.

To consider and, if thought fit, pass the following resolutions as **ordinary resolutions**:

- 7 That, if Resolution 6 is passed, the Board be and is hereby generally and unconditionally authorised to issue ordinary shares in the Company, and to grant rights to subscribe for or convert any security into shares in the Company, in accordance with Article 28.17 of the Articles:
  - (A) up to a number of 187,500,00 shares in the Company (such number to be reduced by the number of shares issued or granted under paragraph (B) below); and
  - (B) up to a number of 187,500,00 shares in the Company (such number to be reduced by the number of shares issued or granted under paragraph (A) above) solely in connection with an offer to subscribe for shares in the Company:
    - (i) to ordinary shareholders in proportion (as nearly as may be practicable) to their existing holdings; and
    - (ii) to holders of other shares or securities, as required by the rights of those securities or as the Board otherwise considers necessary,

and so that the Board may impose any limits or restrictions and make any arrangements which it considers necessary or appropriate to deal with treasury shares, fractional entitlements, legal, regulatory or practical problems in, or under the laws of, any territory or any other matter, such authorities to apply until the end of next year's AGM but, in each case, during this period the Company may make offers and enter into agreements which would, or might, require shares to be issued or rights to subscribe for or convert securities into shares to be granted after the authority ends and the Board may issue shares or grant rights to subscribe for or convert securities into shares under any such offer or agreement as if the authority had not ended.

- 8 Resolution 8 authorises the Company to purchase in the market up to a maximum of 17,613,250 ordinary shares (equivalent to 14.99 per cent. of the issued share capital of the Company) for cancellation at a minimum price of one pence per share and a maximum price per share equal to the higher of (a) 5 per cent. above the

average of the middle market quotations for an ordinary share (as derived from the London Stock Exchange Daily Official List) for the five business days immediately before the date of purchase and (b) the higher of the price of the last independent trade and the highest current independent bid at the time of purchase. The authority to purchase ordinary shares will continue until the annual general meeting in 2011. The Board intends to seek a renewal of such authority at each subsequent annual general meeting.

- 9 Upon purchasing its own shares the Company may hold any such shares as treasury shares in accordance with the Companies (Guernsey) Law, 2008 as amended, provided that the total number of shares held as treasury shares shall not at any time exceed ten per cent of the total number of the total shares in issue (including any shares held in treasury) at that time. If resolution 9 is passed at the Annual General Meeting, your Board would consider holding in treasury any ordinary shares purchased by the Company pursuant to the authority provided by resolution 8.

Dated:9 June 2010

*By order of the Board*  
Morgan Sharpe Administration Limited  
*Company Secretary*

*Registered office:*  
Isabelle Chambers  
Route Isabelle  
St. Peter Port  
Guernsey

**Notes:**

1. Shareholders entitled to attend and vote at the meeting may appoint one or more proxies (who need not be shareholders) to attend and vote on their behalf.
2. To have the right to attend and vote at the meeting you must hold ordinary shares in the Company and your name must be entered on the share register of the Company in accordance with note 4 below.
3. To be valid, Forms of Proxy (and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy thereof) must be received by Computershare Investor Services (Jersey) Limited, PO Box 329, Queensway House, Hilgrove Street, St Helier, Jersey JE4 9XY, or be returned by fax to 0870 873 5851, as soon as possible but, in any event, so as to arrive no later than 9.00am on Monday, 28 June 2010. A Form of Proxy accompanies this notice. Completion and return of a Form of Proxy will not preclude members from attending and voting at the meeting should they wish to do so.
4. The time by which a person must be entered on the register of members in order to have the right to attend or vote at the meeting is 9.00am on Monday, 28 June 2010. If the meeting is adjourned, the time by which a person must be entered on the register of members in order to have the right to attend or vote at the adjourned meeting is 48 hours before the date fixed for the adjourned meeting. Changes to entries on the register of members after such times shall be disregarded in determining the rights of any person to attend or vote at the meeting.
5. If the Chairman, as a result of any proxy appointments, is given discretion as to how the votes the subject of those proxies are cast and the voting rights in respect of those discretionary proxies, when added to the interests in the Company's securities already held by the Chairman, result in the Chairman holding such number of voting rights that he has a notifiable interest under the Disclosure and Transparency Rules, the Chairman will make the necessary notifications to the Company and the Financial Services Authority. As a result, any person holding 5% or more of the voting rights in the Company who grants the Chairman a discretionary proxy in respect of some or all of the voting rights, and so would otherwise have a notification obligation under the Disclosure and Transparency Rules, need not make a separate notification to the Company and the Financial Services Authority.
6. As at 7 June 2010, the latest practicable date prior to publication of this document, the Company had 117,500,000 ordinary shares in issue with a total of 117,500,000 voting rights.