

## **General Meeting**

Please see attached

### **Attachments:**

1. **General Meeting**
2. **General Meeting**
3. **General Meeting**
4. **General Meeting**
5. **General Meeting**

### **Non Regulated**

Publication Date: 13/02/2018

ARTICLES OF ASSOCIATION OF  
**GLOBAL BALANCED FUND OF FUNDS SALAMIS VARIABLE CAPITAL INVESTMENT  
COMPANY PLC (a variable capital investment company)**

Incorporated and existing in the Republic of Cyprus under the Cyprus Companies Law provisions,  
Cap.113 and operating under the Open-Ended Undertakings for Collective Investment (UCI) Law of  
2012 (78(I)/2012) (the “UCI Law”) and licensed as a UCITS firm by the Cyprus Securities and  
Exchange Commission under the UCI Law

**INTERPRETATION**

- 1 In these Articles of Association the words and expressions set out in the first column below shall have the meanings set opposite them unless the context requires otherwise. Words and expressions contained in these Articles of Association but not defined in these Articles of Association shall have the same meanings as in the UCI Law or the Directives (as these terms are defined below) (as the case may be) unless the contrary is stated.

<b>“Business Day”</b>	means any day (excluding Saturday and Sunday) during which the banks are open for business in Cyprus.
<b>“Class”</b>	means a class of Shares issued from time to time by the VCIC.
<b>“Companies Law”</b>	means the Cyprus Companies Law, Cap.113, as amended from time to time.
<b>“CSD”</b>	means the Central Securities Depository and Central Registry operated by the Cyprus Stock Exchange.
<b>“CSD Pledges”</b>	means those pledges of shares in the Company which as of the Scheme Effective Date appeared as registered in the CSD and which still appear in the register of member of the Company at the relevant time.
<b>“CySEC”</b>	means the Cyprus Securities and Exchange Commission.
<b>“Depository”</b>	means the entity named in regulation 16 of these Articles of Association, which is responsible for the safekeeping of the Scheme Property.
<b>“Directives”</b>	means the CySEC directives issued from time to time pursuant to the UCI Law, regulating all matters relating to UCITS and/or any persons related to such UCITS.

<b>“Scheme Effective Date”</b>	means the date on which the Scheme shall become effective in accordance with its terms.
<b>“Fees”</b>	means the subscription, redemption, management and performance fee of the Management Company and the Depositary’s fee, as set out in regulation 38 of these Articles of Association.
<b>“Further Shares”</b>	means the Shares issued from time to time by the VCIC.
<b>“KIID”</b>	means the key investor information document, summarizing the basic information for the Shareholders, issued in accordance with the provisions of the UCI Law.
<b>“Management Company”</b>	means the company named in regulation 14 of these Articles of Association, which is responsible for managing the operations of the VCIC, as per the provisions of the UCI Law and Directives.
<b>“NAV”</b>	means the net asset value of the VCIC at the Valuation Point, which is calculated in accordance with the UCI Law and the provisions of the Prospectus.
<b>“Prospectus”</b>	means the prospectus issued by the VCIC from time to time.
<b>“Reference Currency”</b>	means Euro, and it is in any event the currency: <ul style="list-style-type: none"> <li>(i) Which is used to calculate the NAV;</li> <li>(ii) In which the consolidated financial statements of the VCIC are prepared;</li> <li>(iii) In which the share capital of VCIC is stated.</li> </ul>
<b>“Scheme”</b>	means the scheme of arrangement pursuant to which the Company has been converted to a variable capital investment company under the provisions of the UCI Law.
<b>“Scheme Property”</b>	means the property of the VCIC, except for tangible property, kept with the Depositary.
<b>“Share”</b>	means a share of the VCIC with no nominal value, and with variable value linked to the NAV.
<b>“Shareholder”</b>	a holder of Shares of VCIC.
<b>“UCI Law”</b>	means the Open-Ended Undertakings for Collective Investment (UCI) Law, N.78(I)/2012, as amended from time to time and the directives, regulations, circulars issued pursuant to it from time to time.

**“Valuation Point”** means every Business Day, unless otherwise specified in the KIID or the Prospectus.

**“VCIC” or “Company”** means GLOBAL BALANCED FUND OF FUNDS SALAMIS VARIABLE CAPITAL INVESTMENT COMPANY PLC, a variable capital investment company, operating under the UCI Law and additionally under the Companies Law.

- 2 Any reference in these Articles of Association to any statute, statutory provision or regulation shall be construed as including a reference to any modification, amendment, extension, replacement or re-enactment thereof for the time being in force.
- 3 In these Articles of Association, words denoting the singular shall include the plural and vice versa. Words denoting one gender only shall include all genders. Words denoting persons shall include companies and associations and unincorporated bodies of persons.
- 4 The headings used in these Articles of Association are for convenience only, do not form part of, and shall not affect the construction of these Articles of Association.
- 5 Any reference in these Articles of Association to regulation numbers shall (unless the contrary intention is expressed) be construed as a reference to regulations of these Articles of Association.

#### **EXCLUSION OF TABLE “A”**

- 6 The Regulations included in Table A of the Companies Law, or which may be included by any subsequent law, which may amend, change, substitute or replace the aforementioned law, will not be applicable on the VCIC, except to the extent that are repeated or included in these Articles of Association.

#### **VCIC**

- 7 The VCIC is an open-ended investment company with variable share capital incorporated and existing under the Companies Law, and licensed as a UCITS firm by CySEC under the UCI Law.
- 8 The Shareholders are not liable for the debts of the VCIC; a Shareholder is not liable to make any further payment after they have paid the price of the Shares in the VCIC and no further liability can be imposed in respect of the Shares they hold.
- 9 The Shares of the VCIC are issued, redeemed or repurchased at the prices set out in the Prospectus.
- 10 The issued capital of the VCIC is divided into Shares with no nominal value, and their value is variable and follows the NAV. .
- 11 The Shares are redeemed by the VCIC at the request of the Shareholders or by the VCIC, subject to the provisions of the Prospectus and these Articles of Association, either directly or indirectly by its assets.
- 12 The fluctuations in the VCIC’s share capital, which are equivalent to the fluctuations in its NAV, do not follow the procedure of increase or reduction of capital as set out in the Companies Law.

- 13 Irrespective of any other provisions of the Companies Law, the Shareholders of the VCIC do not have a preferential right (including, for the avoidance of doubt, a right of first refusal) on the Further Shares issued from time to time.

#### **MANAGEMENT COMPANY**

- 14 Upon the Scheme Effective Date, the Management Company is BOC Asset Management Ltd.

#### **DEPOSITARY**

- 15 The Scheme Property of the VCIC is entrusted to a Depositary for safekeeping.
- 16 Upon the Scheme Effective Date, the Depositary is Bank of Cyprus Public Company Limited. The Depositary may outsource such of its functions and operations as may be permitted by the UCI Law and Directives from time to time.

#### **RELATIONSHIP BETWEEN MANAGEMENT COMPANY, VCIC AND DEPOSITARY**

- 17 The Management Company of the VCIC is a 100% subsidiary of Bank of Cyprus Public Company Limited. Bank of Cyprus Public Company Limited is also acting as the Depositary of the VCIC. Although, the Management Company and the Depositary belong to the same group, both the Depositary and the Management Company, while exercising their duties in their capacity as depositary of the VCIC and management company of the VCIC respectively, are acting independently from one another and exclusively in the interest of all Shareholders.

#### **OBJECT**

- 18 The primary object of the Company is to invest the capital in its possession, with the aim of spreading investment risk and maximizing the investment value, based on a prudent management of investments and of the collective investment return which consists of income from interest, increase of capital and currency profit, in this way allowing its Shareholders to benefit from the results of its portfolio management.

#### **INVESTMENT OBJECTIVES**

- 19 The investment objectives of the VCIC are those set out in the Prospectus of the VCIC from time to time.

#### **INVESTMENT POLICY**

- 20 Subject to and in accordance with the UCI Law and Directives, the VCIC may invest in the products mentioned in the Prospectus issued from time to time, or as may otherwise be permitted by the UCI Law and Directives from time to time in force.
- 21 A. Subject to and in accordance with the UCI Law and Directives, the VCIC may invest in units of collective investment schemes which are managed or operated by (or have as their management company) the Management Company or an associate of the Management Company, or as may otherwise be permitted by the UCI Law and /or the Directives from time to time in force and the Prospectus.

- B. Subject to any restrictions contained in the UCI Law or Directives or these Articles of Association, the VCIC has the power to invest in any securities market or deal on any derivatives market:
- (i) that is an eligible securities or derivatives market under the UCI Law; or
  - (ii) to the extent that the power to do so is conferred by the UCI Law irrespective of any issue of eligibility.
- C. The Management Company, after consultation with the Depositary and any Directors in addition to the Management Company, may choose a market as one which is appropriate for the purpose of investment of, or dealing in, the Scheme Property beyond, where appropriate (and to the extent permitted by the UCI Law), any limit specified in the UCI Law. Any such market will be an eligible market for the purposes of the UCI Law and a list of such markets will be included in the Prospectus.

### **SELECTION CRITERIA OF INVESTMENTS**

- 22 The selection criteria for the VCIC investments of the Scheme Property are set out in the Prospectus of the VCIC.

### **DURATION**

- 23 The duration of the VCIC is indefinite, unless it is dissolved at an earlier date as per the provisions of these Articles of Association and/ or the UCI Law.

### **EVALUATION OF VCIC ASSETS**

- 24 There shall only be a single price for any Share determined by reference to any particular Valuation Point and the price of any such Share will be calculated in accordance with the provisions of the Prospectus and the UCI Law. Pricing shall be carried out on a forward basis. The NAV of the VCIC shall be determined in accordance with the UCI Law, and, subject thereto, in accordance with the provisions of the Prospectus. Subject to the UCI Law and in the absence of bad faith, negligence or manifest error, such determination of the NAV by the Management Company shall be definitive.

### **TERMS OF ISSUE OF SHARES AND PROHIBITED PERSONS**

- 25 Shares can be issued at any time at the request of the Shareholders or any other investor wishing to invest in the VCIC. The arrangements for the issue, sale, cancellation, redemption and repurchase of Shares in the VCIC are set out in the Prospectus of the VCIC from time to time. All the Shares shall be issued as registered shares in the name of their holder and will not be accompanied by a share certificate. A holder of Shares shall not have any right to request the VCIC to issue a share certificate, as the term 'certificate' is used in the Companies Law, with respect to his/its shares. A holder of Shares, however, shall have the right to request the VCIC to provide him/it with a written statement showing his shareholding.
- 26 The VCIC may restrict or prohibit the holding of its Shares by any person, business, partnership or other legal person, if, in its absolute discretion, the holding may be harmful for the benefits of the existing Shareholders or of the VCIC, if it may lead to breach of any law or regulation, or if as a result of such breach the VCIC may face tax disadvantages, fines or sanctions which would not have arisen otherwise. The Board of Directors is the suitable body for determining the aforementioned persons, businesses, partnerships or other legal entities (the "**Prohibited Persons**").

- 27 If a person is considered as a Prohibited Person, the Management Company may, inter alia, reject at its discretion any subscription for Shares.
- 28 If it comes to the notice of the Directors that any Shares (“**affected Shares**”) have been acquired or are being held in each case whether beneficially or otherwise by any Prohibited Person, or if they reasonably believe this to be the case, the Directors may give notice to the holder of the affected Shares requiring the transfer of such Shares to a person who is qualified or entitled to own the same or to give a request in writing for the redemption or cancellation of such Shares in accordance with the UCI Law. If any person upon whom such a notice is served pursuant to this regulation does not within thirty days after the date of such notice transfer his Shares to a person qualified to hold the same, or establish to the satisfaction of the Management Company (whose judgment shall be final and binding) that he and any person on whose behalf he holds the affected Shares are qualified and entitled to own the Shares, he shall be deemed upon the expiration of that thirty day period to have given a request in writing for the redemption or cancellation (at the discretion of the Management Company) of the affected Shares in accordance with the UCI Law and/or the Prospectus.
- 29 A person who becomes aware that he has acquired or holds whether beneficially or otherwise any Shares previously held by a Prohibited Person, unless he has already received a notice pursuant to regulation 28, either transfer or procure the transfer of all the aforementioned Shares to a person qualified to own the same (subject to the provisions of regulation 62) or give a request in writing or procure that a request is so given for the redemption or cancellation of all the aforementioned Shares pursuant to the UCI Law.
- 30 If in the Management Company’s view any Shareholder acts in an abusive manner towards any employee of the Management Company or its appointed agents, the Management Company and its agents will only deal with that Shareholder in writing. If the Shareholder persists with abusive behavior, the Management Company reserves the right to compulsorily redeem the Shareholder’s holding.

## **REDEMPTION OF SHARES**

### **31 Redemption of Shares requested by Shareholders**

With the exception of Shares for which there is a CSD pledge, Shares shall be redeemed by the Company following the receipt of an application, in this respect, by a Shareholder. Redemption shall be made in accordance with the relevant provisions set out in the Prospectus, based on the NAV corresponding to such shares.

### **32 Deferred Redemption**

- (a) Notwithstanding the provisions of section 18 of the UCI Law, provided the VCIC has at least one Valuation Point on each business day, the Management Company may permit deferral of redemptions at a Valuation Point to the next Valuation Point where requested redemptions exceed ten per cent (10%) of the VCIC’s value or some other reasonable proportion of the VCIC’s value disclosed in the Prospectus.
- (b) Any deferral of redemptions under regulation 32(a) must be undertaken in accordance with the procedures explained in the Prospectus which must ensure:
- (i) the consistent treatment of all Shareholders who have sought to redeem Shares at any Valuation Point at which redemptions are referred; and

- (ii) that all deals relating to an early Valuation Point are completed before those relating to a later Valuation Point are considered.

### **SUSPENSION OF REDEMPTION**

- 33 In addition to the powers of CySEC to suspend the redemption of the shares pursuant to the provisions of the UCI Law, the Management Company may, in exceptional circumstances, and in all events in the interests of the Shareholders, suspend the redemption of the Shares for a period of one month, which may be extended (where there are grounds for doing so) for another month, provided that the relevant permission has been obtained from CySEC. By way of exception, CySEC may issue a decision for extending the suspension of redemption for a period of time longer than the one (1) month specified above, to safeguard the interests of the Shareholders and the smooth operation of the market, but in any event the total duration of the suspension may not exceed three (3) months.

### **PLEDGE OF SHARES**

- 34 Except from the CSD Pledges (if any) no notice of any pledge or the creation of any other encumbrance, expressed, implied or constructive shall be registered in the register of members of the VCIC and the VCIC shall assume no obligations and shall have no liability against the beneficiary of the pledge or encumbrance in respect thereof.
- 35 In relation to CSD Pledges, the said pledges shall appear in the register of members of the VCIC and accordingly the VCIC shall not carry out any application for the transfers or redemption of the Shares pledged by the CSD Pledges unless it is satisfied that the holder of the Shares concerned and the pledgee unequivocally consent to the application for transfer or redemption concerned or unless such transfer or redemption is mandated by a Court Order binding on the VCIC or any other legislative provision.

### **FINANCIAL YEAR**

- 36 The financial year of the VCIC has the duration of a calendar year, and its closing date shall be December 31.
- 37 The VCIC's first financial year shall end on December 31, of 2018.

### **FEES AND COMMISSION FOR THE MANAGEMENT COMPANY AND THE DEPOSITARY AND THE COMPUTATION METHOD**

- 38 Without prejudice to any provisions of the Prospectus and the UCI Law, the Fees of the Management Company and the Depositary shall be those set out in the Prospectus issued from time to time.

### **EXPENSES PAYABLE BY VCIC**

- 39 In addition to the Fees payable to the Management Company and Depositary (specified in regulation 38 above), any additional amounts specified in the Prospectus shall also be payable by the VCIC.



## **RULES FOR THE DISTRIBUTION OF PROFITS OF VCIC TO SHAREHOLDERS – TIME AND DISTRIBUTION PROCESS**

### **40 RIGHTS IN SCHEME PROPERTY AND ALLOCATION OF INCOME**

The proportionate interests of Shareholders in the Scheme Property shall be calculated on the basis of the relevant provision in the Prospectus. Subject to regulation 41, the provisions of the Prospectus shall apply to each allocation of income made and to calculate the entitlement of each Shareholder to participate in the Scheme Property at a time when more than one Class of Share is in issue.

### **41 INCOME AND DISTRIBUTIONS**

Subject to the provisions of the UCI Law, the provisions of the Prospectus in relation to the distribution of dividends, redemption amounts or other monies shall apply.

## **CONDITIONS FOR THE DISCLOSURE OF INFORMATION**

42 The disclosure of information to the investors shall be made in accordance with the provisions of the UCI Law, and the Management Company shall nevertheless make available to the investors:

- (i) the Prospectus, the KIID, the annual report for every financial year and a 6-month report for the first six months of the financial year, and such documents shall be constructed in accordance with the provisions of the UCI Law;
- (ii) any other key investor information pursuant to the UCI Law, including without limitation the NAV and the number of issued Shares, where such information shall be published on the next business day after the Valuation Point, in accordance with the provisions of the UCI Law;
- (iii) such other key investor information, which must be clear, accurate and not misleading, in order to put the investors in a reasonable position to understand the nature and the risks of the investment product and as a result to make justified investment decisions.

## **PROCEDURE FOR THE AMENDMENT OF THESE ARTICLES OF ASSOCIATION**

43 These Articles of Association shall be amended by a special resolution of the Shareholders and any amendments shall be subject to the prior permission of CySEC, which shall take into consideration the legality of such amendments and whether the protection of the Shareholders has been sufficiently preserved.

44 The amendments of these Articles of Association shall be promptly notified to the Shareholders who are bound by the changes. Shareholders have the right within three (3) months of the notification of the amendments to request the redemption of their shares in accordance with the provisions of these Articles of Association and the Prospectus prior to any such amendments taking effect.

## **GROUND FOR DISSOLUTION/ LIQUIDATION OF THE VCIC**

- 45 In addition to any other applicable provisions of the Companies Law, the VCIC shall enter into liquidation and be dissolved:
- (a) when its operation licence is revoked by CySEC;
  - (b) if these Articles of Association have been modified so that its duration is amended to a definite duration, and that duration has come to an end;
  - (c) when an event specified in these Articles of Association has occurred, which leads to its liquidation;
  - (d) with the redemption of all of its Shares;
  - (e) By virtue of a resolution of the general meeting of the Shareholders of the VCIC; or
  - (f) with the liquidation, bankruptcy, administrative receivership or withdrawal of the operation licence of the Management Company or of the Depositary, if it does not become possible to replace them, subject to provisions of the UCI Law.

## **PROCEDURE FOR THE REMOVAL OF THE MANAGEMENT COMPANY**

- 46 Following the submission of a relevant request by the Depositary or the Board of Directors of the VCIC, recommending a new management company, CySEC may decide to replace the Management Company where the Management Company does not safeguard the interests of the VCIC or other collective investment undertakings it manages and their unitholders and/or does not comply with its obligations deriving from the UCI Law.
- 47 The Board of Directors of the VCIC may not recommend a new management company pursuant to regulation 46, unless such recommendation is approved, at a duly convened and held Shareholders' meeting by a majority in number holding not less than 75% of the total number of Shares represented at the meeting.
- 48 The replacement of the Management Company shall be followed by the relevant amendment of the articles of association of the VCIC, and shall be notified to the Shareholders in accordance with the UCI Law.

## **PROCEDURE FOR THE REMOVAL OF THE DEPOSITARY**

- 49 CySEC may request the replacement of the Depositary by a new depositary, in case of serious violation of the Depositary's obligations or in order to protect the interests of the Shareholders when the Depositary does not exercise its duties in the interest of all Shareholders.
- 50 A. The application for the replacement of the Depositary may also be submitted by the VCIC itself, by virtue of a decision of its Board of Directors. If the replacement of the Depositary is requested, the VCIC has to recommend a new depositary as a replacement and to inform accordingly the Depositary. The Board of Directors of the VCIC decides about the recommendation of the new depositary.
- B. The Board of Directors of the VCIC may not recommend a new depositary pursuant to regulation 50A, unless such recommendation is approved, at a duly convened and held Shareholders' meeting by a majority in number holding not less than 75% of the total number of Shares represented at the meeting.

## **SHARE CLASSES**

- 51 The VCIC may from time to time issue Shares of different Classes, by decision of the Directors. The rights attaching to each Class of Shares shall be as set out in these Articles of Association and the Prospectus. The rights attached to a Class of Shares shall not be varied except with the sanction of an extraordinary resolution passed at a meeting of the holders of the Class of Shares concerned.
- 52 (A) The Class of Shares which may presently be issued and which determine the basis for the distribution or re-investment of income is ordinary shares. The Class of Shares may be denominated in the Reference Currency, pound sterling, the United States dollar, or such other currencies as the Directors shall by resolution from time to time decide.
- (B) The Class of Shares available for issue on the date of incorporation of the VCIC were at that date those set out in the Prospectus.
- (C) The Directors may by resolution from time to time create Classes of Shares additional to those set out in the Prospectus.
- 53 Where a Class is denominated in a currency which is not the Reference Currency of the Shares, shall be issued and redeemed and distributions paid on Shares of that Class in accordance with the UCI Law in the currency of that Class. Votes at meetings of the VCIC of which the Class forms part will be determined in accordance with their shareholding. Where for any purpose not specifically covered by the UCI Law or these Articles of Association it is necessary to convert one currency into another, conversions shall be made at a rate of exchange decided by the Management Company as being a rate that is not likely to result in any material prejudice to the interests of Shareholders or potential Shareholders.
- 54 For the avoidance of doubt, the rights attaching to a Class of Shares shall (unless otherwise expressly provided by the conditions of issue of such Shares) be deemed not to be varied by:
- (i) the creation, allotment or issue of Further Shares of any Class ranking *pari passu* therewith;
  - (ii) the creation, allotment, issue or redemption of Shares of another Class, provided that the interests of that other Class represent fairly the financial contributions and benefits of Shareholders of that Class;
  - (iii) the creation, allotment, issue or redemption of Further Shares.

#### **ISSUE AND CANCELLATION OF SHARES IN THE VCIC**

- 55 The Management Company will issue or cancel Shares in the VCIC by making a record of the issue or cancellation of such Shares and the number of Shares in each Class concerned, if more than one Class of Shares is in issue. Subject to and in accordance with the UCI Law, the issue or cancellation of Shares may take place through the VCIC directly.

#### **IN SPECIE ISSUE AND CANCELLATION**

- 56 The VCIC may take into or pay out of the Scheme Property assets other than cash as payment for the issue or cancellation of Shares but only if the Depositary has taken reasonable care to ensure that the property concerned would not be likely to result in any material prejudice to the interests of Shareholders of the VCIC.

## **TRANSFER AND TRANSMISSION OF SHARES**

- 57 All transfers of registered Shares shall be effected by transfer in writing in any usual or common form or in any other form as may be approved by the Directors. The transferor shall remain the holder of the Shares concerned until such time as the name of the transferee is entered in the Register in respect thereof.
- 58 In the case of a transfer to joint holders, the number of joint holders to whom a Share is to be transferred may not exceed four (4).
- 59 The VCIC may refuse to register a transfer of Shares unless there has been paid for the account of the VCIC, an amount determined by the Management Company.
- 60 Any person becoming entitled to a Share or Shares in consequence of the death or bankruptcy of a Shareholder or otherwise by operation of law may, subject as provided below and upon such evidence being produced as may from time to time be lawfully required by the Directors as to his entitlement, either be registered himself as the holder of the Share or Shares or elect to have some person nominated by him registered as the transferee thereof. If the person so becoming entitled elects to be registered himself, he shall deliver or send to the VCIC a notice in writing signed by him stating that he so elects. If he shall elect to have his nominee registered, he shall signify his election by signing and delivering or sending to the VCIC an instrument of transfer of such Share or Shares in favour of his nominee.
- 61 All the limitations, restrictions and provisions of these Articles of Association relating to the right to transfer and the registration of transfers of Shares shall be applicable to any notice or instrument of transfer given or made pursuant to regulation 60 as if the death or bankruptcy of the Shareholder or other event giving rise to the transmission had not occurred and the notice or instrument of transfer were an instrument of transfer signed by that Shareholder.
- 62 A person becoming entitled to a Share or Shares in consequence of the death or bankruptcy of a Shareholder or otherwise by operation of law shall (upon such evidence being produced as may from time to time be lawfully required by the Directors as to his entitlement) be entitled to receive and may give a discharge for any income distributions or other monies payable in respect of the Share or Shares, but he shall not be entitled in respect of the Share or Shares to receive notices of or to attend or vote at general meetings of the VCIC or, save as stated above, to exercise in respect of the Share or Shares any of the rights or privileges of a Shareholder until he shall have become registered as the holder thereof. The Directors may at any time give notice requiring any such person to elect either to be registered himself or to transfer the Share or Shares in question and if the notice is not complied with within sixty days the Directors may then withhold payment of any income distributions and other monies payable in respect of the Share or Shares until the requirements of the notice have been complied with. The VCIC may require the payment to it of such reasonable fees as it may determine for the registration of any confirmation probate, letters of administration or any other documents relating to or affecting the title of any Share.

## **GENERAL MEETINGS**

- 63 The VCIC shall in each year hold a general meeting as its annual general meeting in addition to any other meetings in that year, and shall specify the meeting as such in the notices calling it, and

not more than fifteen months shall elapse between the date of one annual general meeting of the VCIC and that of the next.

Provided that so long as the VCIC holds its first annual general meeting within eighteen months of its incorporation, it need not hold it in the year of its incorporation or in the following year. The annual general meeting shall be held at such time and place as the Directors shall appoint.

- 64 All general meetings other than annual general meetings shall be called extraordinary general meetings.
- 65 The directors may, whenever they think fit, convene an extraordinary general meeting, and extraordinary general meetings shall also be convened on such requisition, or, in default, may be convened by such requisitionists, as provided by section 126 of the Companies Law.

### **NOTICE OF GENERAL MEETINGS**

- 66 In accordance with the provisions of the Companies Law, an annual general meeting and a meeting called for the passing of a special resolution shall be called by twenty-one days' notice in writing at the least, and a meeting of the VCIC other than an annual general meeting or a meeting for the passing of a special resolution shall be called by fourteen days' notice in writing at the least. The notice shall be exclusive of the day on which it is given, and shall specify the place, the day and the hour of meeting and, in case of special business, the general nature of that business and shall be given, in manner hereinafter mentioned or in such other manner, if any, as may be prescribed by the VCIC in general meetings to such persons as are, under the regulations of the VCIC, entitled to receive such notices from the VCIC.
- 66A In addition to the provisions of regulation 66, the Directors of the VCIC shall ensure the compliance with any other applicable law provisions in relation to the publication of information on its website or otherwise.
- 67 The accidental omission to give notice of a meeting to, or the non-receipt of notice of a meeting by, any person entitled to receive notice, shall not invalidate the proceedings at that meeting.

### **PROCEEDINGS AT GENERAL MEETINGS**

- 68 All business that is transacted at an extraordinary general meeting shall be deemed special, and also all that is transacted at an annual general meeting, with the exception of the report on financial statements, the Directors' report and the auditors' report, in the place of those retiring and the appointment of, and the fixing of the remuneration of the auditors.
- 69 No business shall be transacted at any general meeting unless a quorum of Shareholders is present at the time when the meeting proceeds to business; save as herein otherwise provided, such number of Shareholders present in person or by proxy representing more than 50% of the total number of Shares issued at the time of such meeting, shall be a quorum.
- 70 If within half an hour from the time appointed for the meeting a quorum is not present, the meeting, if convened upon the requisition of Shareholders, shall be dissolved; in any other case, three Shareholders present in person or by proxy representing at least 10% of the issued Shares of the VCIC shall be a quorum.
- 71 The chairman, if any, of the board of Directors shall preside as chairman at every general meeting of the VCIC, or if there is no such chairman, or if he shall not be present within fifteen minutes after the time appointed for the holding of the meeting or is unwilling to act the Shareholders

present shall elect one of the Directors to be chairman of the meeting or if no Director is willing to act as chairman or if no Director is present, the Shareholders present shall choose one of their number to be chairman of the meeting.

- 72 The chairman may, with the consent of any meeting at which a quorum is present (and shall if so directed by the meeting), adjourn the meeting from time to time and from place to place, as directed by the meeting. When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting. Save as aforesaid and the Companies Law, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting. No other business shall be transacted at an adjourned meeting, other than the business that was supposed to be conducted at the meeting that was adjourned.
- 73 At any general meeting any resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is (before or on the declaration of the result of the show of hands) demanded -
- (a) by the chairman; or
  - (b) by at least three Shareholders representing at least 10% of the issued Shares of the VCIC present in person or by proxy; or
  - (c) by any Shareholder or Shareholders present in person or by proxy and representing not less than one-tenth of the total voting rights of all the Shareholders having the right to vote at the meeting; or
  - (d) by a Shareholder or Shareholders holding shares in the VCIC conferring a right to vote at the meeting being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all the shares conferring that right.

Unless a poll be so demanded a declaration by the chairman that a resolution has on a show of hands been carried or carried unanimously, or by a particular majority, or lost and an entry to that effect in the book containing the minutes of the proceedings of the VCIC shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against such resolution

- 74 If a poll is demanded as provided herein above, this is conducted in such time (within 14 days) and place and in such manner where, subject to the Companies Law, it is possible for the Chairman to determine the result of the poll, then such poll shall be deemed to be the resolution taken at the meeting in which the poll was demanded. The demand for a poll may be withdrawn.
- 75 A poll demanded on the election of a chairman or on a question of adjournment of the meeting shall not be taken forthwith.
- 76 In the case of an equality of votes, whether on a show of hands or on a poll, the chairman of the meeting shall have a casting vote or a second vote.
- 77 A poll demanded may not hinder the continuation of the meeting for the transaction of any business other than that upon which a poll has been demanded.

## **VOTES OF MEMBERS**

- 78 Subject to any rights or restrictions attached to any Class or Classes of Shares from time to time, on a show of hands every Shareholder (natural or legal person) present in person (in the instance of a legal person, in the presence of a duly authorised representative) or by proxy appointed as per the provisions of these Articles of Association shall have one vote, and on poll every Shareholder shall have one vote for each share of which he is the holder.
- 79 In the case of joint holders the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders; and for this purpose seniority shall be determined by the order in which the names stand in the register of Shareholders.
- 80 A Shareholder of unsound mind, or in respect of whom an order has been made by any Court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by the administrator of his property and that person may, on a poll, vote by proxy.
- 81 Without prejudice to the explicit provisions of these Articles of Association and/or the Companies Law, no Shareholder shall be entitled to vote at any general meeting or be considered for quorum, unless its name has been entered into the Shareholders register of the VCIC on the date on which the Directors have set for the meeting (which may not be later than two days before the relevant meeting) and all calls or other sums presently payable by him in respect of shares in the VCIC have been paid. For the purposes of these Articles of Association, in the instance in which the VCIC, by a board resolution, decides to provide and regulate a participation in a general meeting via electronic means in accordance with the provisions of the applicable legislation, a shareholder or his proxy, which participates to the general meeting via electronic means, will be considered to be personally present at the meeting.
- 82 No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered and every vote not disallowed at such meeting shall be valid for all purposes. Any such objection made in due time shall be referred to the chairman of the meeting whose decision shall be final and conclusive.
- 83 On a poll votes may be given either personally or by proxy. In the instance in which the VCIC, by a decision of the board of Directors, decides that the votes may be given by mail according to the arrangements that may be resolved by the board, the votes will be given in that way as well, provided that they are received at least 24 hours before the relevant voting will take place. A proxy need not be a Shareholder of the VCIC.
- 84 Subject to the provisions of the Companies Law, the instrument appointing a proxy shall be in writing under the hand of the appointer or of his attorney duly authorised in writing, or, if the appointer is a corporation, the instrument shall state the name of the corporation and shall be signed by an officer or attorney duly authorised for that purpose. The board may, but is not obliged, at least 24 hours before the meeting or the adjourned meeting to request to be presented with the power of attorney appointing the officer or attorney of the corporation.
- 85 The instrument appointing a proxy and the power of attorney or other authority, if any, shall be deposited at the registered office of the VCIC or as otherwise determined on the notice for the meeting, in written form, and in the instance in which it is transmitted to the VCIC by facsimile or electronically, it must be received by the VCIC at the number or address which has been notified in writing to the Shareholder, at least 48 hours before the holding of the meeting or adjourned meeting, at which the person named in the instrument proposes to vote or in the case of a poll, at least 24 hours before the time appointed for the taking of the poll, and in the case of default, the instrument of proxy shall not be treated as valid.

- 86 An instrument appointing a proxy shall be in the following form or a form as near thereto as circumstances admit or as the Directors may approve -

" **VCIC Plc**".

(Name of the Company)

**I/We** , **of** ,

being a member/members of the above-named Company, hereby

appoint **of** ,

or falling him **of** ,

as my/our proxy to vote for me/us or my/our behalf at the annual or extraordinary, as the case may be) general meeting of the Company, to be held on the **day of** , and at any adjournment thereof.

Signed this day of , "

- 87 Where it is desired to afford Shareholders an opportunity of voting for or against a resolution the instrument appointing a proxy shall be in the following form or a form as near thereto as circumstances admit -

" **VCIC Plc**".

(Name of the Company)

**I/We** , **of** ,

being a member/members of the above-named Company, hereby

appoint **of** ,

or falling him **of** ,

as my/our proxy to vote for me/us or my/our behalf at the annual or extraordinary, as the case may be) general meeting of the

Company, to be held on the **day of** , and at any adjournment thereof.



Signed this                      day of                      ,                      ".

This form is to be used in favour of/\* against the resolution. Unless otherwise instructed, the proxy will vote as he thinks fit.

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\* Strike out whichever is not desired.

- 88 The instrument appointment a proxy shall be deemed to confer authority to demand or join in demanding a poll.
- 89 A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death or insanity of the principal or revocation of the proxy or of the authority under which the proxy was executed or the transfer of the share in respect of which the proxy is given, provided that no intimation in writing of such death, insanity, revocation or transfer as aforesaid shall have been received by the VCIC at the office before the commencement of the meeting or adjourned meeting at which the proxy is used.
- 90 Subject to the provisions of the law, a resolution in writing signed or approved by letter, telex, facsimile or e-mail by each member for the time being entitled to receive notice of and to attend and vote at general meetings (or being corporations by their duly authorised representatives) shall be as valid and effective as if the same had been passed at a general meeting of VCIC duly convened and held. Any such resolution may consist of several documents in the like form each signed by one or more of the members or their attorneys, and signature in the case of a corporate body which is a member shall be sufficient if made by a director or other authorized officer thereof or its duly appointed attorney.

#### **CORPORATIONS ACTING BY REPRESENTATIVES AT MEETINGS**

- 91 Subject to the Companies Law, any corporation which is a Shareholder of the VCIC may, by resolution of its Directors or other governing body, authorise such person as it thinks fit to act as its representative at any meeting of the VCIC or of any Class of Shareholders of the VCIC, and the person so authorised shall be entitled to exercise the same powers on behalf of the corporation which he represents as that corporation could exercise if it were an individual Shareholder of the VCIC.

#### **DIRECTORS**

- 92 Unless and until otherwise determined by the VCIC in General Meeting, the maximum number of the Directors shall be nine (9). The minimum number of Directors shall be five (5).
- 93 If, and for so long as, there is no Management Company acting in respect of the VCIC, the Directors (subject to the Companies Law and the UCI Law) shall have authority to exercise all the powers, authorities and discretions expressed in these Articles of Association to be vested in the Management Company.
- 94 The remuneration of the Directors shall from time to time be determined by the VCIC in general meeting. Such remuneration shall be deemed to accrue from day to day. The Directors may also

be paid all travelling, hotel and other expenses properly incurred by them in attending and returning from meetings of the Directors or any committee of the Directors or general meetings of the VCIC or in connection with the business of the VCIC.

- 95 Any Director who holds any executive office (and including for this purpose the office of chairman or deputy chairman whether or not such office is held in an executive capacity), or who serves on any committee of the Directors, or who otherwise performs services which, in the opinion of the Directors, are outside the scope of the ordinary duties of a Director, may (subject to the Companies Law and the UCI Law) be paid such extra remuneration by way of fees, salary, commission or otherwise as the Directors may determine.
- 96 A Director is not required to hold any Shares in the VCIC by way of qualification.
- 97 A Director of the VCIC may be or become a Director or other officer of, or otherwise interested in, any company promoted by the VCIC or in which the VCIC may be interested as a shareholder or otherwise, and no such Director shall be accountable to the VCIC for any remuneration or other benefits received by him as a Director or officer of, or from his interest in, such other company unless the VCIC otherwise directs.

### **BORROWING POWERS**

- 98 Subject to the provisions of the UCI Law, the Directors may from time to time exercise all the powers of the VCIC to borrow money or raise money.

### **POWERS AND DUTIES OF DIRECTORS**

- 99 Except as otherwise prescribed by the Companies Law and the UCI Law, the business of the VCIC shall be managed by the Directors, who may pay all expenses incurred in promoting and registering the VCIC, and may exercise all such powers of the VCIC as are not, by the Companies Law or by these Articles of Association or by the UCI Law, required to be exercised by the VCIC in general meeting, subject, nevertheless to any of these regulations of these Articles of Association, to the provisions of the Companies Law and to such regulations, and to the UCI Law being not inconsistent with the aforesaid regulations or provisions as may be prescribed by the VCIC in general meeting but no regulation made by the VCIC in general meeting shall invalidate any prior act of the Directors which would have been valid if that regulation had not been made. The general powers given by this regulation shall not be limited or restricted by any special authority or power given to the Directors by any other regulation.
- 100 Subject to the UCI Law and Directives, the Directors may from time to time and at any time by power of attorney or otherwise appoint any company, firm or person or body of persons, whether nominated directly or indirectly by the Directors, to be the attorney or attorneys of the VCIC for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Directors under these Articles of Association) and for such period and subject to such conditions as they may think fit, and any such authorizations or powers of attorney may contain such provisions for the protection and convenience of persons dealing with any such authorized representative or attorney as the Directors may think fit and may also authorise any such authorized representative or attorney to delegate all or any of the powers, authorities and discretions vested in him.
- 101 The VCIC may exercise the powers conferred by section 36 of the Companies Law with regard to having an official seal for use abroad, and such powers shall be vested in the Directors of the VCIC.

102 (1) A Director who is in any way, whether directly or indirectly, interested in a contract or proposed contract or employment with the VCIC shall declare the nature of his interest at a meeting of the Directors in accordance with section 191 of the Companies Law.

(2) A Director may not vote in respect of any contract or proposed contract or arrangement notwithstanding that he may be interested therein and if he does so his vote shall not be counted and he may not be counted in the quorum at any meeting of the Directors at which any such contract or proposed contract or arrangement shall come before the meeting for consideration.

None of the abovementioned prohibitions are applicable to: (a) any arrangement for the provision of security or indemnity to any Director in relation to money he has lent to the VCIC or obligations he has undertaken for the VCIC's benefit; (b) any arrangement for the provision of security by the VCIC to any third party in relation to a debt obligation of the VCIC for which the Director has undertaken whole or partial responsibility, based on a guarantee or indemnity or by the provision of security; or (c) any contract by a Director for the contribution of money or provision of guarantee for the disposal of shares or bonds of the VCIC.

(3) A Director may hold any other office or place of profit under the VCIC (other than the office of auditor) in conjunction with his office of Director for such period and on such terms (as to remuneration and otherwise) as the Directors may determine and a Director or intending Director shall not be disqualified by his office from contracting with the VCIC either with regard to his tenure of any such other office or place of profit or as vendor, purchaser or otherwise, nor shall any such contract, or any contract or arrangement entered into by or on behalf of the VCIC in which any Director is in any way interested, be liable to be avoided, nor shall any Director so contracting or being so interested be liable to account to the VCIC for any profit realised by any such contract or arrangement by reason of such Director holding that office or of the fiduciary relation thereby established.

(4) A Director, may, irrespective of any interest, be counted for quorum purposes in any meeting, where he is appointed or any other Director to such an office or profitable position in the VCIC or where the terms of any such appointment are agreed and may vote on any such appointment or arrangement except from this own appointment or arrangement for the terms of his appointment.

(5) Any Director may act by himself or his firm in a professional capacity for the VCIC, and he or his firm shall be entitled to remuneration for professional services as if he were not a Director; provided that nothing herein contained shall authorise a Director or his firm to act as auditor to the VCIC.

103 The Directors shall cause minutes to be made in books provided for the purpose:-

(a) of all appointments of officers made by the Directors;

(b) of the names of the Directors present at each meeting of the Directors and of any committee of the Directors;

(c) of all resolutions and proceedings at all meetings of the VCIC, and of the Directors, and of committees of Directors.

104 The Directors may grant (on behalf of the VCIC) any gratuities, retirement pensions or annuities or other gratuities or allowances, to any Director in a paid position or any other profitable office in the VCIC to his wife or to his dependants and may provide subscriptions to any fund and pay such amounts for the purchase or provision of any gratuity, pension or allowance.

### **DISQUALIFICATION OF DIRECTORS**

105 The office of Director shall be vacated in case where the Director:-

(a) becomes bankrupt or suspends payments or makes any arrangement or composition with his creditors generally; or

(b) becomes of unsound mind; or

(c) if he is absent from the meetings of the board for a period of 6 months without special leave from the Directors;

(d) If he sends his written resignation to the Board and this becomes acceptable or if it does not become acceptable, if he does not retire within 7 days; or

(e) If he is convicted in any country for any offence which entails fraud or indecency.

#### **NOTIFICATION OF CHANGES TO CYSEC**

106 Any change to the composition of the board or to the people in charge of the VCIC's investment policy or to the people who are authorised to represent the VCIC, must be notified to CySEC within 5 days of such change. It is in CySEC's discretion to request the immediate replacement of such new appointees if it is of the opinion that they do not possess the requisite reliability and professional experience.

#### **APPOINTMENT OF ADDITIONAL DIRECTORS AND REMOVAL OF DIRECTORS**

107 At the first and at every annual general meeting of the VCIC one third of the Directors from time to time retires (the "retiring Directors") or if the number of these Directors is not three (3) or a multiple of three (3), then the number close to a third.

108 The Directors, who retire every year, are those, who hold office for the longest period of time since their last election, but as regards Directors who became Directors on the same day, those to retire shall be decided by draw, unless otherwise agreed between them.

109 Every retiring Director may be re-elected.

110 The VCIC may, during the meeting at which a Director retires as mentioned above, fill such vacancy by the election to that office of another person, and if it omits to do so, the retiring Director, if he is up for re-election, is deemed to have been re-elected, unless during such meeting it is explicitly decided not to fill the vacancy or unless a resolution is put forward for the re-election of such retiring Director and such resolution is not approved.

111 No person, may be re-elected in any general meeting to the office of Director, without the prior recommendation for this purpose from the Directors, unless if in a time period of not less than six (6) and not greater than twenty four (24) days prior to the date set for the meeting, a written notice is left at the registered office of the VCIC, signed by a shareholder duly qualified to attend and vote at the general meeting for which the notice is given, of his intention to propose a person for the election, together with a written notice signed by such person of his willingness to accept election.

- 112 The VCIC may from time to time by ordinary resolution increase or reduce the number of Directors, and may also determine in what rotation the increased or reduced number is to go out of office.
- 113 The Directors shall have power at any time, and from time to time, to appoint any person to be a Director, either to fill a casual vacancy or as an addition to the existing Directors, but so that the total number of Directors shall not at any time exceed the number fixed by or in accordance with these Articles of Association. Any Director appointed shall hold his office only until the next annual general meeting, and may be re-elected, but will not be included during the determination of the Directors who shall retire by rotation at such meeting.
- 114 The VCIC may by ordinary resolution, for which special notice has been given in accordance with section 136 of the Companies Law, remove any Director before the expiration of his period of office notwithstanding anything in these Articles of Association or in any agreement between the VCIC and such Director. Such removal shall be without prejudice to any claim such Director may have for damages for breach of any contract of service between him and the VCIC.
- 115 The VCIC may appoint by ordinary resolution another person in the place of the Director who has been removed pursuant to the presiding regulation (regulation 114), and subject to the provisions of regulation 116, the VCIC may at a general meeting appoint any person as Director either to fill a vacancy or as an additional Director. A person appointed to the place of a removed Director or for the filling of such vacancy, is subject to retirement during the same year, as if he had been a Director on the date on which the Director whose place is now filling had been last elected.
- 116 Any amendment to the composition of the Board shall be notified to CySEC, in accordance with the provisions of the UCI Law.

### **PROCEEDINGS OF DIRECTORS**

- 117 Subject to the provisions of these Articles of Association, the Directors may meet together for the despatch of business, adjourn, or otherwise regulate their meetings, as they think fit and regulate the necessary quorum for the despatch of business. Unless otherwise determined, the quorum shall be three (3) Directors. Any matters raised in any meeting shall be decided upon by a majority of votes. In instance of equality of votes, the chairman shall have a second or casting vote.
- 118 The Directors at their first meeting after the Annual General Meeting shall elect a chairman of the board, who shall hold such position until the next General Meeting unless the board decides otherwise. If at any meeting the chairman is not present at the time at which the meeting was set, the Directors present may choose one of their number to be chairman of the meeting.
- 119 A meeting of the Directors from time to time in which a quorum is present, will be competent to exercise all or any of the powers and rights provided to the Directors or which may be exercised by the Directors subject to the regulations of the VCIC from time to time.
- 120 A Director may, and the secretary on the requisition of a Director shall, at any time summon a meeting of the Directors.

- 121 The Directors may delegate any of their powers to a Director or committee or committees consisting of such member or members of their body as they think fit; any committee so formed shall in the exercise of the powers so delegated conform to any regulations that may be imposed on it by the Directors (as to its powers, constitution, proceedings, quorum or otherwise).
- 122 The committees may elect a chairman of their meetings. If no chairman is elected, or if at any meeting the chairman is not present within 5 minutes from the time set for the meeting, the members present may elect one of their number to be chairman of the meeting.
- 123 Subject to any regulations imposed on it by the Directors, a committee may meet and adjourn as it thinks proper and questions arising at any meeting shall be determined by a majority of votes of the members present and in the case of equality of votes, the chairman shall have a second or casting vote.
- 124 The continuing Directors may act notwithstanding any vacancy in their body, but, if and so long as their number is reduced below the number fixed by or pursuant to these Articles of Association as the necessary quorum of Directors, the continuing Directors or Director may act for the purpose of increasing the number of Directors to that number, or of summoning a general meeting of the VCIC, but for no other purpose.
- 125 All acts done by any meeting of the Directors or of a committee or Directors or by any person acting as a Director shall, notwithstanding that it be afterwards discovered that there was some defect in the appointment of any such Director or person acting as aforesaid, or that they or any of them were disqualified, be as valid as if every such person had been duly appointed and was qualified to be a Director.
- 126 The Directors shall cause minutes to be made in books in relation to all the general meetings of the VCIC, as well as to all the appointments of officers and the procedures of all the meetings of the Directors and committees and of the people present at such meetings and every business transacted at board and general meetings and any minutes of board or general meetings, if signed by the Chairman of such meeting, or by the Chairman of the next meeting shall constitute conclusive evidence, without the need for additional proof of the facts which are stated in such minutes.
- 127 A resolution in writing signed all the Directors shall be as valid and effectual as if it had been passed at a meeting of the Directors duly convened and held and when signed may consist of several documents each signed by one or more of the persons aforesaid.

#### **ALTERNATE DIRECTORS**

- 128 Subject to and in accordance with the UCI Law and Directives, each Director shall have power from time to time to nominate another Director to act as his alternate Director (the "Alternate Director") during his absence from Cyprus or due to his weakness to act as Director, and at his discretion to remove such alternate Director by notice in writing.
- 129 Every instrument appointing an Alternate Director is delivered to the VCIC and is kept by the VCIC, and is drafted in accordance with the following format or as close as possible depending on the circumstances:

**“I/We**

being a Director of GLOBAL BALANCED FUND OF FUNDS SALAMIS VARIABLE CAPITAL INVESTMENT COMPANY PLC (the “**Company**”), in accordance with the power entrusted to me for this purpose by the Articles of Association of the Company, hereby appoint by virtue of these Articles of Association as Director

**, of**

as my/our Alternate Director on my/our behalf and exercise and perform all of my duties as Director of the Company, during my absence from Cyprus or at such time when I will not be in a position to act as Director, as appropriate/depending on the case at hand.

Signed this                      day of                      , ”.

- 130 If a Director making any such appointment as aforesaid shall cease to be a Director otherwise than by reason of vacating his office at a meeting of the VCIC at which he is re-elected, the person appointed by him shall thereupon cease to have any power or authority to act as an Alternate Director.
- 131 One person may act as Alternate Director to more than one Director and while he is so acting shall be entitled to a separate vote for each Director he is representing and, if he is himself a Director, his vote or votes as an Alternate Director shall be in addition to his own vote.
- 132 Any appointment or removal of an alternate Director may be made by a notice sent to the VCIC by usually post, e-mail or facsimile or in any other manner approved by the Directors. Any e-mail or facsimile shall be confirmed as soon as possible by letter but may be acted upon by the VCIC meanwhile.
- 133 A Director shall not be liable for the acts and defaults of any alternate Director appointed by him.
- 134 An alternate Director shall not be taken into account in reckoning the minimum or maximum number of Directors allowed for the time being but he shall be counted for the purpose of reckoning whether a quorum is present at any meeting of the Directors attended by him at which he is entitled to vote.

#### **SECRETARY**

- 135 The secretary shall be appointed by the Directors for such term, at such remuneration and upon such conditions as they may think fit; and any secretary so appointed may be removed by them.
- 136 No person shall be appointed or hold office as secretary who is:-
- (a) the sole Director of the VCIC; or
  - (b) a corporation the sole director of which is the sole Director of the VCIC;
  - (c) the sole Director of a corporation which is the sole Director of the VCIC.
- 137 A provision of the Companies Law or these Articles of Association requiring or authorising a thing to be done by or to a Director and the secretary shall not be satisfied by its being done by or to the same person acting both as Director and as, or in place of, the secretary.

## **THE SEAL**

- 138 The Directors shall provide for the safe custody of the seal, which shall only be used by the authority of a resolution of the Directors or of a committee of the Directors authorised by the Directors in that behalf, and every instrument to which the seal shall be affixed shall be signed by a Director or his alternate and shall be countersigned by the secretary or by a second Director or by some other person appointed by the Directors for the purpose. Until otherwise determined, if at any time the VCIC shall have only one Director, the Seal shall be affixed in the presence of that Director (or, if that Director is a body corporate, in the presence of a duly authorised representative of the Director) and, in any other event, the Seal shall be affixed in the presence of two Directors or of one Director and another person duly authorised by the Directors.

## **AUDIT**

- 139 At least once a year, the accounts of the VCIC shall be reviewed and the correctness of the profit and loss account and the balance sheet shall be audited by one or more qualified auditors, and their duties shall be regulated pursuant to sections 153-156 of the Companies Law.

## **ACCOUNTS**

- 140 The Directors shall ensure that the provisions of section 141 of the Companies Law are duly complied with in relation to the keeping of books of account necessary for the preparation of financial statements.
- 141 The books of account shall be kept at the registered office of the VCIC, or subject to section 141(3) of the Companies Law, at such other place or places as the Directors think fit, and shall always be open to the inspection of the Directors.
- 142 The Directors shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations the accounts and books of the VCIC or any of them shall be open to the inspection of the Shareholders not being Directors and no Shareholder (not being Director) shall have any right inspecting any account or book or document of the VCIC except as conferred by statute or authorised by the Directors or by the VCIC in general meeting.
- 143 Subject to section 31(3) of the UCI Law, and irrespective of the provisions of section 152 of the Companies Law, the Directors shall not be under an obligation to lay the annual report, the directors' report and the auditors' report in general meeting. However, upon request of one of the Shareholders of the VCIC, such Shareholder shall receive the aforementioned documents either in electronic form or in printed form as the VCIC deems fit, unless such Shareholder has specifically requested to receive the aforementioned documents in printed form.

## **CHEQUES ETC.**

- 144 All cheques, promissory notes, drafts, bills of exchange and other negotiable or transferable instruments and all receipts for money paid to the VCIC shall be signed, drawn, accepted, endorsed or otherwise executed, as the case may be, in such manner as the Directors shall from time to time by resolution determine.

## **DESTRUCTION OF DOCUMENTS**



145 Subject to the UCI Law and to any law, rule or regulation, the Depositary or the VCIC may destroy:

- (i) any payment mandate (including any variation or cancellation of it) or any notification of change of name or address, at any time after the expiry of six years from the date such mandate, variation, cancellation or notification was recorded by the VCIC;
- (ii) any instrument of transfer of Shares which has been registered, at any time after the expiry of six years from the date of registration; and
- (iii) any other document on the basis of which any entry in the register of Shareholders is made or cancelled, at any time after the expiry of twelve years from the date an entry in the Register of Shareholders was first made or cancelled in respect of it.

146 It shall conclusively be presumed in favour of the VCIC that every instrument of transfer so destroyed was a valid and effective instrument duly and properly registered and that every other document destroyed under regulation 145 was a valid and effective document in accordance with the recorded particulars of it in the books or records of the VCIC, provided always that the document was destroyed in good faith and without express notice to the VCIC that the preservation of the document was relevant to a claim.

147 Nothing contained in this regulation shall be construed as imposing upon the VCIC any liability in respect of the destruction of any document earlier than as provided in this regulation or in any case where the conditions of this regulation are not fulfilled. References in this regulation to the destruction of any document include references to its disposal in any manner.

## **NOTICES**

148 The UCI Law shall be treated as applying to any notice or document to be given to or by the VCIC pursuant to these Articles of Association.

149 A Shareholder whose registered address is not within the Republic of Cyprus and who gives to the VCIC an address within the Republic of Cyprus at which notices may be given to him shall be entitled to have notices given to him at that address. If he has not given such an address, the VCIC will give notices to him at his address outside the Republic of Cyprus unless the VCIC is aware that it is doing so would contravene any laws or regulations.

150 A person entitled to a Share or Shares in consequence of the death or bankruptcy of a Shareholder or other operation of law shall, upon such evidence being produced as may from time to time be lawfully required by the Directors as to his entitlement and upon supplying also an address for the service of notices, be entitled to have served upon or delivered to him at such address any notice or document to which the Shareholder but for his death, bankruptcy or other event giving rise to the transmission would have been entitled, and service or delivery of such notice or document in such way shall be deemed good service on all persons interested (whether jointly with or claiming through or under him) in the Share. Save as aforesaid any notice or document delivered or sent by post to or left at the address of any Shareholder in accordance with the UCI Law shall notwithstanding the death or bankruptcy of such Shareholder or other operation of law and whether or not the VCIC has notice of such state of affairs be deemed to have been duly served or delivered in respect of any Share registered in the name of such Shareholder as sole or joint holder.

- 151 In the case of joint Shareholders, any such notice or document shall be served on the first named in the Register and such service shall be effective on the other joint Shareholders.
- 152 If at any time by reason of the suspension or curtailment of postal services within the Republic of Cyprus or any other country or territory the VCIC is unable effectively to convene a general meeting, or any other meeting by notices sent through the post, such a meeting may be convened by a notice advertised on the same date in at least two leading daily newspapers with appropriate circulation and such notice shall be deemed to have been duly served on all Shareholders entitled to receive the same at noon on the day when the advertisement appears. In any such case the VCIC shall send confirmatory copies of the notice by post if at least seven days prior to the meeting the posting of notices to addresses throughout the Republic of Cyprus or such other country or territory again becomes practicable.

### **WINDING UP**

- 153 The rights of the holders of Shares to participate in the Scheme Property shall be proportionate to the proportionate interests in the VCIC represented by the Shares which they hold, determined in accordance with the Prospectus.
- 154 If the VCIC shall be wound up the liquidator may, with the sanction of an extraordinary resolution of the company and any other sanction required by the Companies Law, divide amongst the members in specie or kind the whole or any part of the Scheme Property (whether such shall consist of property of the same kind or not) and may, for such purpose set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the Shareholders or different classes of Shareholders. The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories as the liquidator, with the like sanction, shall think fit, but so that no shareholder shall be compelled to accept any shares or other securities whereon there is any liability.

### **INDEMNITY**

- 155 Subject to the provisions of the UCI Law and the Companies Law, and without prejudice to the right of every Director to be indemnified, every Director, other officer, former Director and officer of the VCIC, and the auditor or Depositary of the VCIC shall be indemnified by the assets of the VCIC against any liability, loss or cost incurred by him in the performance of his duties and/or exercise of his powers and/or in relation to his duties, powers or office including (without prejudice to the aforementioned) any liability incurred by him in defending any proceedings (whether civil or criminal) for negligence, default, breach of duty or breach of trust in each case in relation to the VCIC in which judgment is given in his favour or he is acquitted or in connection with any application under the UCI Law in which relief is granted to him by the Court; and the indemnity shall not apply to any liability to the extent that it is recovered from another person.
- 156 Subject to the Companies Law and/or the UCI Law, the Directors may exercise all the powers of the VCIC to purchase and maintain insurance (at the expense of the VCIC):
- (i) for the benefit of any person who is or was a Director, other officer or auditor of the VCIC against any liability which may attach to him in respect of any negligence, default,

breach of duty or breach of trust of which he may be guilty in relation to the VCIC;  
and

- (ii) for the benefit of any person who is or was the Depositary against any liability for any failure to exercise due care and diligence in the discharge of his functions in respect of the VCIC.

### **CONFIDENTIALITY**

- 157 Every Director, auditor, member of a committee, employee, accountant or any other person employed by the VCIC, is under an obligation before he undertakes the duties of his office or position, to make and sign a declaration of confidentiality, with which he will be committed not to reveal or disclose any matters which may come to his knowledge in relation to the income of the VCIC, the status of the individual accounts and matters relating to them, unless this is required by an order of the Court or by the Directors or by the general meeting of the VCIC.

### **CONFLICT WITH UCI LAW AND DIRECTIVES**

- 155 In the event of any conflict arising between any provision of these Articles of Association and the UCI Law and Directives, the UCI Law and Directives shall prevail. These Articles of Association shall be construed and shall take effect accordingly.

### **CONFLICT WITH PROSPECTUS**

- 156 In the event of any conflict arising between any provision of these Articles of Association and the Prospectus, the Articles of Association shall prevail. These Articles of Association shall be construed and shall take effect accordingly.

Objects. 3. The main objective of the Company is to invest the capital in its possession, with the aim of spreading investment risk and maximizing the investment value, based on a prudent management of investments and of the collective investment return which consists of income from interest, increase of capital and currency profit, in this way allowing its shareholders to benefit from the results of its portfolio management. Accordingly, **to the extent permitted by the Open-Ended Undertakings for Collective Investment (UCI) Law of 2012 (78(I)/2012) as it may be amended from time to time and any other legislation that may replace it (the “UCI Law”)**, the objects of the Company are:

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|---|--|
| Business of VCIC  | (1) To carry on the business of a variable capital investment company (the “VCIC”) within the meaning of the UCI Law.  |
| To issue shares and securities and remunerate persons in consideration of property or services. | (2) To issue and allot fully paid shares in the capital of the company, with no nominal value, whose value will be variable and shall follow the net asset value of the company, or issue debentures or securities in full payment or part payment of any movable or immovable property purchased or otherwise acquired by the company or any services rendered to the company and to remunerate in cash or otherwise any person, firm or company for the rendering services to this company or grant donations to such persons. The issued capital of the Company is variable, and is equal to its NAV from time to time.   |
| To acquire services and employees.  | (3) To secure from others the provision of every and any services, employment of any nature in connection with any business exercised by them including the provision of asset management and depositary services.   |
| Experts.  | (4) To engage and employ the services of experts, laborers or specialists of any sort (including the engagement of a management company and/or a depositary) for the purpose of attaining any of the Company’s objects.  |
| To acquire and lease property and equipment.  | (5) To acquire or possess either by purchase, lease, exchange or otherwise, offices or other property, lodgings, furniture, equipment, components and branches or any objects for the purpose of using them in attaining any of the Company’s objects.   |
| To carry on other business.   | (6) To the extent permitted by the UCI Law, to carry on any other business or activity or do any act whatsoever which may seem to the Directors capable of being conveniently or advantageously carried on or done in connection with any of the objects or calculated directly or indirectly to enhance the value of or render more profitable any of the company's business property or rights and to undertake any work or business carried on or performed prior to incorporation, which the company decides to take over or continue, including without limitation the entry into contracts, agreements, arrangements with other companies, person or persons, legal or physical, and of any description, so long as the company deems them capable for promoting its business and contribute to its success. |
| To deal with property of the  | (7) To improve, manage, control, develop, exploit, exchange, let on lease or otherwise, mortgage, charge, sell, dispose of, turn to account, grant rights and  |

company in general.	privileges in respect of, or otherwise deal with all or any part of the property in, assets and rights of the company or in which the company is interested in or otherwise assume all or part of the assets of the company and to adopt such means of making known and advertising the business and products of the company as may seem expedient.
To deal with and enter into agreements relating to financial instruments.	(8) To deal in matters relating to the purchase or in any other way acquisition, sale, exchange, conversion, swap, options, or other dealing or transaction of any nature or description in respect of any currencies, commodities, exchange rates, interest rates, bonds, debentures, shares, equity, or other securities of any nature or description and to enter into financial or credit agreements or other agreements in connection with the above dealings or transactions or more generally agreements of any nature or description including without limitation to the generality of the foregoing agreements in the ISDA form of the International Swap & Derivatives Association and other agreements of similar form or nature as may be promulgated by any trade or other association or authority from time to time in relation to any or all of the foregoing transactions
To acquire other businesses.	(9) To purchase or otherwise acquire (including, for the avoidance of doubt, the acquisition of assets through a merger and/or the implementation of a scheme of arrangement) all or any part of the business, assets, property and liabilities of any company, society, partnership or person, formed for all or any part of the purposes within the objects of this company, or established to carry on any business or intending to carry on any business which this company is authorised to carry on, or intending to carry on such activities possessing property suitable for the purposes of the company and to undertake, conduct and carry on, or liquidate and wind up, any such business and in consideration for such acquisition to pay in cash, issue shares, undertake any liabilities or acquire any interest in the vendor's business.
Intellectual property.	(10) To apply for and take out, purchase or otherwise acquire any designs, trade marks, patents rights or inventions, brevets d'invention, copyright or secret processes, which may be useful for the company's objects, and to grant licences to use the same.
To pay preliminary and other expenses.	(11) To pay all costs, charges, and expenses incurred or sustained in or about the promotion, formation and establishment of the company, or which the company shall consider to be in the nature of preliminary expenses or expenses incurred prior to incorporation and with a view to incorporation, including therein fees for professional services, the cost of advertising, taxes, commissions for underwriting, brokerage, printing and stationery, salaries to employees and other similar expenses and expenses attendant upon the formation and functioning of agencies, local boards or local administration or other bodies, or expenses relating to any business or work carried on or performed prior to incorporation, which the company decides to take over or continue.

To pay underwriting commissions.	(12) Upon any issue of shares, debentures or other securities of the company, to employ brokers, commission agents and underwriters, organisations or banks underwriting the issue of securities and to provide for the remuneration of such persons for their services by payment in cash or by the issue of shares, debentures or other securities of the company, or by the granting of options to take the same, or in any other manner allowed by law.
To borrow or raise money.	(13) To the extent permitted by the UCI Law, to borrow, raise money or secure obligations (whether of the company or any other person) in such manner and on such terms as may seem expedient, including the issue of debentures, debenture stock (perpetual or terminable), bonds, mortgages or any other securities, founded or based upon all or any of the property and rights of the company, including its uncalled capital, or without any such security, and upon such terms as to priority or otherwise, as may be thought fit by the company.
To lend and give credit and guarantees.	(14) To the extent permitted by the UCI Law, to lend and advance money or give credit to any person, firm or company, to guarantee and give guarantees or indemnities for the payment of money or the performance of contracts or obligations by any person, firm or company, to secure or undertake in any way the repayment of money lent or advanced to or the liabilities incurred by any person, firm or company, and otherwise to assist any person or company in any way as may be thought fit.
To draw, etc, negotiable instruments.	(15) To draw, execute, issue, accept, make, endorse, discount and negotiate bills of exchange, promissory notes and other negotiable or transferable instruments or securities.
To receive money on deposit.	(16) To receive money on deposit, with or without allowance of interest thereon.
To make advances.	(17) To advance and lend money either upon receiving such security or guarantee as may be thought proper, or without taking any such security therefor.
To invest.	(18) To invest the moneys of the company not immediately required in such manner, other than in the shares of this company, as from time to time may be determined by the Directors.
To issue and redeem shares	(19) To issue, and redeem shares, debentures, debenture stock, or other securities or obligations of any company or association, and to pay or provide for the payment of any redemption price, brokerage, commission, and underwriting expenses in respect of any such issue. The shares are redeemed at the request of the shareholders, either directly or indirectly by its assets.
To acquire shares in other companies.	(20) To acquire by subscription, purchase or otherwise, and to accept, take, hold, trade in, convert and sell any kind of shares, stock, debentures or other securities or interest in any other company, society or undertaking whatsoever.
To establish agencies.	(21) To establish anywhere in the world branch offices, regional offices, agencies

and local boards and to regulate and to discontinue the same.

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| To provide for officers.   | (22) To provide for the welfare of officers or of persons in the employment of the company, or former officers or formerly in the employment of the company or its predecessors in business (including officers or employees of any subsidiary or associated or allied company, and the wives, widows, dependants and families of such persons), by grants of money, pensions or other payments, (including payments of insurance premia) and to form, subscribe to, or otherwise aid, any trust, fund or scheme for the benefit of such persons, and any benevolent, religious, scientific, national or other institution or object of any kind, which shall have any moral or other claims to support or aid, by the company by reason of the nature or the locality of its operations or otherwise. |
| To amalgamate or work jointly.                                       | (23) To enter into and carry into effect any arrangement for joint working in business, union of interests, limiting competition, partnership or for sharing of profits, or for amalgamation, with any other company, partnership or person, carrying on business within the objects of this company.  |
| To promote companies.  | (24) To establish, promote and otherwise assist, any company or companies for the purpose of acquiring any of the property or furthering any of the objects of this company or for any other purpose which may seem directly or indirectly calculated to benefit this company.   |
| To promote legislation and enter into arrangements with Governments. | (25) To apply for, promote, and obtain any Law, Order, Regulation, By-Law, Decree, Charter, concession, right, privilege, licence or permit for enabling the company to carry any of its objects into effect, or for effecting any modification of the company's constitution, or for any other purpose which may seem expedient, and to oppose any proceedings or applications which may be calculated directly or indirectly to prejudice the company's interest and to enter into and execute any arrangement with any Government or Authority, (supreme, municipal, local or otherwise) that may seem conducive to the company's objects or any of them.   |
| To sell undertaking.   | (26) To sell, dispose of, mortgage, charge, grant rights or options or transfer the business, property and undertakings of the company, or any part or parts thereof, for any consideration which the company may seem fit to accept.  |
| To accept shares in payment.   | (27) To accept stock or shares in, or the debentures or mortgage debentures or other securities of any other company in payment or part payment for any services rendered or for any sale made to or debt owing from any other company.  |
| To distribute assets in specie.                                      | (28) To distribute in specie or otherwise as may be resolved any assets of the company among its members and particularly the shares, debentures or other securities of any other company belonging to this company or of which this company may have the power of disposing.  |
| To act as agents.  | (29) To do all or any of the matters hereby authorised in any part of the world either alone or in conjunction with other companies firms or persons either as   |

factors, trustees, principals, sub-contractors or agents for, any other company, firm or person, or through any factors, trustees, sub-contractors or agents.

Financial  
technology.

(30) To promote, sell, exploit, dispose of, put into use, any financial technology, methods, devices, ideas and/or other.

To do all above  
acts.

(31) To do all or any of the above acts either alone or in conjunction with others and in various legal capacities, such as principal, mandatory, agent contractor, trustee or in an other capacity envisaged by the UCI Law, as well as generally for every purpose or object to act in any capacity as above.

General Powers

(32) Generally to do all such other things as may appear to the company to be incidental or conducive to the attainment of the above objects or any of them, and in particular of objects (1), (2) and (3) above. Provided that the company is entitled to conduct any or all of the above acts and businesses which are referred to in subparagraphs (4)-(31) of the above only, if in the opinion of the company, those acts can lead to or contribute to the achievement of all or some of the objects which are referred to in subparagraph (2) above.

Construction  
of objects.

The objects set forth in any sub-clause of this clause shall not be restrictively construed but the widest interpretation shall be given thereto, and they shall not, except when the context expressly so requires, be in any way limited to or restricted by reference to or inference from any other object or objects set forth in such sub-clause or from the terms of any other sub-clause or marginal title or by the name of the company. None of such sub-clauses or the object or objects therein specified or the powers thereby conferred shall be deemed subsidiary or ancillary to the objects or powers mentioned in any other sub-clause, but the company shall have full power to endeavour to achieve all or any of the objects conferred by and provided in any one or more of the said sub-clauses.



## FORM OF PROXY

### FORM OF PROXY

I/We \_\_\_\_\_ from \_\_\_\_\_

with ID number/Passport number/Company Registration number \_\_\_\_\_

being a member/members of Cytrustees Investment Public Company Limited ("**Cytrustees**"), hereby appoint (choose one of the following two options):

1. The Chairman of the Meeting \_\_\_\_\_
2. Mr/Ms \_\_\_\_\_  
from \_\_\_\_\_ with ID number \_\_\_\_\_  
or failing him/her, Mr/Ms \_\_\_\_\_  
from \_\_\_\_\_ with ID number \_\_\_\_\_

as my/our proxy to vote on my/our behalf at the Meeting of Cytrustees, to be held on 7<sup>th</sup> March 2018, at 18:00 p.m. at Eurolife House Evrou 4, 2003 Strovolos, Nicosia, Cyprus, and at any adjournment thereof.

My/our proxy is authorised to vote as he/she thinks fit, unless the manner of voting is indicated in the boxes below.

RESOLUTION		FOR	AGAINST
A	Special Resolution to authorise the scheme of arrangement dated 13 February 2018 (the " <b>Scheme</b> ") between Cytrustees and the Scheme Shareholders (as defined in the Scheme), and to authorise the directors of Cytrustees to take all such action on behalf of Cytrustees as they consider necessary or desirable for carrying the Scheme into effect (as 'Resolution A' is set out in the notice of the Meeting).		
B.	Special resolutions to authorise the Conversion, the replacement of Cytrustees' articles of association, the amendment of the objects of Cytrustees, the replacement of all the accounts of Cytrustees with the NAV, the change of Cytrustees' name (as 'Resolution B' is set out in the notice of the Meeting).		
B.	Special resolution to authorise the delisting of Cytrustees' existing shares pursuant to the Scheme (as 'Resolution C' is set out in the notice of the Meeting).		

Date \_\_\_\_\_ Signature \_\_\_\_\_

Contact details \_\_\_\_\_ Telephone \_\_\_\_\_ Fax \_\_\_\_\_

#### Notes:

- (1) Only those members registered on Cytrustees' register of members at the Voting Record Time shall be entitled to attend and vote at the Meeting. Transactions involving Existing Shares taking place after the business day before the Voting Record Time and thereafter will not be considered in determining the right to vote at the Meeting.
- (2) The Form of Proxy must be returned to the registered office of Cytrustees (154 Limassol Avenue, 2025 Strovolos, Nicosia, Cyprus, fax: 22123745) at least 48 hours before the time of the Meeting.
- (3) If such appointor is a company, the Form of Proxy must bear the name of the company, and be signed by its duly authorised officer/s.
- (4) In the case of joint shareholders, the Form of Proxy can only be signed by the person whose name appears first in the register of members of Cytrustees.

## NOTICE OF MEETING

CYTRUSTEES INVESTMENT PUBLIC COMPANY LIMITED

*(Registered in Cyprus No. HE39918)*

**NOTICE IS HEREBY GIVEN THAT** an extraordinary general meeting of CYTRUSTEES INVESTMENT PUBLIC COMPANY LIMITED ("**Cytrustees**" or "**Company**") will be held at Eurolife House, Evrou 4, 2003, Strovolos, Nicosia, Cyprus on 7<sup>th</sup> March 2018 at 18:00 pm. (Cyprus time) for the purpose of considering and, if thought fit, passing the following resolutions.

### **SPECIAL RESOLUTIONS**

(A) **THAT** the scheme of arrangement dated 13 February 2018 between the Company and the holders of shares in the Company, a print of which has been produced to this meeting and, for the purposes of identification, signed by the chairman hereof in its original form or with or subject to any modification, addition or condition approved or imposed by the Court (the "**Scheme**"), be approved and the directors of the Company be authorised to take all such actions as they consider necessary or appropriate for carrying the Scheme into effect.

(B) **THAT:**

For the purposes of giving effect to the scheme of arrangement dated 13 February 2018 between the Company and the holders of shares in the Company, a print of which has been produced to this meeting and for the purposes of identification signed by the Chairman thereof, in its original form or with or subject to any modification, addition or condition approved or imposed by the Court (the "**Scheme**") and contingent upon the Scheme becoming effective, the Company be converted to a Variable Capital Investment Company in accordance with the provisions of the Open-Ended Undertakings for Collective Investment (UCI) Law, N.78(I)/2012 (as amended) (the "**VCIC**") (the "**Conversion**"):

- (i) all the shares comprising the issued share capital of the Company amounting to 44,494,209 ordinary shares with a nominal value of €0.30 each be converted, shares of the VCIC with no nominal value, and whose value shall be linked to and determined by the NAV;
- (ii) the objects of the Company set out in paragraph 3 of the memorandum of the Company be replaced with the objects set out in Annex A;
- (iii) the articles of association of the Company be replaced, in their entirety with the new set of articles of association attached hereto as Annex B;
- (iv) the name of the Company be changed to "GLOBAL BALANCED FUND OF FUNDS SALAMIS VARIABLE CAPITAL INVESTMENT COMPANY PLC";

- (v) the Company no longer maintains as part of its financial statements any accounts with respect to the authorized and issued share capital of the Company and with respect to any of the Company's reserves (including, without limitation, the share premium account and the retained earnings / losses account of the Company), whether such reserves constitute capital reserves or distributable reserves and whether the said reserves maintain a credit or debit balance and, upon the Scheme become effective, the said accounts shall be considered as being replaced, for all intended purposes, with the Net Asset Value of the Company, as determined from time to time in accordance with the provisions of applicable law; and
  - (vi) Appropriate entries be made in the Company's register of members with effect from the Effective Date to reflect the conversion of Existing Shares.
- (C) **THAT**, subject to the approval of the Council of the Cyprus Stock Exchange, the Existing Shares be suspended from trading and, subject to the Scheme becoming Effective, be delisted from the Cyprus Stock Exchange, in accordance with the provisions of the Directive of the Cyprus Securities and Exchange Commission regarding the delisting of securities from the Cyprus Stock Exchange, ΚΔΠ 392/2015;
- (D) **THAT**, the directors of the Company be and are hereby authorised to give effect to these resolutions.

Dated: 13 February 2018

**BY ORDER OF THE BOARD**

**The Cyprus Investment and Securities  
Corporation Limited**

*Company Secretary*

Registered Office:

154 Limassol Avenue,  
Strovolos, 2025,  
Nicosia, Cyprus

Copy to: Cyprus Securities and Exchange Commission

THIS DOCUMENT AND ANY ACCOMPANYING DOCUMENTS ARE IMPORTANT AND REQUIRE YOUR IMMEDIATE ATTENTION. PART II OF THIS DOCUMENT COMPRISES AN EXPLANATORY STATEMENT IN COMPLIANCE WITH SECTION 199 OF THE CYPRUS COMPANIES LAW. If implemented, the scheme of arrangement set out in this document will result in the conversion of CYTRUSTEES into a Variable Capital Investment Company (VCIC). If you are in any doubt as to what action you should take, you are recommended to seek your own personal financial advice immediately from your stockbroker, lawyer, accountant or other independent financial adviser.

THIS DOCUMENT HAS NOT BEEN SUBMITTED TO THE APPROVAL PROCEDURE OF CYSEC, PURSUANT TO THE PROSPECTUS LAW AND THE PROSPECTUS REGULATION, AND ACCORDINGLY, IT IS NOT A PROSPECTUS FOR THE PURPOSES OF THE PROSPECTUS LAW OR THE PROSPECTUS DIRECTIVE AND MAY NOT BE USED IN CONNECTION WITH ANY OFFER TO PURCHASE OR SELL ANY ORDINARY SHARES OR AS PART OF ANY FORM OF GENERAL SOLICITATION OR ADVERTISING IN CIRCUMSTANCES THAT WOULD CONSTITUTE AN OFFER TO THE PUBLIC IN CYPRUS. THIS DOCUMENT DOES NOT CONSTITUTE AN INVITATION OR OFFER TO SELL OR EXCHANGE, OR THE SOLICITATION OF AN INVITATION OR OFFER TO BUY OR EXCHANGE, ANY SECURITY OR TO BECOME A MEMBER OF CYTRUSTEES. NONE OF THE SECURITIES REFERRED TO IN THIS DOCUMENT SHALL BE SOLD, ISSUED, EXCHANGED OR TRANSFERRED IN ANY JURISDICTION IN CONTRAVENTION OF ANY APPLICABLE LAW.

The release, publication or distribution of this document in or into jurisdictions other than Cyprus may be restricted by the laws of those jurisdictions and therefore persons into whose possession this document and the accompanying documents come should inform themselves about, and observe, any such restrictions. Any failure to comply with any such restrictions may constitute a violation of the securities laws of any such jurisdiction.

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## CYTRUSTEES INVESTMENT PUBLIC COMPANY LIMITED

(Incorporated and registered in the Republic of Cyprus with the company number HE 39918)

### **Recommended proposals for the conversion of CYTRUSTEES into a VCIC by means of a scheme of arrangement under sections 198 to 200 of the Cyprus Companies Law**

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In the event the Scheme is approved and implemented, CYTRUSTEES will, inter alia, be converted into a VCIC, the Existing Shares will be converted into VCIC Shares and delisted from the CSE, and CYTRUSTEES VCIC will be operating under the UCI Law and, additionally, under the Companies Law.

Capitalised terms have the meanings given to them in Part VI of this document.

THIS DOCUMENT HAS BEEN PREPARED IN ENGLISH AND HAS BEEN TRANSLATED INTO GREEK FOR THE BENEFIT OF SCHEME SHAREHOLDERS. PLEASE NOTE, HOWEVER, THAT TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, THE GREEK VERSION OF THIS DOCUMENT SHOULD BE TREATED AS BEING PROVIDED FOR INFORMATIONAL PURPOSES ONLY AND, ACCORDINGLY, SHOULD THERE BE ANY CONFLICT BETWEEN THE INFORMATION AND PROVISIONS CONTAINED IN THE ENGLISH VERSION AND THE GREEK VERSION OF THIS DOCUMENT, THE ENGLISH VERSION SHALL, TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, PREVAIL.

#### **PUBLICATION ON WEBSITE**

A copy of this document is available, subject to any applicable restrictions relating to persons resident in restricted jurisdictions, for inspection on CYTRUSTEES' website at [www.cytrustees.com.cy](http://www.cytrustees.com.cy) but should not be forwarded or transmitted in or into or from any jurisdiction where local laws and/or regulations may result in a significant risk of civil, regulatory or criminal exposure if information concerning the Scheme is sent or made available to Scheme Shareholders in that jurisdiction.

Neither the content of the website referred to above nor the content of any website accessible from hyperlinks on the website (or any other website) is incorporated into, or otherwise forms part of, this document.

#### **CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS**

This document includes certain forward-looking statements, which can be identified by the use of forward-looking terminology, including the terms "believes", "estimates", "anticipates", "projects", "expects", "intends", "may", "will", "seeks" or "should" or, in each case, their negative or other variations or comparable terminology, or by discussions of strategy, plans, objectives, goals, future events or intentions. These forward-looking statements relate to matters that are not historical facts and include statements regarding CYTRUSTEES and its Directors' current intentions, beliefs or expectations concerning, amongst other things, CYTRUSTEES' financial condition, liquidity, prospects, growth, strategies and the industry in which CYTRUSTEES operates.

Dated 13 February 2018

## 1. DIRECTORS, SECRETARY AND ADVISERS

<b>Directors of CYTRUSTEES</b>	Phanos N. Epiphaniou  Loizos Siakallis  Charalambos Chomatenos  Adamos Montanios  Giorgos Vryonides
<b>Company Secretary of CYTRUSTEES</b>	THE CYPRUS INVESTMENT AND SECURITIES CORPORATION LIMITED
<b>Registered Office</b>	154 Limassol Avenue,  Strovolos,  2025, Nicosia,  Cyprus
<b>Website</b>	<a href="http://www.cytrustees.com.cy/">http://www.cytrustees.com.cy/</a>
<b>Legal advisers to CYTRUSTEES</b>	Chryssafinis & Polyviou LLC  37 Metochiou Street  Agios Andreas  1101 Nicosia  Cyprus
<b>Auditors to CYTRUSTEES</b>	ERNST & YOUNG CYPRUS LIMITED Stasinou 6, Jean Nouvel Tower, Ground Floor, 1511, Nicosia, Cyprus

## ACTION TO BE TAKEN

**IT IS IMPORTANT THAT, for the Meeting, as many votes as possible are cast so that the Court may be satisfied that there is a fair and reasonable representation of Scheme Shareholder opinion. Whether or not you plan to attend the Meeting, you are therefore strongly encouraged to sign and submit your Form of Proxy in accordance with the instructions thereon, as soon as possible, but no later than 18:00 p.m. on 5 March 2018.**

This document informs you about the Meeting to be held at the Eurolife House, Evrou 4, 2003, Strovolos, Nicosia, Cyprus on 7 March 2018 at 18:00 p.m. and the proposal for the conversion of CYTRUSTEES into a VCIC (the “Scheme”). Immediately following the Effective Date, CYTRUSTEES will be converted into a VCIC and shall be operating under the UCI Law and, additionally, under the applicable provisions of the Companies Law. It is intended that, upon conversion of CYTRUSTEES into a VCIC, the Existing Shares will be converted into VCIC Shares and delisted from the CSE.

This document also contains the formal notice of the Meeting, which is also separately available on CYTRUSTEES’ website, at [www.cytrustees.com.cy](http://www.cytrustees.com.cy).

Here is what you need to do now:

- review the Summary – Questions and Answers on pages 6 to 9 and the remainder of this document;
- read the Chairman’s letter on pages 10 to 13. This letter informs you about the Scheme, the Meeting, and also explains the background, the reasons for the Scheme and why the CYTRUSTEES Board recommends that you should vote in favour of the Scheme; and
- follow the instructions set out in this document in relation to the submission of proxy forms and voting at the Meeting (see paragraph **Submission of proxy forms and voting at the Meeting** below).

### **1. Submission of proxy forms and voting at the Meeting**

The Scheme will require approval at a meeting of the Scheme Shareholders convened by order of the Court to be held at the Eurolife House, Evrou 4, 2003, Strovolos, Nicosia, Cyprus on 7 March 2018 at 18:00 p.m. The Notice of the Meeting is set out on page 41 of this document.

At the end of this document you will find the Form of Proxy for use in respect of the Meeting. If you do not plan to personally attend the meeting, you are requested to return a completed Form of Proxy to The Cyprus Investment and Securities Corporation Ltd at the address indicated therein before 18:00 p.m. on 5 March 2018. If the Meeting is adjourned, the Form of Proxy must be returned not later than 48 hours before the time fixed for the holding of the adjourned Meeting. The Form of Proxy is also separately available on CYTRUSTEES’ website at [www.cytrustees.com.cy](http://www.cytrustees.com.cy). If you have any difficulties accessing the Form of Proxy, please contact CYTRUSTEES secretary at 22121700.

Further information on the voting process at the Meeting is contained in the Summary – Questions and Answers section on pages 6 to 9 of this document.

If you are in any doubt as to what action you should take, you are recommended to seek your own personal financial advice immediately from your stockbroker, lawyer, accountant or other independent financial adviser.

## EXPECTED TIMETABLE OF PRINCIPAL EVENTS

The following indicative timetable sets out expected dates for the implementation of the Scheme. These times and dates are indicative only and will depend on, among other things, the date upon which the Court sanctions the Scheme. CYTRUSTEES will give notice of any change(s) by issuing an announcement on its website at [www.cytrustees.com.cy](http://www.cytrustees.com.cy).

<i>Event</i>	<i>Time (Cyprus time –CET) and/or date</i>
<b>Date of publication of this document</b>	13 February 2018
<b>Voting Record Time for the Meeting</b>	1 March 2018 <sup>(1)</sup>
<b>Latest time for return of the Form of Proxy</b>	18:00 p.m. on 5 March 2018
<b>Meeting</b>	18:00 p.m. on 7 March 2018
<i>The following dates are subject to change:</i>	
Court Hearing	around 29 March 2018
Last day of dealings in, and for registration of transfers of, Existing Shares	around 5 April 2018
Last day of trading in Existing Shares on CSE	around 5 April 2018 (separate announcement shall be issued to this respect)
Scheme Record Time	same date as the Effective Date
<b>Effective Date of the Scheme</b>	filing of Court order with Companies Registrar – expected around 16 April 2018
Submission of application for the delisting of Existing Shares from the CSE	upon or following the Effective Date
Long Stop Date	31 July 2018 <sup>(2)</sup>

### Notes:

- (1) The record date for determining the right to vote at the Meeting is 1 March 2018. Transactions involving Existing Shares taking place after 1 March 2018 will not be considered in determining the right to vote at the Meeting. If the Meeting is adjourned, the Voting Record Time for the adjourned Meeting will be on the date two working days before the date set for the adjourned Meeting.
- (2) This is the latest date by which the Scheme may become effective unless CYTRUSTEES proposes a later date and (if required) the Court so allows.



## **SUMMARY – QUESTIONS AND ANSWERS**

**Scheme Shareholders should read the whole of this document, and not just rely on this summary. Capitalised terms have the meanings given to them in Part VI of this document.**

### **1. Why are you proposing the Scheme?**

This scheme of arrangement has been proposed as a part of the process for the conversion of CYTRUSTEES (currently a closed-end investment company) into an open-ended UCITS (Undertakings for Collective Investment in Transferable Securities) fund, to be operating and regulated under and by the provisions of the UCI Law, and additionally by the provisions of the Companies Law.

The shareholders' major benefit from the conversion into UCITS is the ability to redeem/subscribe for shares directly from the management company, at the NAV of the proposed fund.

Currently CYTRUSTEES shares are listed on the CSE, trading at a discount to NAV with limited levels of liquidity.

Undertakings for Collective Investment in Transferable Securities, commonly referred to as UCITS, are collective investment schemes established and authorised under a harmonised European Union (EU) legal framework. Originally introduced over twenty years ago, UCITS have become the gold standard EU investment fund product, recognised not only by the European financial services community but also further afield with many non-EU jurisdictions accepting UCITS as suitable for retail sale into their domestic markets. Whilst sold across the full spectrum of investor types, UCITS have been designed principally for the retail market as open-ended diversified, liquid products.

Importantly, UCITS is not a product which has stood still; rather it has and continues to evolve, with a significant broadening of permitted asset classes and more robust governance requirements. Underpinning UCITS and the proposed future evolutions of the product has been a common EU approach with involvement from securities regulators and industry participants across the European Union at each stage of the development process.

### **2. What is a scheme of arrangement?**

A scheme of arrangement is a formal procedure under the Cyprus Companies Law commonly used to carry out corporate re-organisations. The Scheme requires the approval of Scheme Shareholders and sanctioning by the Court following a hearing upon the fairness of the terms and conditions of the Scheme.

### **3. What will I have after the Scheme comes into effect?**

When the Scheme becomes effective all your Existing Shares will be converted into VCIC Shares. Such VCIC Shares shall have no nominal value, and their value shall be fluctuating, and be determined by the NAV.

### **4. What is a conversion of shares and why is it being proposed?**

On the Effective Date, the Existing Shares will be converted into VCIC Shares. The VCIC Shares will not have a nominal value, but will carry a fluctuating value, calculated from time to time based on the NAV. Accordingly, with effect from the Effective Date the Existing Shares of each Scheme Shareholder will be converted to VCIC Shares.

**5. What happens to my Existing Shares?**

Existing Shares are currently admitted to listing and trading on the CSE. As part of the Scheme, these shares will be suspended from trading and delisted from the CSE and converted into VCIC Shares.

**6. Where will the VCIC Shares be listed?**

Immediately following the Effective Date, the Existing Shares will be delisted from the CSE, and the VCIC Shares will not be listed on any other stock exchange.

**7. How will the value of the VCIC Shares be calculated?**

The VCIC Shares shall have no nominal value; their value will be based on the NAV, which shall be calculated daily, as described in the Prospectus.

**8. Why should I read this document?**

The Scheme requires Scheme Shareholders to approve or reject the terms of the Scheme and vote on certain matters at the Meeting. This document contains information to assist you in your voting decision in relation to the Scheme. The Form of Proxy is for your use in the voting process at the Meeting. Please see the responses to questions 9 and 10 below for further details.

**9. Do I need to vote?**

It is important that as many Scheme Shareholders as possible cast their votes in person or by proxy at the Meeting. **In particular, it is important that a considerable number of votes are cast at the Meeting so as to demonstrate that there is a fair representation of Scheme Shareholder opinion.**

The proposed special resolutions at the Meeting will need to be passed by 75 percent of the votes of the Scheme Shareholders present and voting. **Your votes count.**

If you do not wish, or are unable, to attend the Meeting you may appoint any person (known as a "**proxy**") to act on your behalf and vote on the poll. Such person does not need to be a member of CYTRUSTEES. You may appoint your proxy by completing the Form of Proxy and returning it in accordance with the instructions set out in response to question 10 below and on the Form of Proxy.

**You are, therefore, strongly encouraged to complete, sign and return your Form of Proxy as soon as possible, but no later than 18:00p.m. on 5 March 2018. The Form of Proxy has been appended to this document.**

Should you later change your mind and decide to attend the Meeting in person, then completing and returning the Form of Proxy will not preclude you from doing so.

**10. What do I do with the Form of Proxy?**

Whether or not you plan to attend the Meeting, **PLEASE COMPLETE, SIGN AND RETURN THE FORM OF PROXY** in accordance with the instructions printed on it as soon as possible, but in any event so as to be received by CYTRUSTEES no later than at least 48 hours prior to the time appointed for the Meeting (or in the case of any adjournment of the Meeting, no later than 48 hours before the time fixed for the holding of the adjourned Meeting). This will enable your votes to be counted at the Meeting in the event of your absence.

**The completion and return of the Form of Proxy or the appointment of a proxy or proxies will not prevent you from attending and voting in person at the Meeting if you so wish and are entitled to do so.**

**11. Do I have to pay anything to CYTRUSTEES under the Scheme?**

No. All VCIC Shares are a result of the conversion of the Existing Shares. No additional payment by you will be required, and no payment shall be effected by CYTRUSTEES in relation to the same.

**12. Will there be any change to the value or the percentage of my shareholding?**

The percentage shareholding (including your percentage of the voting rights) will not change as a result of the Scheme. It will, however, be possible for shareholders to redeem their shares following the Effective Date or for Scheme Shareholders as well as other persons to buy shares in CYTRUSTEES VCIC, something which will affect your existing percentage of shareholding.

**13. Where will my shares be registered?**

All VCIC Shares, and respective shareholdings of each Scheme Shareholder, will be registered in a register of members of the CYTRUSTEES VCIC, and such register shall be maintained by the Management Company.

**14. Which laws will regulate the activities of CYTRUSTEES VCIC?**

The activities of the VCIC shall be regulated by the UCI Law, and additionally by the Companies Law, with the exclusion of the application of a number of sections, a summary of which is set out in Paragraph 3 of Part III.

**15. Who will be the regulator of CYTRUSTEES VCIC?**

Following the implementation of the Scheme, pursuant to the UCI Law, the activities of CYTRUSTEES VCIC shall be regulated and supervised by CySEC.

**16. How will the sections of the Companies Law which will not apply to CYTRUSTEES VCIC affect its operation?**

The sections of the Companies Law excluded from application on VCIC companies, generally, relate to the increase and reduction of share capital, the registered capital and number of members of a company, and the publication of a prospectus.

However, the UCI Law provisions relating to the share capital of a VCIC, which shall, upon the implementation of the Scheme, be applicable to CYTRUSTEES VCIC, encompass the nature of the share capital / shares of a VCIC and the transactions that can be undertaken in relation to such share capital / shares. Additionally, the UCI Law and CySEC directives issued pursuant to it, regulate the content, manner and frequency of publication of the prospectus.

For more information on the Companies Law provisions which are excluded from application to a VCIC, and the obligations of a VCIC under the UCI Law, please see Part III of this document.

**17. What do I need to do to access my VCIC Shares?**

For access to VCIC Shares, please contact the Management Company at bocam@bankofcyprus.com, tel: 22121790.

**18. What if my Existing Shares are currently maintained on pledged accounts?**

In view of the delisting of the Existing Shares from the CSE, the register of the VCIC Shares will no longer be kept by the CSD but shall be kept internally by the CYTRUSTEES VCIC. Accordingly, the CSD Law and regulations relating to the pledging of shares will no longer be applicable with respect to pledges over the VCIC Shares. All the pledges created over the Existing Shares pursuant to the provisions of the CSD Law which will appear as being in effect on the Effective Date, shall continue to appear as pledged with respect to the corresponding VCIC Shares registered in the register of VCIC Shares maintained by CYTRUSTEES VCIC. CYTRUSTEES VCIC shall block any application made by a shareholder for the transfer or redemption of VCIC Shares appearing as pledged in its register of VCIC Shares unless it receives the written consent of the pledgee in respect thereof or unless otherwise mandated by a Court Order binding on CYTRUSTEES VCIC or by the provisions of the law. At the same time, CYTRUSTEES VCIC shall block any application made by a pledgee of VCIC Shares for the transfer or redemption of VCIC Shares appearing as pledged in its favour in its register of VCIC Shares unless it receives the written consent of the pledgor in respect thereof or unless otherwise mandated by a Court Order binding on CYTRUSTEES VCIC or by the provisions of the law.

The holders of Existing Shares that are currently pledged pursuant to the provisions of the CSD Law may need to enter into independent arrangements with their creditor(s) / pledgee(s) in order to secure the interest in any VCIC Shares and/or to ensure that he / she will not be in default of any of his / her commitments / obligations against such creditor.

CYTRUSTEES strongly recommends that any relevant Scheme Shareholders consider their own positions in relation to any existing security arrangements over their Existing Shares.

**19. Will I have to pay any tax as a result of the Scheme?**

The conversion of the existing shares to VCIC shares should not trigger the payment of any tax.

**If you are in any doubt about your tax position, you should consult a professional adviser.**

**20. What if I still have questions?**

If you have read this document and still have questions, you should contact The Cyprus Investment and Securities Corporation Limited (CISCO) at 22121700. In the event you are unable to contact CISCO, you may submit your questions in writing by email to [ciscoinfo@bankofcyprus.com](mailto:ciscoinfo@bankofcyprus.com) or by post to 154 Limassol Avenue, Strovolos, 2025 Nicosia, Cyprus (for the attention of Olga Antoniou). Please note that, for legal reasons, responses to questions will only be able to provide practical information and will not provide advice on the merits of the Scheme or give any financial or taxation advice. For specific legal, financial or taxation advice, you will need to consult your own independent advisers.

## **PART I**

### **LETTER FROM THE CHAIRMAN OF CYTRUSTEES INVESTMENT PUBLIC COMPANY LIMITED**

**Registered office:**

154 Limassol Avenue

Strovolos, 2025,

Nicosia, Cyprus

13 February 2018

Dear Scheme Shareholder,

#### **Recommended proposals for the conversion into a Variable Capital Investment Company**

### **1. INTRODUCTION**

On 27 August 2014, CYTRUSTEES announced its proposal to convert into a variable capital investment company under the UCI Law with the intention that such conversion shall provide Scheme Shareholders with more flexibility regarding their investment and the Company to be regulated under the UCI Law, and additionally under the Companies Law. This is to be achieved pursuant to the provisions of the UCI Law and by way of a scheme of arrangement in accordance with sections 198-200 of the Companies Law.

The Scheme will be presented for approval to Scheme Shareholders at the Meeting, where Scheme Shareholders will be given the opportunity to vote for or against the Scheme. We have prepared a Summary – Questions and Answers on pages 6 to 9 of this document to help you understand what is involved. You should, nevertheless, read the whole of this document and not rely solely on the Summary.

The purpose of this letter is to explain the business to be conducted at the Meeting and to set out why the Board considers the Scheme to be on fair and reasonable terms and to be in the best interests of Scheme Shareholders as a whole.

Capitalised terms used in this letter have the meanings given to them in Part VI of this document.

### **2. SUMMARY OF TERMS AND STRUCTURE OF THE SCHEME**

Under the Scheme, the Existing Shares will be converted into VCIC Shares with no nominal value, and the value of such VCIC Shares shall be determined by the NAV.

Each Existing Share held by each Scheme Shareholder at the Scheme Record Time will be converted into one VCIC Share. The Existing Shares will be delisted from the CSE, and will not be listed on any other stock exchange.

**Following the Effective Date, the Scheme, if approved, will be binding on all Scheme Shareholders, irrespective of whether or not they attended or voted at the Meeting (and, if they attended and**

voted, whether or not they voted in favour). Following the Effective Date, CYTRUSTEES will become a VCIC operating under the UCI Law, and additionally under the Companies Law.

The Scheme requires the sanction of the Court. If the Scheme does not become Effective on or before 31 July 2018, it will lapse and the Scheme will not proceed.

### **3. REASONS FOR CONVERTING INTO A VCIC**

The benefits to all stakeholders of conversion from a closed-end investment company into an open-ended UCITS fund are summarised below:

- Liquidity: Being open-ended, the new UCITS fund will be more liquid and open to subscriptions and redemptions.
- NAV vs. Market Value: The new UCITS fund shares/units will be bought and sold at NAV which will equal Market Price. Currently, investors suffer a discount to NAV.
- Transparency: The UCITS regulations (Europe-wide) ensure improved transparency for investors through regular and timely financial reporting and the production of the KIID and frequent fund factsheets.
- Investment Restrictions: The UCITS regulations aims to minimize investment concentrations by placing limits on the investments made; improving investor protection.
- Passport ability: As an EU product, there is the scope to passport the product, through an application, to other European jurisdictions; expanding the possible market for the fund.

UCITS funds may be created in two different forms: (i) VCIC (Variable Capital Investment Company) or (ii) Common Fund ('CF').

A VCIC takes the form of a full legal entity with a Board of Directors whereas a CF has no legal personality and is a pool of assets managed by the Management Company. As the proposal is to convert an existing legal entity into a UCITS fund, it appears that the most appropriate and best equivalent form is a VCIC. The existing Board of Directors will continue to manage the VCIC following conversion, while the Management Company shall, inter alia, carry out its investment management.

### **4. BOARD CHANGES**

There will be no changes to the composition of the Board of Directors.

### **5. RIGHTS OF SHAREHOLDERS**

CYTRUSTEES will, upon its conversion into CYTRUSTEES VCIC: (i) be required to comply with the UCI Law and directives and regulations issued under and pursuant to it, as well as with the Companies Law, save for the sections which are specifically excluded from application to VCIC (a summary of which is set out in Paragraph 3 of Part III); (ii) be under the supervision of CySEC; and (iii) following the delisting of the Existing Shares from the CSE, the obligations under the CSE Laws and regulations, the Market Abuse and Transparency Law shall no longer be applicable to CYTRUSTEES VCIC and / or the Scheme Shareholders.

For details of the core differences between the rights of shareholders under the existing regime, and following conversion of CYTRUSTEES under the Scheme, please refer to paragraph 2 of Part III of this document.

## **6. KEY FEATURES OF THE SCHEME**

The conversion of CYTRUSTEES into a VCIC will be carried out by a formal procedure, known as a scheme of arrangement, under the Cyprus Companies Law. The key features of the Scheme are set out below.

### **Existing Shares**

Under the Scheme:

- (a) all Existing Shares will be converted into VCIC Shares of no nominal value; and
- (b) Each Existing Share held by each Scheme Shareholder at the Scheme Record Time will be converted into one New share on the Effective Date of the Scheme.

### **Suspension and delisting of Existing Shares**

Prior to and on the Effective Date, applications will be made for the suspension of trading and delisting of Existing Shares from the CSE. Upon and conditional on the Scheme becoming effective, the Existing Shares will be converted into VCIC Shares.

### **The Meeting**

The Scheme requires the approval of Scheme Shareholders at the Meeting. The resolutions in the notice of the Meeting cover the approval of the Scheme and various matters in relation to the implementation of the Scheme and are being proposed as special resolutions.

## **7. TAXATION**

Your attention is drawn to Part IV of this document. If you are in any doubt about your tax position, or are subject to taxation in any jurisdiction other than Cyprus, you are strongly advised to consult an appropriate independent professional tax adviser. **No statement in this document constitutes or shall be deemed to constitute taxation advice.**

## **8. OVERSEAS SHAREHOLDERS**

The implications of the Scheme for Overseas Shareholders may be affected by the laws of the relevant jurisdiction to which such Overseas Shareholders belong. Overseas Shareholders should inform themselves about and observe all applicable legal requirements.

## **9. CONDITIONS**

The Scheme is subject to a number of conditions, including the approval of CySEC, as further detailed in Paragraph 5 of Part II of this document and the sanctioning of the Scheme by the Court. The Directors believe that none of the conditions will significantly delay the implementation of the Scheme.

## **10. FURTHER INFORMATION**

The terms of the Scheme are set out in full in Part V of this document. In addition, Part II of this document contains an Explanatory Statement (required by Section 199 of the Cyprus Companies Law) which gives further details of the Scheme.

## 11. RECOMMENDATION

The Directors of CYTRUSTEES consider the Scheme to be fair and reasonable.

In addition, the Directors believe the Scheme to be in the best interests of Scheme Shareholders as a whole and, accordingly, unanimously recommend that Scheme Shareholders vote in favour of the Scheme and the Scheme Resolutions at the Meeting, as they intend to do in respect of their own beneficial shareholdings.

The Directors urge you to complete, sign and return the Form of Proxy for use at the Meeting, as soon as possible and, in any event, by no later than 18:00 p.m. on 5 March 2018.

The members of the Board (Mr Phanos N. Epiphaniou) intend to vote in respect of their own shareholdings, totalling 126,135 Existing Shares (representing in aggregate approximately 0.29 per cent. of the issued ordinary share capital of CYTRUSTEES), in favour of the Scheme Resolutions and the Scheme at the Meeting.

Yours faithfully,



Mr Phanos N. Epiphaniou  
Chairman



## **PART II**

### **EXPLANATORY STATEMENT**

(In compliance with section 199 of the Cyprus Companies Law)

#### **Recommended Scheme of Arrangement**

##### **1. INTRODUCTION**

On 27 August 2014 CYTRUSTEES announced its intention to convert into a variable capital investment company under the UCI Law and through such conversion, allow the Scheme Shareholders more flexibility in the trading of their shares. This is to be achieved pursuant to the provisions of the UCI Law and by way of a scheme of arrangement under sections 198 to 200 of the Companies Law.

The Scheme is subject to various conditions. If these conditions are satisfied and the Scheme is approved and implemented in full, CYTRUSTEES will be converted into CYTRUSTEES VCIC.

Your attention is drawn to the letter from the Chairman of CYTRUSTEES in Part I of this document, setting out the reasons for the Scheme and including the unanimous recommendation of the Directors of CYTRUSTEES to Scheme Shareholders to vote in favour of the Scheme and the resolutions relating to the Scheme to be proposed at the Meeting.

The terms of the Scheme are set out in full in Part V of this document. The Scheme Notice in respect of the Meeting (at which approval for the Scheme and the Scheme Resolutions will be sought) is set out in Part VII of this document.

This Explanatory Statement contains a summary of the provisions of the Scheme. Your attention is also drawn to the other parts of this document, which are deemed to form part of this Explanatory Statement, including the letter from the Chairman of CYTRUSTEES in Part I of this document and the additional information set out in Part III of this document.

Capitalised terms contained in this Explanatory Statement shall have the meanings given to them in Part VI of this document.

##### **2. REASONS FOR THE SCHEME**

The reasons for the Scheme are described in paragraph **REASONS FOR CONVERTING INTO A VCIC** of the Chairman's letter in Part I of this document.

##### **3. SUMMARY OF THE SCHEME**

Under the Scheme, subject to the satisfaction of the conditions set out in paragraph **CONDITIONS TO IMPLEMENTATION OF THE SCHEME** of this Part II, all the Existing Shares will be converted into VCIC Shares on the Effective Date. Each Existing Share held by each Scheme Shareholder at the Scheme Record Time will be converted into one VCIC Share. Upon the conversion of the Existing Shares, the Scheme Shareholders shall remain the shareholders of CYTRUSTEES VCIC.

The Scheme will become effective upon the delivery to the Registrar of Companies of an official copy of the Court Order.

**Upon the Scheme becoming effective, it will be binding on all Scheme Shareholders, irrespective of whether or not they attended or voted at the Meeting (and, if they attended and voted, whether**

or not they voted in favour). Following Completion, the Scheme Shareholders will remain the shareholders of CYTRUSTEES VCIC.

If the Scheme does not become effective on the Long Stop Date, it will lapse and the Scheme will not proceed.

#### **4. STRUCTURE OF THE SCHEME**

##### **(a) Introduction**

The conversion of CYTRUSTEES into a VCIC will be effected by means of a scheme of arrangement between CYTRUSTEES and the Scheme Shareholders under sections 198 to 200 of the Cyprus Companies Law involving the conversion of the Existing Shares into VCIC Shares of no nominal value. The terms of the Scheme are set out in full in Part V of this document. Upon the implementation of the Scheme, CYTRUSTEES will be converted into a VCIC and will be operating under the UCI Law, and, additionally, under the Companies Law, and will be supervised by CySEC.

The implementation of the Scheme is subject to the conditions, which are set out in Paragraph **CONDITIONS TO IMPLEMENTATION OF THE SCHEME** below, and which include, amongst others, the approval of the Scheme by the Scheme Shareholders at the Meeting, the approval of CySEC, the sanction of the Scheme by the Court.

The Scheme must be approved by a majority in number of those Scheme Shareholders present and voting either in person or by proxy at the Meeting and sanctioned by the Court. The special resolutions involved in the Scheme require the approval of 75% of the Scheme Shareholders present and voting either in person or by proxy at the Meeting and the subsequent confirmation of the Court at the Court Hearing.

**Following the Effective Date, the Scheme will be binding on all Scheme Shareholders, irrespective of whether or not they attended or voted at the Meeting (and, if they attended and voted, whether or not they voted in favour). Following the Effective Date, CYTRUSTEES will be converted into a VCIC and the Scheme Shareholders will remain the shareholders of CYTRUSTEES VCIC.**

If for any reason the Scheme does not become Effective until the Long Stop Date, the transactions described above will not take effect and Scheme Shareholders will retain their existing holdings of Existing Shares.

##### **(b) The Meeting**

Before the Court's approval can be sought to sanction the Scheme, the Scheme and the Scheme Resolutions will need to be approved by the Scheme Shareholders at the Meeting. The Meeting will be held at the Eurolife House, Evrou 4, 2003, Strovolos, Nicosia, Cyprus.

The Scheme Notice in respect of the Meeting is set out in Part VII of this document and will also be published separately on CYTRUSTEES' website at [www.cytrustees.com.cy](http://www.cytrustees.com.cy).

Entitlement to attend and vote at the Meeting and the number of votes which may be cast thereat will be determined by reference to the register of members of CYTRUSTEES at the Voting Record Time. All Scheme Shareholders whose names appear on the register of members of CYTRUSTEES on 1 March 2018 or, if such Meeting is adjourned, on the register of members two days before the date fixed for the adjourned Meeting, shall be entitled to

attend and vote at the Meeting in respect of the number of Existing Shares registered in their name at the relevant time.

Whether or not you vote in favour of the Scheme Resolutions to be tabled at the Meeting, if the Scheme becomes effective, all Existing Shares will be converted into VCIC Shares and their holders will receive the VCIC Shares due to them.

As soon as practicable and, in any event, by no later than 09:30 a.m. on the business day following the Meeting, CYTRUSTEES will make an announcement on its website stating whether or not the Scheme Resolutions were passed by the requisite majorities (and, if not, whether or not the Scheme has lapsed) and giving voting results in relation to the Meetings.

### The Meeting

The Meeting has been convened for 18:00 p.m. on 7 March 2018, to consider and, if thought fit, pass the following Scheme Resolutions to:

- (i) approve the Scheme;
- (ii) approve the conversion of CYTRUSTEES into a VCIC including:-
  - (a) the approval of the conversion, of all the shares comprising the issued share capital of CYTRUSTEES amounting to 44,494,209 ordinary shares with a nominal value of €0.30 each into shares of the VCIC with no nominal value, and whose value shall be linked to and determined by the NAV;
  - (b) the approval of the replacement of CYTRUSTEES' articles of association with a new set of articles of association;
  - (c) the replacement of the objects of CYTRUSTEES set out in paragraph 3 of the existing memorandum of CYTRUSTEES with the new CYTRUSTEES VCIC objects which shall reflect the operation of CYTRUSTEES as a VCIC;
  - (d) the approval of the fact that CYTRUSTEES VCIC will no longer maintain any accounts relating to its issued share capital and its reserves, whether these are capital reserves or distributable reserves and whether these maintain a credit or debit balance (including, without limitation, the share premium account and the accumulated profit or loss account of the Company) and that the aforementioned accounts shall be replaced with the NAV; and
  - (e) the approval of the amendment of the name of CYTRUSTEES;
  - (f) the approval of making appropriate entries in the register of members of CYTRUSTEES, with effect from the Effective Date, to reflect the conversion of the Existing Shares;
- (iii) subject to the approval of the council of the CSE, to approve (a) the suspension from trading of the Existing Shares and, (b) subject to the Scheme becoming Effective, the delisting of the Existing Shares from the Cyprus Stock Exchange, in accordance with the provisions of the Directive of the Cyprus Securities and Exchange Commission regarding the delisting of securities from the Cyprus Stock Exchange, ΚΔΠ 392/2015

- (iv) authorise the Directors to take all such action as they may consider necessary or appropriate for carrying the Scheme into effect;

**For the Meeting it is important that as many votes as possible are cast so that the Court may be satisfied that there is a fair representation of Scheme Shareholder opinion. Therefore, whether or not you intend to attend the Meeting, you are strongly urged to sign and return your Form of Proxy for the Meeting.**

#### Registered Shareholders and Proxies

Entitlement to attend and vote at the Meeting and the number of votes which may be cast thereat will be determined by reference to the register of members of CYTRUSTEES at the Voting Record Time. All Scheme Shareholders whose names appear on the register of members of CYTRUSTEES at the Voting Record Time or, if the Meeting is adjourned, on the register of members on the date which is two days before the date fixed for the adjourned Meeting, shall be entitled to attend and speak and vote at the Meeting in respect of the number of Existing Shares registered in their name at the relevant time.

A Scheme Shareholder is entitled to appoint a proxy or proxies to attend and, on a poll, to vote instead of him or her. A proxy need not be a Scheme Shareholder. A Form of Proxy for the Meeting has been included at the back of this document. To be valid, the Form of Proxy must reach CYTRUSTEES by 18:00 p.m. on 5 March 2018. Whether or not you intend to attend the Meeting, you are requested to complete and sign the enclosed Form of Proxy enclosed with the Scheme Notice and return them in accordance with the instructions printed on them.

Scheme Shareholders who return completed Forms of Proxy may still attend the Meeting instead of their proxies and vote in person if they wish and are entitled to do so. In the event of a poll on which a Shareholder votes in person, his/her proxy will be revoked.

Scheme Shareholders are entitled to appoint a proxy in respect of all or a part of their Existing Shares (the total of which should not exceed the total number of shares held by the Scheme Shareholder in a particular account). Scheme Shareholders who appoint a proxy to vote on their behalf, but wish to specify how their votes are cast, should indicate accordingly in the relevant boxes on the Form of Proxy.

#### **(c) Sanction of the Scheme by the Court**

Under the Companies Law, the Scheme requires the sanction of the Court. The Scheme will become effective in accordance with its terms on delivery of a copy of the Court Order to the Registrar of Companies

**If the Scheme becomes effective, it will be binding on all Scheme Shareholders irrespective of whether or not, being entitled to do so, they attended or voted in favour of the Scheme or in favour of the Scheme Resolutions at the Meeting.**

If the Scheme does not become effective on or before the Long Stop Date (or such later date and time (if any) as CYTRUSTEES may determine and, if appropriate, the Court may allow) the Scheme will lapse.

(d) **Effective Date**

The Scheme will become effective upon the delivery of a copy of the Court Order, as approved by the Court, to the Registrar of Companies.

(e) **Modification of the Scheme**

The Scheme contains a provision for CYTRUSTEES to consent, on behalf of all persons affected, to any modification of, or addition to, this Scheme, as approved by the Court, or to any condition approved or imposed by the Court. The Court would be unlikely to approve any modification of, or additions to, or to impose a condition to, the Scheme which might be material to the interests of the Scheme Shareholders unless Scheme Shareholders were informed of such modification, addition or condition. It would be a matter for the Court to decide, in its discretion, whether or not a further meeting of Scheme Shareholders should be held in these circumstances. Similarly, if a modification, addition or condition is put forward which, in the opinion of the Directors, is of such a nature or importance that it requires the consent of Scheme Shareholders, the Directors will not take the necessary steps to enable the Scheme to become effective unless and until such consent is obtained.

**5. CONDITIONS TO IMPLEMENTATION OF THE SCHEME**

The implementation of the Scheme is conditional on the following having occurred:

- (a) the Scheme Resolutions being approved by a majority of not less than 75 per cent of the Scheme Shareholders who are on the register of members of CYTRUSTEES at the Voting Record Time who are present and voting (and entitled to vote) at the Meeting (or at any adjournment of that Meeting) either in person or by proxy;
- (b) CySEC having approved the conversion of CYTRUSTEES to a VCIC, the VCIC's Prospectus and the new CYTRUSTEES VCIC articles of association and the new CYTRUSTEES VCIC objects.
- (c) the sanction of the Scheme by the Court with or without modification (but subject to any such modification being acceptable to CYTRUSTEES) and the delivery of an official copy of the Court Order to the Registrar of Companies.
- (d) the CSE Council having acknowledged to CYTRUSTEES or its agent (and such acknowledgement not having been withdrawn) that the application for the delisting of the Existing Shares has been approved and (after satisfaction of any conditions to which such approval is expressed to be subject) will become effective as soon as the CSE's decision to delist the Existing Shares is announced in accordance with the CSE delisting rules and CySEC's directives; and
- (e) no government or governmental, quasi-governmental, supranational, statutory, administrative or regulatory body or association, institution or agency (including any trade agency) or any court, employee representative body or any other body (including without limitation any professional, environmental or investigative body or authority) or person whatsoever in any jurisdiction (each a "Third Party") having given notice of a decision to institute or implement, or having instituted, implemented or threatened in writing, any action, proceeding, suit, investigation, enquiry or reference (and, in each case, not having expressly withdrawn the same) or having required any action to be taken or otherwise having done anything, or having enacted, made or proposed any statute, regulation, order

or decision (and, in each case, not having expressly withdrawn the same) and there not continuing to be outstanding any statute, regulation, decision or order which would or might reasonably be expected to (in any case which is material in the context of the Scheme):

- (i) make the Scheme or its implementation, or control or management of, CYTRUSTEES void, unenforceable and/or illegal under the laws of any relevant jurisdiction, or otherwise, directly or indirectly, prevent or prohibit, restrict, restrain, or materially delay the same or otherwise interfere, or impose additional conditions or obligations with respect to, or otherwise challenge, impede, interfere or require amendment of the Scheme or control or management of CYTRUSTEES to an extent which is material in the context of the Scheme; or
- (ii) otherwise adversely affect any or all of the business, assets, financial or trading position, profits or prospects of CYTRUSTEES, to an extent which is material taken as a whole,

and all applicable waiting and other time periods (including any extensions thereof) during which any such Third Party could decide to take, institute, implement or threaten any such action, proceeding, suit, investigation, enquiry or reference under the laws of any applicable jurisdiction in respect of the Scheme having expired, lapsed or been terminated.

CYTRUSTEES reserves the right to waive, in whole or in part, any of the above conditions or any part thereof, provided that the provision of such waiver will not have as a result the implementation of the Scheme in violation of any applicable law.

The Scheme will not be effective unless the above conditions have been satisfied or (if capable of waiver) waived or, where appropriate, having been determined by CYTRUSTEES to be or remain satisfied by no later than the date of the Meeting (or such later date as CYTRUSTEES may agree and (if required) the Court may allow) and, at the relevant time, they consider that it continues to be in CYTRUSTEES' best interests that the Scheme should be implemented.

The Scheme contains a provision for CYTRUSTEES to consent, on behalf of all persons concerned, to any modification of or addition to the Scheme, or to any condition that the Court may think fit to approve or impose. The Court would be unlikely to approve or impose any modification of, or addition or condition to, the Scheme which might be material to the interests of Scheme Shareholders unless Scheme Shareholders were informed of any such modification, addition or condition. It will be a matter for the Court to decide, in its discretion, whether or not the consent of Scheme Shareholders should be sought at a further meeting. Similarly, if a modification, addition or condition is put forward which, in the opinion of the Directors, is of such a nature or importance as to require the consent of the Scheme Shareholders at a further meeting, the Directors will not take the necessary steps to enable the Scheme to become effective unless and until such consent is obtained.

If the Scheme is sanctioned at the Court Hearing and the other conditions to the Scheme have been satisfied or waived, the Scheme is expected to become effective around 16 April 2018. If the Scheme has not become effective by midnight on 31 July 2018 (or such later date as CYTRUSTEES may decide and the Court may allow), it will lapse, in which event CYTRUSTEES will not be converted into a VCIC, but shall continue to operate as a public investment company, Scheme Shareholders will remain shareholders of CYTRUSTEES and the Existing Shares will continue to be listed on the CSE.

## **6. EFFECTS OF THE SCHEME**

Under the Scheme, each Existing Share held by each Scheme Shareholder at the Scheme Record Time will be converted into one VCIC Share. Scheme Shareholders' proportionate entitlement to participate in the CYTRUSTEES and its income will not be affected by reason of the implementation of the Scheme. Scheme Shareholders will not receive any amount in cash pursuant to the terms of the Scheme. The rights of the Scheme Shareholders against each other and/or against CYTRUSTEES will no longer be regulated by the existing articles of association of CYTRUSTEES but shall be regulated by the articles of association which shall be approved as part of the Scheme Resolutions. Moreover, the activities of CYTRUSTEES VCIC will be regulated by / fall under the provisions of the UCI Law and, accordingly, certain provisions of the Companies Law will no longer apply to it.

Details of certain aspects of the tax treatment of the Scheme for CYTRUSTEES Shareholders are set out in the section entitled "**Taxation**" on in Part IV of this document.

## **7. DELISTING**

### **(a) Delisting of the Existing Shares**

Prior to the Scheme becoming effective, and subject to the Scheme shareholders' approval (by a 75 per cent. majority), CYTRUSTEES shall apply to CySEC for the suspension of the listing and trading of the Existing Shares on the CSE. Upon and conditional on the Scheme becoming effective, the Existing Shares will be delisted.

### **(b) General**

All documents sent by or to Scheme Shareholders, or as such persons shall direct, will be sent at their own risk and will be sent by post either to the holder's address as set out on CYTRUSTEES' register of members at the Scheme Record Time and, in the case of joint Scheme Shareholders, in the names of all joint CYTRUSTEES Shareholders.

## **8. PLEDGES OVER EXISTING SHARES**

In view of the delisting of the Existing Shares from the CSE, the register of the VCIC Shares will no longer be kept by the CSD but shall be kept internally by the CYTRUSTEES VCIC. Accordingly, the CSD Law and regulations relating to the pledging of shares will no longer be applicable with respect to pledges over the VCIC Shares. All the pledges created over the Existing Shares pursuant to the provisions of the CSD Law which will appear as being in effect on the Effective Date, shall continue to appear as pledged with respect to the corresponding VCIC Shares which shall be registered in the register of VCIC Shares maintained by CYTRUSTEES VCIC. CYTRUSTEES VCIC shall block any application made by a shareholder for the transfer or redemption of VCIC Shares appearing as pledged in its register of VCIC Shares unless it receives the written consent of the pledgee in respect thereof or unless otherwise mandated by a Court Order binding on Cytrustees VCIC or by the provisions of the law. At the same time, CYTRUSTEES shall block any application made by a pledgee of VCIC Shares for the transfer or redemption of VCIC Shares appearing as pledged in its favour in its register of VCIC Shares unless it receives the written consent of the pledgor in respect thereof or unless otherwise mandated by a Court Order binding on Cytrustees VCIC or by the provisions of the law.

The holders of Existing Shares which are currently pledged pursuant to the provisions of the CSD Law may need to enter into independent arrangements with their creditor(s) / pledgee(s) in order to secure the interest in any VCIC Shares and/or to ensure that he / she will not be in default of any of his / her commitments / obligations against such creditor.

CYTRUSTEES strongly recommends that any relevant Scheme Shareholders consider their own positions in relation to any existing security arrangements over their Existing Shares.

CYTRUSTEES will not be liable for any expenses, liabilities, losses or damage caused to a Scheme Shareholder or its counterparty in relation to any security arrangements (or security arrangements ceasing to exist), directly or indirectly, as a result of the implementation of the Scheme.

## **9. TAXATION**

A summary of certain aspects of the taxation consequences of the Scheme and the holding and disposing of VCIC Shares is set out at Part IV of this document.

Any holder of VCIC Shares, who is in doubt as to its taxation position or who is resident or otherwise subject to taxation in any jurisdiction other than Cyprus, should consult an appropriate professional adviser immediately.

## **10. ACTION TO BE TAKEN**

Please refer to the section titled Action to be Taken on page 4 of this document.

## **12. MATERIAL INTERESTS OF DIRECTORS**

Save for Mr Phanos N. Epiphaniou's interest (amounting to 0.29%) in CYTRUSTEES, the Directors of CYTRUSTEES have no material interest, whether as directors or as shareholders or as creditors of CYTRUSTEES or otherwise.

## **11. FURTHER INFORMATION**

Your attention is drawn to the letter from the Chairman set out in Part I of this document, the Scheme (which is set out in full in Part V of this document) and the additional information set out in Part III of this document.



## PART III

### ADDITIONAL INFORMATION

#### 1. TAX CONSIDERATIONS

A summary of certain aspects of the taxation consequences of the Scheme and the holding and disposing of VCIC Shares is set out in Part 13 of the Prospectus.

#### 2. A. CYTRUSTEES VCIC ARTICLES OF ASSOCIATION AND NEW OBJECTS

A copy of the proposed new articles of association of CYTRUSTEES VCIC and new CYTRUSTEES VCIC objects may be viewed upon request at the registered office of CYTRUSTEES (being 154 Limassol Avenue, Strovolos, 2025, Nicosia, Cyprus), during normal business hours on any weekday (Saturdays, Sundays and public holidays excepted) and on CYTRUSTEES' website at [www.cytrustees.com.cy](http://www.cytrustees.com.cy). A copy of the proposed new articles of association and new objects of CYTRUSTEES VCIC is attached to the Scheme Notice, set out in Part VII of this document and will also be available for inspection at the Meeting.

#### B. CYTRUSTEES VCIC PROSPECTUS

A copy of the Prospectus of CYTRUSTEES VCIC may be viewed upon request at the registered office of CYTRUSTEES (being 154 Limassol Avenue, Strovolos, 2025, Nicosia, Cyprus), during normal business hours on any weekday (Saturdays, Sundays and public holidays excepted) and on CYTRUSTEES' website at [www.cytrustees.com.cy](http://www.cytrustees.com.cy). A copy of the Prospectus of CYTRUSTEES VCIC will also be available for inspection at the Meeting.

#### 3. CERTAIN LEGAL DIFFERENCES BETWEEN THE EXISTING RIGHTS AND OBLIGATIONS OF SCHEME SHAREHOLDERS AND THE RIGHTS AND OBLIGATIONS APPLICABLE TO THE SHAREHOLDERS

A. The following is a summary comparison of material differences between the rights and obligations of a Scheme Shareholder and a Shareholder (following the implementation of the Scheme) arising from the differences between the exclusion of the application of certain provisions of the Companies Law, and the operation of CYTRUSTEES VCIC under the UCI Law, and additionally by the Companies Law. This summary is not a complete description of the laws of Cyprus, the other rules or laws referred to in this summary, the CYTRUSTEES memorandum of association or articles of association or the CYTRUSTEES VCIC memorandum of association or articles of association.

The laws, regulations, policies and procedures summarised in this section are subject to change from time to time.

#### RIGHTS OF PURCHASE AND REDEMPTION

##### ***Provisions currently applicable to Scheme Shareholders***

*Under Companies Law, the shareholders may by a special resolution grant authority to the company to buy-back its shares.*

##### ***Provisions that will be applicable to Shareholders***

*Under UCI law the provisions of the Companies Law relating to buy-back are excluded from application to a VCIC.*

*The Shareholders shall have the right to redeem shares at any given point in time, following the redemption procedure as set out in the Prospectus and the Articles of Association of CYTRUSTEES VCIC.*

## **RIGHTS OF ISSUE AND CANCELLATION OF SHARES**

### **Provisions currently applicable to Scheme Shareholders**

*Under Companies Law, a company may increase (by a resolution passed in accordance with section 59A of the Cyprus Companies Law) or reduce (by special resolution and sanction of the Court) its share capital from time to time.*

### **Provisions that will be applicable to Shareholders**

*Under UCI Law, the issue and cancellation of shares shall be effected in accordance with the Articles of Association of the VCIC.*

## **LISTING AND DELISTING**

### **Provisions currently applicable to Scheme Shareholders**

*Pursuant to the CSE Laws and regulations, the Market Abuse Law and the Transparency Law, the Scheme Shareholders have to comply with a number of obligations, relating to the shares held by them in CYTRUSTEES, including, without limitation, the notification to CSE and / or CySEC whenever an acquisition or disposal fell within the ambit of any of the abovementioned laws and regulations.*

### **Provisions that will be applicable to Shareholders**

*Upon the Scheme becoming effective, CYTRUSTEES VCIC will no longer be an issuer of listed securities in an organised market, and the CSE Laws and regulations, the Market Abuse Law and the Transparency Law, will no longer be applicable to it. Accordingly, the Shareholders shall no longer need to comply with, the obligations set out in the aforementioned laws.*

## **FEES AND CHARGES**

### **Provisions currently applicable to Scheme Shareholders**

*The current listing of the Existing Shares on the CSE creates an obligation on Scheme Shareholders to pay fees, charges and commission, if any, to stockbrokers for the sale and acquisition of Existing Shares.*

### **Provisions that will be applicable to Shareholders**

*The value of the NAV (and thus the price per share held by each Shareholder) shall be calculated following the deduction of the Management Company fees, the Custodian fees, and the costs referred to in the Prospectus.*

## **4. DIFFERENCES IN THE LEGAL REGIME GOVERNING THE CYTRUSTEES VCIC**

The following is a summary comparison of material differences between the regime governing the operation of CYTRUSTEES and the legal regime that will be governing CYTRUSTEES VCIC (following the implementation of the Scheme). This summary is not a complete description of the laws of Cyprus, the other rules or laws referred to in this summary, the CYTRUSTEES memorandum of association or articles of association or the CYTRUSTEES VCIC memorandum of association or articles of association.

The laws, regulations, policies and procedures summarised in this section are subject to change from time to time.

COMPANIES LAW PROVISIONS EXCLUDED FROM APPLICATION ON CYTRUSTEES VCIC	EQUIVALENT PROVISIONS OF UCI LAW
<i>Section 3(1): The minimum number of people required to form a public company is seven (7).</i>	No equivalent provision.
<i>Section 4A: The minimum registered capital of a public company is €25,629.</i>	The initial capital of a VCIC shall be at least €200,000 fully paid in cash.
<i>Section 7(2) – (7): The amendment of the memorandum requires the sanctioning of the Court.</i>	The amendment of the memorandum shall be subject to the previous permission of CySEC.
<i>Section 31: A private company may alter its articles of association in such a manner that it is no longer a private company, and shall deliver to the Registrar of Companies a statement in lieu of prospectus.</i>	A UCI operating under the auspices of the UCI Law, cannot be converted in any way to a collective investment scheme which is not subject to the UCI Law.
<i>Section 31A: A company that was incorporated as a public company and which does not increase its registered capital to the minimum required by law for a public company, may be converted into a private company.</i>	No equivalent provision.
<i>Section 32: The reduction of members of a public company below 7, creates liability on the members for any debts incurred during such period.</i>	No equivalent provision.
<p><i>Sections 38 and 39, and sections 41-46A: Dating of the prospectus, the matters to be included in the reports of the prospectus (as set out in the Companies Law), and delivery of a copy of the prospectus to the Registrar of Companies, duly signed.</i></p> <p><i>Civil liability for misstatements in prospectus, on every director who is at the time of issue of prospectus, on every person named as director in prospectus, on every person being a promoter of the company and every person who has authorised the issue of the prospectus.</i></p> <p><i>Criminal liability for any untrue statement in the prospectus, on any person authorising the issue of a prospectus.</i></p>	<p>The prospectus will be filed with, reviewed and approved by CySEC, provided that it satisfies the requirements of the UCI Law regarding content (the UCI Law provides for the minimum information that needs to be included in the prospectus), which shall in any event, contain all the necessary information to allow the investors to have an informed / substantiated opinion on the proposed investment, with particular reference to the risks (and the degree of risks) entailed in such investment, in clear and understandable manner.</p> <p>The Management Company shall be liable for every loss incurred by the investors deriving from false or misleading information or omission of mentioning of any information in</p>

	the prospectus.
<u>Sections 47-51:</u> The sections relating to the allotment and subscription for registration and payment of share capital.	The subscription process for becoming a shareholder of a VCIC requires an application to the VCIC, and the VCIC issuing a participation confirmation to such shareholder.
<u>Section 47B:</u> The section regulating contributions in kind and their valuation	An investor may pay the full price of the shares either in cash or in transferable securities or other financial instruments, provided that the management company or the VCIC allows for this.
<u>Section 55:</u> The application of premiums received on issue of shares	No equivalent provision.
<u>Section 56:</u> Public company not allowed to issue shares at a discount, whilst a private company can do so subject to certain conditions.	No equivalent provision.
<u>Section 57:</u> Power of a company limited by shares to issue redeemable preference shares, which are redeemed at the option of the shareholder or the company, liable to be redeemed.	The shares of a VCIC may be redeemed at any time, provided the procedure set out in the Prospectus and the Articles of Association is followed.
<u>Section 57A-57F:</u> Power of public company to buy-back its shares.	The shareholders of a VCIC may redeem shares at any given point in time (subject to exceptional circumstances), following the procedure set out in the Prospectus and the new CYTRUSTEES VCIC articles of association.
<u>Sections 60-69:</u> Power of company limited by shares to alter its share capital (by ordinary resolution in the case of increase of share capital, and by special resolution and sanctioning of the court, in the case of reduction).	The fluctuations in a VCIC's share capital, are the result of the redemption or the issuance of new VCIC shares which do not follow the procedure of increase or reduction of capital as set out in the Companies Law.
<u>Section 78:</u> Duty of company to issue share certificates following allotment of shares	A VCIC issues a participation confirmation, the content of which shall be determined by the Management Company and shall simply be evidentiary of the participation to the VCIC. In the instance of a conflict between the participation confirmation and the register of members of the VCIC, the register of members shall prevail.
<u>Section 84:</u> Rights of inspection of register of holders of debentures of a company.	No equivalent provision

<i><u>Section 108:</u> Rights of inspection of register of members.</i>	<i>No equivalent provision/ The Management Company shall ensure that the Depositary has full and continuous access to the register of members.</i>
<i><u>Sections 158-169:</u> Investigation of company's affairs on application of members.</i>	<i>No equivalent provisions. It should be noted, however, that a VCIC is supervised by CySEC, and is subject to administrative fines and /or criminal sanctions.</i>
<i><u>Sections 355-361:</u> Duty of a company to issue a prospectus</i>	<p><i>A VCIC issues a prospectus in accordance and in compliance with the UCI Law and regulations relating to the content, manner and frequency of publication and requirement for keeping the information up to date.</i></p> <p><i>In addition to the prospectus, the VCIC will have to publish a KIID, which shall contain the key information for investors, and the format of such document will be the one provided by European Securities and Markets Association (ESMA). The manner and frequency of publication of the KIID are regulated by the UCI Law.</i></p>
<i><u>Section 169C:</u> A public company may, provided certain conditions are fulfilled, pay interim dividends.</i>	<i>Under the UCI Law, the provisions of the distribution of the provision relating to interim dividend does not apply to a VCIC though a VCIC is not explicitly precluded from distributing interim dividends.</i>
<i><u>Sections 201A-201X:</u> relating to merger of public companies and cross-border mergers of limited liability companies.</i>	<i>Under the UCI Law, the merger of UCIs shall be effected pursuant and subject to the provisions of the UCI Law.</i>

Non-applicability of ongoing obligations of Cytrustees as an issuer of securities listed in an organised market

It must be noted that following the implementation of the Scheme, the Existing Shares will no longer be listed on the CSE, and thus CYTRUSTEES VCIC will not be considered as an issuer of securities listed in an organised market. In light of this, the current obligations of CYTRUSTEES arising from the provisions of the CSE Law and regulations (including the obligation to follow and apply the Corporate Governance Code of the CSE Law and regulations), the Market Abuse Law, the Transparency Law shall not apply to CYTRUSTEES VCIC.

## **5. OBLIGATIONS OF CYTRUSTEES VCIC UNDER THE UCI LAW**

The following is a summary table of the material obligations of CYTRUSTEES VCIC (following the implementation of the Scheme) under the UCI Law. This summary is not a complete description of a VCIC's obligations under the UCI Law.

The regulations summarised in this section are subject to change from time to time.

INVESTMENTS / INVESTMENT POLICY	
<b>Permitted investments</b>	<p>The CYTRUSTEES VCIC may only invest in any instruments set out in the UCI Law and the Prospectus, including securities and money market instruments, units of other UCI.</p> <p>CYTRUSTEES VCIC may not invest more than 10% of its assets in other transferable securities or money market instruments, other than as set out in the UCI Law, and / or may not acquire precious metals or certificates representing them.</p> <p>CUTRUSTEES VCIC may hold ancillary liquid assets.</p>
<b>Risk management</b>	<p>The UCI Law provides that the risk management procedure to be used by the Management Company must allow it to monitor and measure at any given time the risk of its positions and their involvement in the general risk profile of the CYTRUSTEES VCIC portfolio.</p> <p>CySEC has issued directives which, amongst others, regulate the evaluation of the risk management procedure employed by the Management Company.</p>
<b>Permitted investment limits and special derogations.</b>	<p>The UCI Law and the Prospectus set out specific limits on the amounts to be invested, on the total value of transferable securities and money market instruments that may be held by CYTRUSTEES VCIC in other issuers etc.</p> <p>The UCI Law permits the derogation from some of the above investment limits, and the Prospectus sets out the exact limits of the investment policy of the CYTRUSTEES VCIC.</p>
<b>Violation of investment limits</b>	<p>UCIs are not required to comply with the limits laid down in the relevant provisions of the UCI Law when exercising subscription rights attaching to transferable securities or money market instruments which form part of their assets. If the limits are exceeded by the UCI for reasons beyond the control of a VCIC or as a result of the exercise of subscription rights, that VCIC shall adopt as a priority objective for its sales transactions the remedying of that situation, taking due account of the interests of its unit-holders.</p>
CONTINUOUS OBLIGATIONS	
<b>Borrowing</b>	<p>CYTRUSTEES VCIC and the Management Company are not allowed to borrow.</p> <p>By way of derogation, CYTRUSTEES VCIC as well as the Management Company, acting on behalf of CYTRUSTEES VCIC may, however, acquire</p>

	<p>foreign currency by means of a "back-to-back" loan.</p> <p>The details of permitted borrowing are included in the Prospectus and the UCI Law.</p>
<b>Valuation rules</b>	<p>For the valuation of the NAV of CYTRUSTEES VCIC, the remuneration and fees of the Management Company for the management services and of the Depositary, the transactions commissions, the CYTRUSTEES VCIC expenses, as well as the profits distributed to the unit-holders, shall be deducted.</p> <p>The valuation rules of the NAV of CYTRUSTEES VCIC, which must follow the provisions of the UCI Law, are set out in its Prospectus and the new CYTRUSTEES VCIC articles of association.</p>
<b>Distribution of profits or income</b>	<p>The UCI Law provides that the distribution of profits or income may be effected annually, in the manner stipulated therein. The new CYTRUSTEES VCIC articles of association and the Prospectus provide that the intention of CYTRUSTEES VCIC is not to distribute income from investments or net capital gains, as the management of the company is targeted to the achievement of capital gains, and to that end, CYTRUSTEES VCIC shall reinvest such income.</p>
<b>Prohibition of credits, guarantees and uncovered sales</b>	<p>CYTRUSTEES VCIC, the Management Company and the Depositary acting on behalf of CYTRUSTEES VCIC shall not grant loans or act as a guarantor on behalf of third parties</p>
<b>OBLIGATIONS RELATING TO INVESTORS INFORMATION</b>	
<b>Drawing up and publication of a prospectus, periodical reports and summarized statements.</b>	<p>The Management Company submits to CySEC and makes available to the investors in all selling points of units the following: (a) a prospectus; (b) an annual report for each financial year; and (c) a half-yearly report covering the first six months of the financial year; and (d) summarised statement of assets and expenses.</p>
<b>Prospectus</b>	<p>The Prospectus will be issued in accordance and in compliance with the UCI Law and regulations relating to the content, manner and frequency of publication and requirement for keeping the information up to date.</p> <p>In addition to the Prospectus, CYTRUSTEES VCIC will have to publish a KIID, which shall contain the key information for investors, and the format of such document will be the one provided by ESMA. The manner and frequency of publication of the KIID are regulated by the UCI Law.</p>

<b>Financial Year</b>	The financial year of CYTRUSTEES VCIC has the duration of a calendar year. (Exception to this, is with reference to the first financial year of the UCI, which ends on the 31st of December of the calendar year, during which the operation of the said UCI started).
<b>Annual and half yearly reports</b>	<p>The annual report shall include a balance-sheet or a statement of assets and liabilities, a detailed income and expenditure account for the financial year, a report on the activities of the financial year and other information provided for in the UCI Law, as well as any significant information which will enable investors to make an informed judgment on the development of the activities of CYTRUSTEES VCIC and its results.</p> <p>The half-yearly report is drawn up in accordance with International Accounting Standard 34, at the end of the first semester of each calendar year and includes interim financial statements, as well as the information provided for in the UCI Law.</p>
<b>Publication of other information</b>	The CYTRUSTEES VCIC NAV, the number of its current units, the unit NAV, the subscription and redemption or repurchase price are calculated on a daily basis , and are published the business day after the said calculation, on the Management Company's website: It is provided that the NAV, the number of its current units, the unit NAV, the subscription and redemption or repurchase price are calculated every working day by the Management Company and are published the business day after the said calculation, on the Management Company's website.
<b>Costs of publication</b>	With the exception of the publications that shall be made according to the UCI Law and which encumber CYTRUSTEES VCIC, any other publication on behalf of CYTRUSTEES VCIC encumbers the Management Company.
<b>KIID</b>	The Management Company shall draw up key investor information, which include appropriate information about the essential characteristics of CYTRUSTEES VCIC, which is to be provided to investors so that they are reasonably able to understand the nature and the risks of the investment product that is being offered to them and, consequently, to take investment decisions on an informed basis.
<b>CYTRUSTEES VCIC communications to investors</b>	All communications of CYTRUSTEES VCIC to investors shall be fair, clear and not misleading. Moreover, in the case of marketing communications to investors, these shall be clearly identifiable as such.

## 6. REGULATORY APPROVALS AND SUPERVISORY MATTERS



The Scheme is subject to the sanction of the Court. Upon sanctioning of the Scheme by the Court, the CYTRUSTEES VCIC will be supervised by CySEC, and will no longer be supervised by the CSE Council.

## **7. DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the following documents are available for inspection upon request at the registered office (being 154 Limassol Avenue, Strovolos, 2025, Nicosia, Cyprus), and CYTRUSTEES' website during normal business hours on any weekday (Saturdays, Sundays and public holidays excepted) from the date of this document until the Scheme becomes effective or lapses and will also be available for inspection at the Meeting:

- (a) the CYTRUSTEES articles of association (as currently in force);
- (b) the new CYTRUSTEES VCIC articles of association;
- (c) the new CYTRUSTEES VCIC objects;
- (d) a copy of this document;
- (e) a copy of the Prospectus; and
- (f) a copy of the KIID.

## **PART IV TAXATION**

Scheme Shareholders should consult their own tax advisers in relation to the tax consequences for them from the Scheme. No representations are made regarding the tax consequences of the Scheme for any particular Scheme Shareholder.

### **1. CYPRIOT TAXATION**

#### **(a) Cypriot stamp duty**

Any agreements relating to CYTRUSTEES VCIC' own shares in relation to the subscription, redemption, repurchase or transfer of its shares are exempt from stamp duty as per the provisions of s.153(2) of the UCI Law.

#### **(b) Taxation of capital gains**

##### Conversion to VCIC Shares:

Under the provisions of the Special Contribution for Defence Law as amended, in the case of a reduction of a company's capital, any amounts paid or payable to an individual shareholder exceeding the amount of the share capital which was actually paid by such shareholder, are deemed as distributed dividends and as such, subject to Deemed Dividend Distribution provisions as herein below outlined.

The Ministry of Finance Circular 2004/6, issued in order to interpret the term "reduction of capital" for the purposes of Deemed Dividend Distribution, clarifies that "reduction of capital" occurs when (a) preference shares are redeemed, (b) when a special resolution for reduction of share capital passes and (c) where a company proceeds to buy/acquire its own shares.

Under the Scheme, the existing shares with nominal value will be converted to VCIC shares whose value will be determined by reference to the NAV. No amounts will be deemed as paid or payable to the Scheme Shareholders in the context of the Scheme. Moreover, the shares of CYTRUSTEES will not be cancelled, redeemed or in any other way eliminated so as to bring the scheme within the provisions of the abovementioned Circular and as a result, the share capital of CYTRUSTEES will not be considered to be reduced so as to trigger deemed dividend distribution.

##### Future Disposals of VCIC Shares:

Capital gains arising from the disposal and redemption of the shares in CYTRUSTEES VCIC shall not trigger tax implications under the Cyprus Income Tax Law. No capital gains tax shall be triggered either if at the time of disposal or redemption CYTRUSTEES VCIC does not own, directly or indirectly, any Cyprus situated immovable property.

In accordance with the Special Contribution for the Defence Law, the redemption of shares in an open or closed-ended collective investment scheme does not constitute a reduction of capital and as such it will not be subject to Deemed Dividend Distribution provisions as herein below outlined.

(c) **Taxation of dividends**

(i) Individuals

Dividends paid from the CYTRUSTEES VCIC to an individual shareholder are exempt from personal income tax.

Dividends distributed by the CYTRUSTEES VCIC to Individual Shareholders/Investors who are tax residents of Cyprus and are considered as domiciled in Cyprus for tax purposes will be subject to SDC currently at the rate of 17%, which will be withheld at source by the CYTRUSTEES VCIC.

Dividends distributed by the CYTRUSTEES VCIC to Individual Shareholders/Investors who are tax residents of Cyprus and are not considered as domiciled in Cyprus for tax purposes will not be subject to SDC

An individual who is resident in Cyprus for a period of at least 17 years out of the last 20 years prior to the tax year in question shall be deemed as domiciled in Cyprus for SCD purposes regardless of whether or not he has his domicile of origin in Cyprus.

A person who has his domicile of origin in Cyprus will be treated as “domiciled in Cyprus” for SCD purposes (and hence subject to SDC) with the exception of:

An individual who has obtained and maintained a domicile of choice outside Cyprus under the provisions of the Wills and Succession Law, provided that this individual was not a Cyprus tax resident for any period of at least 20 consecutive years prior to the tax year in question; or

An individual who was not a Cyprus tax resident for a period of at least 20 consecutive years immediately prior to the tax year in question.

(ii) Corporate shareholders

Dividends paid from the CYTRUSTEES VCIC to a corporate shareholder are exempt from corporate income tax. They are further free from any withholding tax in Cyprus under the Special Contribution for the Defence Law provided that such dividends are not paid indirectly after the lapse of four years from the end of the year in which the profits giving rise to the dividend derived.

(iii) Deemed Dividend Distribution provisions

The CYTRUSTEES VCIC, being a Cyprus tax resident Company, will be deemed to have distributed 70% of its profits arising or accruing in the year of assessment, after their reduction by the corporation tax paid or payable on such profits, in the form of dividends to its interested shareholders as at the end of the period of two years from the end of the year of assessment to which the profits relate and Special Contribution for the Defence will be imposed on such deemed distribution at the rate of 3%. Any such special contribution payable by the shareholder concerned in consequence of a deemed dividend distribution shall in the first instance be paid by the CYTRUSTEES VCIC which will debit such contribution to the shareholders.

The amount of deemed dividends as per the above paragraph is reduced by the amount of any actual dividend distributed during the aforementioned two-year period.

The provisions of Deemed Dividend Distribution are only applicable to the extent where the ultimate beneficial owners of the CYTRUSTEES VCIC are tax resident and domiciled in Cyprus.

(iv) Dividend payments to overseas shareholders

Dividends distributed by the CYTRUSTEES VCIC to Shareholders/Investors who are non-tax residents of Cyprus (both corporate and individual), will not be subject to any taxation in Cyprus.

**PART V**

**THE SCHEME OF ARRANGEMENT**

**IN THE DISTRICT COURT OF NICOSIA, CYPRUS**

**No [●]**

**IN THE MATTER OF CYTRUSTEES INVESTMENT PUBLIC COMPANY LIMITED**

and

**IN THE MATTER OF THE CYPRUS COMPANIES LAW**

**SCHEME OF ARRANGEMENT**

**(under sections 198 to 200 of the Cyprus Companies Law)**

between

**CYTRUSTEES INVESTMENT PUBLIC COMPANY LIMITED**

and

**THE HOLDERS OF THE SCHEME SHARES**

**(as hereinafter defined)**

**PRELIMINARY**

- (A) In this Scheme of Arrangement, unless the context otherwise requires, the following expressions shall bear the following meanings:

"Companies Law"	the Companies Law of Cyprus (Cap.113) as may be amended or replaced from time to time;
"CYTRUSTEES"	CYTRUSTEES INVESTMENT PUBLIC COMPANY LIMITED, a public limited company incorporated in Cyprus with registered number HE 39918;
"business day"	a day (excluding Saturday or Sunday) on which banks generally are open for business in the Cyprus for the transaction of normal banking business;
"Court Hearing"	the hearing by the Court of the application to sanction the Scheme;
"Court"	the District Court of Nicosia, Cyprus;
"Court Order"	the order of the Court sanctioning the Scheme;
"CSE" or "Cyprus Stock Exchange"	the Cyprus Stock Exchange;
"Effective Date" or "becomes Effective"	the date on which this Scheme becomes effective in accordance with Clause 2 of the Scheme;

<b>"Effective Time"</b>	the time on the Effective Date when the Scheme becomes effective;
<b>"Euros" or "€"</b>	the basic unit of currency in those participating member states of the European Union known as the Eurozone;
<b>"Existing Shares"</b>	ordinary shares of €0.30 each in the capital of CYTRUSTEES existing immediately prior to the Effective Time;
<b>"Meeting"</b>	the meeting of the holders of Existing Shares convened by order of the Court pursuant to sections 198 to 200 of the Companies Law (notice of which is set in Part VII of this document) to consider and, if thought fit, approve this Scheme, the conversion of the Existing Shares, the delisting from the CSE and certain other matters relating to the Scheme, and any adjournment thereof;
<b>"NAV"</b>	means the net asset value of CYTRUSTEES VCIC calculated on a daily basis, and in accordance with the UCI Law and the provisions of the Prospectus.
<b>"Registrar of Companies"</b>	the Registrar of Companies and Official Receiver in Cyprus;
<b>"Scheme Record Time"</b>	same date as the Effective Date;
<b>"Scheme Shareholder"</b>	a holder of Existing Shares as appearing on the register of members of CYTRUSTEES at the Scheme Record Time;
<b>"Scheme"</b>	this scheme of arrangement proposed to be made under sections 198 to 200 of the Act with or subject to any modification, addition or condition approved or imposed by the Court;
<b>"Shareholder"</b>	a registered holder of Existing Shares or VCIC Shares (as the case may be) and includes any person(s) entitled by transmission; and
<b>"VCIC Shares"</b>	shares with no nominal value, each in the capital of CYTRUSTEES, whose value will be linked to and be determined by the NAV;
<b>"Voting Record time"</b>	1 March 2018 or, if the Meeting is adjourned by 48 hours or more the day which is two days before the date fixed for the adjourned meeting or, if CYTRUSTEES gives notice of the adjourned meeting and an entitlement time is specified in that notice, the time specified in that notice.

- (B) References to "Clauses" are to Clauses of this Scheme and references to time are to Cyprus time. Any reference to any provision of any legislation shall include any amendment, modification, re-enactment or extension thereof.

- (C) The board of directors of CYTRUSTEES have unanimously approved the content of this Scheme.
- (D) The provisions of this Scheme are subject to the Court sanctioning the Scheme and, accordingly, such provisions may not be implemented until a certified copy of the Court Order has been delivered to, and registered by, the Registrar of Companies.
- (E) The authorised share capital of CYTRUSTEES at the date of this Scheme is €119,119,403 divided into 397,064,678 Existing Shares. The issued share capital of CYTRUSTEES at the date of this Scheme is €13,348,263 divided into 44,494,209 Existing Shares, all of which are credited as fully paid.

## **THE SCHEME**

### **1. Conversion of CYTRUSTEES to a VCIC:**

With effect from the Effective Date, the Company shall be converted to a Variable Capital Investment Company in accordance with the provisions of the UCI Law and accordingly:-

- (a) all the Existing Shares shall be converted to fully paid VCIC Shares of no nominal value which shall carry the rights and obligations set out in the new CYTRUSTEES VCIC articles of association
- (b) pursuant to the provisions of the UCI Law, CYTRUSTEES shall cease from maintaining, as part of its financial statements, any accounts with respect to the authorized and issued share capital of the Company and with respect to any of the Company's reserves (including, without limitation, the share premium account and the retained earnings / losses account of the Company), whether such reserves constitute capital reserves or distributable reserves and whether the said reserves maintain a credit or debit balance and, upon the Scheme become effective, the said accounts shall be considered as being replaced, for all intended purposes, with the Net Asset Value of the Company, as determined from time to time in accordance with the provisions of applicable law;
- (c) with effect from the Effective Date, the articles of association of CYTRUSTEES will be replaced with the new CYTRUSTEES VCIC articles of association;
- (d) the objects of CYTRUSTEES set out in paragraph 3 of the memorandum of CYTRUSTEES be replaced with the new CYTRUSTEES VCIC objects;
- (e) the name of CYTRUSTEES shall change to "GLOBAL BALANCED FUND OF FUNDS SALAMIS VARIABLE CAPITAL INVESTMENT COMPANY PLC", subject to the registration of the abovementioned name-change with the Department of Registrar of Companies;
- (f) Appropriate entries will be made in CYTRUSTEES' register of members with effect from the Effective Date to reflect the conversion of Existing Shares as aforesaid.

### **2. De-Listing**

With effect from the Effective Date and subject to the approval of the CSE, the Existing Shares shall be de-listed from the CSE.

### **3. Processing of personal data**

With effect from the Effective Date, certain data concerning the Existing Shareholders retained by the CSE, including personal data, shall be delivered by the CSE to CYTRUSTEES VCIC. Accordingly, the CYTRUSTEES VCIC shall become the controller of such personal data and shall transmit all or certain of the same to BOC Asset Management Ltd and Bank of Cyprus Public Company Limited for the purpose of discharging their duties as Management Company and Depositary respectively. As a result, BOC Asset Management Ltd and / or Bank of Cyprus Public Company Limited will be in possession of any personal data so transmitted to them and shall process such personal data in accordance with and subject to applicable law.

Personal data of Existing Shareholders shall remain at the disposal of CYTRUSTEES VCIC, BOC Asset Management Limited and Bank of Cyprus Public Company Limited under their abovementioned capacities for as long as the Existing Shareholder remains a Shareholder or for as long as it may be required by law or customary practice under similar circumstances.

The processing of personal data by BOC Asset Management Ltd and Bank of Cyprus Public Company Limited is necessary in order for CYTRUSTEES VCIC to fulfil its obligations imposed to it by Law.

Affected persons (that is to say Existing Shareholders who are natural persons) are reminded of their rights under applicable law, which include the right to request for access, correction, deletion and restriction of the personal data processing as well as the right of portability and opposition to the transmission / disclosure of their personal data, via a registered letter to the following address 154 Limassol Avenue, 2025, Strovolos, Nicosia, Cyprus or by an email to the following email address: [bocam@bankofcyprus.com](mailto:bocam@bankofcyprus.com). CYTRUSTEES VCIC will examine and evaluate the reasons for the request and shall inform such Shareholders accordingly.

For any further information on this, the Existing Shareholders can contact CYTRUSTEES VCIC at 154 Limassol Avenue, 2025, Strovolos, Nicosia, Cyprus or at [bocam@bankofcyprus.com](mailto:bocam@bankofcyprus.com) or at 22121790.

#### **4. Effective Date**

- (a) This Scheme, shall become effective in accordance with its terms as soon as an office copy of the Court Order shall have been duly delivered to the Registrar of Companies.
- (b) Unless this Scheme shall have become effective on or before midnight on 31 July 2018 or such later date, if any, which CYTRUSTEES may decide and the Court may allow, it shall lapse.

#### **5. Modification**

CYTRUSTEES may consent on behalf of all persons concerned to any modification of or addition to this Scheme or to any condition which the Court may think fit to approve or impose.

#### **6. Costs**

CYTRUSTEES is authorised to and permitted to pay all its costs and expenses relating to the negotiation, preparation and implementation of the Scheme.

Dated: 13 February 2018



## **PART VI**

### **DEFINITIONS**

The following definitions apply throughout this document (except in those parts of this document containing the Scheme, the Notice of the Meeting (and the explanatory notes thereto), which contain separate definitions), unless the context requires otherwise.

<b>"€" or "Euros"</b>	the basic unit of currency in those participating member states of the European Union known as the Eurozone.
<b>"Board" or "Directors"</b>	the Directors of CYTRUSTEES, whose names are set out on page 3 of this document;
<b>"business day"</b>	a day (excluding Saturday or Sunday) on which banks generally are open for business in Cyprus for the transaction of normal banking business;
<b>"Court"</b>	the District Court of Nicosia, Cyprus;
<b>"Court Hearing"</b>	the hearing by the Court of the application to sanction the Scheme;
<b>"Court Order"</b>	an order of the Court approving the Scheme;
<b>"CSD"</b>	the Central Securities Depository;
<b>"CSE" or "Cyprus Stock Exchange"</b>	The Cyprus Stock Exchange;
<b>"CSD Law"</b>	The Central Securities Depository and Central Registry Law and the regulations/regulatory decisions issued pursuant to it from time to time;
<b>"CSE Law and regulations"</b>	the Cyprus Stock Exchange laws, regulations and regulatory decisions issued pursuant to it from time to time;
<b>"Cyprus"</b>	the Republic of Cyprus;
<b>"Cyprus Companies Law"</b>	the Companies Law of the Republic of Cyprus (Cap. 113) as may be amended or replaced from time to time;
<b>"CySEC"</b>	the Cyprus Securities and Exchange Commission;
<b>"CYTRUSTEES"</b>	CYTRUSTEES INVESTMENT PUBLIC COMPANY LIMITED, a public limited company incorporated in Cyprus with registered number HE 39918;
<b>"CYTRUSTEES VCIC"</b>	Following the Effective Date, CYTRUSTEES operating under the UCI Law
<b>"Effective Date"</b>	the date on which the Scheme becomes effective in accordance with clause 5 of the Scheme, expected to be

	around 16 April 2018;
<b>"Effective Time"</b>	the time when the Scheme becomes effective;
<b>"ESMA"</b>	the European Securities and Markets Authority;
<b>"Existing Shares"</b>	the fully paid ordinary shares of €0.30 each in the capital of CYTRUSTEES existing immediately prior to the Effective Time;
<b>"Form of Proxy"</b>	form of proxy for use in respect of the Meeting to be held on 7 March 2018 , a copy of which is set out in Part VII of this document;
<b>"KIID"</b>	means the key investor information document, summarizing the basic information for the Shareholders, issued in accordance with the provisions of the UCI Law.
<b>"Long Stop Date"</b>	31 July 2018 or any other date that CYTRUSTEES and (if required) the Court so allows;
<b>"Management Company"</b>	BOC Asset Management Ltd, a company which on the Effective date shall be incorporated and registered in the Republic of Cyprus and licenced by CySEC to operate as an asset management company in accordance with the provisions of the UCI law.
<b>"Market Abuse"</b>	the law on insider dealing and market manipulation, L. 116(I)/2005, as amended from time to time.
<b>"Meeting"</b>	the meeting convened for 7th March 2018, notice of which is set out in Part VII of this document, of the Scheme Shareholders convened by order of the Court pursuant to sections 198 to 200 of the Cyprus Companies Law to consider and, if thought fit, approve the Scheme, and any adjournment thereof;
<b>"NAV"</b>	means the net asset value of CYTRUSTEES VCIC calculated on a daily basis, and in accordance with the UCI Law and the provisions of the Prospectus.
<b>"new CYTRUSTEES VCIC articles of association"</b>	the articles of association of CYTRUSTEES VCIC proposed for approval at the Meeting as set out in Annex B of Part VII of this document;
<b>"new CYTRUSTEES VCIC objects"</b>	The new paragraph 3 of the memorandum of CYTRUSTEES VCIC proposed for approval at the Meeting as set out in Annex A of Part VII of this document;
<b>"Registrar of Companies"</b>	the Registrar of Companies and Official Receiver in Cyprus;
<b>"Scheme" or "Scheme of"</b>	the scheme of arrangement proposed to be made under

<b>Arrangement"</b>	sections 198 to 200 of the Cyprus Companies Law between CYTRUSTEES and the holders of Existing Shares, as set out in Part V of this document, with or subject to any modification, addition or condition approved or circulated by the Court;
<b>"Scheme Notice"</b>	the notice contained in Part VII of this document giving notice of the Meeting;
<b>"Scheme Record Time"</b>	Same date as the Effective Date;
<b>"Scheme Resolutions"</b>	the resolutions numbered (A) to (D) as set out in the notice of the Meeting;
<b>"Scheme Shareholder"</b>	a holder of Existing Shares as appearing in the register of members of CYTRUSTEES at the Scheme Record Time;
<b>"Transparency Law"</b>	the law providing for transparency requirements in relation to information about issuers whose securities are admitted to trading on a regulated market, L.190(I)/2007, as amended from time to time.
<b>"UCI Law"</b>	the Open-Ended Undertakings for Collective Investment (UCI) Law, N.78(I)/2012, as amended from time to time, and the directives, regulations, circulars issued pursuant to it from time to time.
<b>"VCIC"</b>	a variable capital investment company, operating under the UCI Law, and additionally under the Companies Law.
<b>" VCIC Shares"</b>	fully paid shares with no nominal value in the capital of CYTRUSTEES VCIC, whose value will be linked to and determined by the NAV;
<b>"Voting Record Time"</b>	1 March 2018 or, if the Meeting is adjourned by 48 hours or more, the day which is two days before the date fixed for the adjourned meeting or, if CYTRUSTEES gives notice of the adjourned meeting and an entitlement time is specified in that notice, the time specified in that notice;

## PART VII

### NOTICE OF MEETING

CYTRUSTEES INVESTMENT PUBLIC COMPANY LIMITED

*(Registered in Cyprus No. HE39918)*

**NOTICE IS HEREBY GIVEN THAT** an extraordinary general meeting of CYTRUSTEES INVESTMENT PUBLIC COMPANY LIMITED ("**Cytrustees**" or "**Company**") will be held at Eurolife House, Evrou 4, 2003, Strovolos, Nicosia, Cyprus on 7<sup>th</sup> March 2018 at 18:00 pm. (Cyprus time) for the purpose of considering and, if thought fit, passing the following resolutions.

#### SPECIAL RESOLUTIONS

(A) **THAT** the scheme of arrangement dated 13 February 2018 between the Company and the holders of shares in the Company, a print of which has been produced to this meeting and, for the purposes of identification, signed by the chairman hereof in its original form or with or subject to any modification, addition or condition approved or imposed by the Court (the "**Scheme**"), be approved and the directors of the Company be authorised to take all such actions as they consider necessary or appropriate for carrying the Scheme into effect.

(B) **THAT:**

For the purposes of giving effect to the scheme of arrangement dated 13 February 2018 between the Company and the holders of shares in the Company, a print of which has been produced to this meeting and for the purposes of identification signed by the Chairman thereof, in its original form or with or subject to any modification, addition or condition approved or imposed by the Court (the "**Scheme**") and contingent upon the Scheme becoming effective, the Company be converted to a Variable Capital Investment Company in accordance with the provisions of the Open-Ended Undertakings for Collective Investment (UCI) Law, N.78(I)/2012 (as amended) (the "**VCIC**") (the "**Conversion**"):

- (i) all the shares comprising the issued share capital of the Company amounting to 44,494,209 ordinary shares with a nominal value of €0.30 each be converted, shares of the VCIC with no nominal value, and whose value shall be linked to and determined by the NAV;
- (ii) the objects of the Company set out in paragraph 3 of the memorandum of the Company be replaced with the objects set out in Annex A;
- (iii) the articles of association of the Company be replaced, in their entirety with the new set of articles of association attached hereto as Annex B;
- (iv) the name of the Company be changed to "GLOBAL BALANCED FUND OF FUNDS SALAMIS VARIABLE CAPITAL INVESTMENT COMPANY PLC";
- (v) the Company no longer maintains as part of its financial statements any accounts with respect to the authorized and issued share capital of the Company and with respect to any of the Company's reserves (including, without limitation, the share premium account and the retained earnings / losses account of the Company), whether such reserves constitute capital reserves or distributable reserves and whether the said reserves maintain a credit or debit balance and, upon the Scheme

become effective, the said accounts shall be considered as being replaced, for all intended purposes, with the Net Asset Value of the Company, as determined from time to time in accordance with the provisions of applicable law; and

(vi) Appropriate entries be made in the Company's register of members with effect from the Effective Date to reflect the conversion of Existing Shares.

(C) **THAT**, subject to the approval of the Council of the Cyprus Stock Exchange, the Existing Shares be suspended from trading and, subject to the Scheme becoming Effective, be delisted from the Cyprus Stock Exchange, in accordance with the provisions of the Directive of the Cyprus Securities and Exchange Commission regarding the delisting of securities from the Cyprus Stock Exchange, ΚΔΠ 392/2015;

(D) **THAT**, the directors of the Company be and are hereby authorised to give effect to these resolutions.

Dated: 13 February 2018

**BY ORDER OF THE BOARD**

**The Cyprus Investment and Securities  
Corporation Limited**

*Company Secretary*

Registered Office:

154 Limassol Avenue,

Strovolos, 2025,

Nicosia, Cyprus

## NOTES TO THE NOTICE OF THE MEETING

Capitalised terms used but not herein defined shall have the meaning given to them in the Scheme (as this term is defined in the notice of the meeting).

### ENTITLEMENT TO PARTICIPATE IN THE MEETING

- (1) Only those members registered on the Company's register of members at [insert date] (the "**Voting Record Time**") shall be entitled to attend and vote at the Meeting. Transactions involving Existing Shares taking place after the business day before the Voting Record Time and thereafter will not be considered in determining the right to vote at the Meeting.
- (2) A member entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote on his behalf. Shareholders may appoint the Chairman of the Meeting or any other person as their proxy. Such proxy does not need to be a Scheme Shareholder. If a shareholder owns shares in CYTRUSTEES that are held in more than one securities account, then that shareholder may, in respect of the Meeting, appoint separate proxy holders for the shares appearing in each securities account. A proxy holder holding proxies from several shareholders may cast votes differently for each shareholder. Shareholders who appoint a person as a proxy to vote on their behalf, but wish to specify how their votes be cast, should indicate accordingly in the relevant boxes on the Form of Proxy. A separate Form of Proxy will need to be submitted for each individual securities account.
- (3) The Form of Proxy, which is attached to the back of this notice and has been posted on the CYTRUSTEES' website [www.cytrustees.com.cy](http://www.cytrustees.com.cy), must be returned to the registered office of CYTRUSTEES at 154 Limassol Avenue, 2025, Strovolos, Nicosia, Cyprus fax: 22123745 **at least 48 hours before the time of the Meeting**. Scheme Shareholders may confirm that the Form of Proxy has been successfully received by CYTRUSTEES by calling the CISCO at 22121700.
- (4) **Shareholders and/or their proxies who will attend the Meeting are requested to carry with them their identity card or other proof of identification.**
- (5) Any corporation which is a Scheme Shareholder may by resolution of its directors or other governing body authorise such person as it thinks fit to act as its representative at any meeting of CYTRUSTEES or any class of members of CYTRUSTEES, and the person so authorised shall be entitled to exercise the same powers on behalf of the corporation which he represents as that corporation could exercise if it were an individual member of CYTRUSTEES.
- (6) The articles of association of CYTRUSTEES do not provide for participation in the Meeting by electronic means without the shareholder (or relevant proxy) attending the Meeting in person at the place where the Meeting is held. Similarly, the articles of association of CYTRUSTEES do not provide for participation in voting by distance voting.

### VOTING PROCEDURES AT THE MEETING

- (7) Voting on the resolution at the Meeting will be conducted on a show of hands and if considered appropriated by poll.
- (8) A special resolution by a company shall be a resolution passed at a general meeting by a majority of not less than three-fourths of the number of members of the company entitled to vote at the meeting who are present in person or by proxy, for which relevant notice has been given pursuant to Article 135 of the Companies Law, Cap 113 specifying the intention to propose the resolution as a special resolution.

### SHAREHOLDER RIGHTS AT GENERAL MEETINGS

- (9) Pursuant to section 128C of the Companies Law, Cap 113, shareholders have the right to ask questions related to items on the agenda and to have such questions answered by the directors of CYTRUSTEES subject to any reasonable measures CYTRUSTEES may take to ensure the identification of shareholders. An answer is not required if:
  - a. it would interfere unduly with preparation for the meeting or the confidentiality or business interests of CYTRUSTEES; or
  - b. an answer has already been given in the document of which this notice forms part or, which has been published on Cytrustees' website; or
  - c. the Chairman deems that it is undesirable in the interests of good order of the meeting that the question be answered.

- (10) Shareholders may submit questions in writing before the Meeting by sending a letter, together with evidence of their shareholding, at least four days before the meeting to CISCO at 154 Limassol Avenue, 2025, Strovolos, Nicosia, Cyprus or by fax at 22123745 or by email to [ciscoinfo@bankofcyprus.com](mailto:ciscoinfo@bankofcyprus.com).

**OTHER INFORMATION AND AVAILABLE DOCUMENTS**

- (11) The document (which includes, inter alia, the Scheme, the Explanatory Statement, the notice of the Meeting and the Form of Proxy) are available in electronic form on the website of CYTRUSTEES, [www.cytrustees.com.cy](http://www.cytrustees.com.cy) and in hard copy at the registered office of CYTRUSTEES (154 Limassol Avenue, 2025, Strovolos, Nicosia, Cyprus).

**new CYTRUSTEES VCIC objects**



**new CYTRUSTEES VCIC articles of association**

## FORM OF PROXY

### FORM OF PROXY

I/We \_\_\_\_\_ from \_\_\_\_\_  
with ID number/Passport number/Company Registration number \_\_\_\_\_

being a member/members of Cytrustees Investment Public Company Limited ("Cytrustees"), hereby appoint (choose one of the following two options):

1. The Chairman of the Meeting
2. Mr/Ms  
from \_\_\_\_\_ with ID number \_\_\_\_\_  
or failing him/her, Mr/Ms  
from \_\_\_\_\_ with ID number \_\_\_\_\_

as my/our proxy to vote on my/our behalf at the Meeting of Cytrustees, to be held on 7<sup>th</sup> March 2018, at 18:00 p.m. at Eurolife House Evrou 4, 2003 Strovolos, Nicosia, Cyprus, and at any adjournment thereof.

My/our proxy is authorised to vote as he/she thinks fit, unless the manner of voting is indicated in the boxes below.

RESOLUTION		FOR	AGAINST
A	Special Resolution to authorise the scheme of arrangement dated 13 February 2018 (the " <b>Scheme</b> ") between Cytrustees and the Scheme Shareholders (as defined in the Scheme), and to authorise the directors of Cytrustees to take all such action on behalf of Cytrustees as they consider necessary or desirable for carrying the Scheme into effect (as 'Resolution A' is set out in the notice of the Meeting).		
B.	Special resolutions to authorise the Conversion, the replacement of Cytrustees' articles of association, the amendment of the objects of Cytrustees, the replacement of all the accounts of Cytrustees with the NAV, the change of Cytrustees' name (as 'Resolution B' is set out in the notice of the Meeting).		
B.	Special resolution to authorise the delisting of Cytrustees' existing shares pursuant to the Scheme (as 'Resolution C' is set out in the notice of the Meeting).		

Date \_\_\_\_\_ Signature \_\_\_\_\_

Contact details \_\_\_\_\_ Telephone \_\_\_\_\_ Fax \_\_\_\_\_

#### Notes:

- (1) Only those members registered on Cytrustees' register of members at the Voting Record Time shall be entitled to attend and vote at the Meeting. Transactions involving Existing Shares taking place after the business day before the Voting Record Time and thereafter will not be considered in determining the right to vote at the Meeting.
- (2) The Form of Proxy must be returned to the registered office of Cytrustees (154 Limassol Avenue, 2025 Strovolos, Nicosia, Cyprus, fax: 22123745) at least 48 hours before the time of the Meeting.
- (3) If such appointor is a company, the Form of Proxy must bear the name of the company, and be signed by its duly authorised officer/s.
- (4) In the case of joint shareholders, the Form of Proxy can only be signed by the person whose name appears first in the register of members of Cytrustees.

