

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the contents of this document or the action you should take, you should consult your accountant, legal or professional adviser, financial adviser or a person authorised for the purposes of the FSMA, if you are in the United Kingdom or, if not, another appropriately authorised and independent adviser.**

If you have sold or otherwise transferred all of your Shares in the Company, please forward this Circular, together with the accompanying documents (but not any Form of Proxy or Form of Direction), at once to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected, for delivery to the purchaser or transferee. However, neither this Circular nor any accompanying documents should be forwarded to or sent in or into any jurisdiction in which to do so would constitute a breach of the relevant laws of such jurisdiction. If you have sold or otherwise transferred only part of your holding of Shares, you should retain this Circular and the accompanying documentation and consult the stockbroker, bank or other agent through whom the sale or transfer was or will be effected.

This Circular should be read as a whole. Your attention is drawn to the Letter from the Chair which is set out in Part 1 of this Circular. The letter sets out certain information relating to the proposed amendments to the Bye-laws and contains the unanimous recommendation of the Directors that you vote in favour of the Resolutions to be proposed at each of the Class Meetings referred to below. Your attention is also drawn to the section entitled "Action to be Taken" in Part 1 of this Circular, and to the section entitled "Risk Factors" in relation to the amended Bye-laws in Part 3 of this Circular.

Numis is regulated by the FCA and is acting exclusively for the Company and for no one else in connection with the amendment to the Bye-laws and the contents of this Circular and will not be responsible to anyone (whether or not a recipient of this Circular) other than the Company for providing the protections afforded to its clients or for affording advice in relation to the proposed Bye-law amendments, the contents of this Circular or any matters referred to herein. Numis is not responsible for the contents of this Circular. This does not exclude any responsibilities which Numis may have under FSMA or the regulatory regime established thereunder.

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## **CATCO REINSURANCE OPPORTUNITIES FUND LTD.**

*(incorporated and registered as an exempted mutual fund in Bermuda with registered no. 44855)*

### **PROPOSED AMENDMENTS TO THE BYE-LAWS TO PERMIT REDEMPTIONS OF THE COMPANY'S ORDINARY SHARES AND C SHARES**

**AND**

### **NOTICES OF A SPECIAL GENERAL MEETING AND CLASS MEETINGS**

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**Shareholders should make their own investigation of the proposals set out in this Circular, including the merits and risks involved. Nothing in this Circular constitutes legal, tax, financial or other advice, and if they are in any doubt about the contents of this Circular, Shareholders should consult their own professional advisers.**

Notices of the Special General Meeting of the Company and separate Class Meetings of the Company to be held at the offices of Markel CATCo Investment Management Ltd. at 8th Floor East, 141 Front Street, Hamilton HM19, Bermuda at 1.00 p.m., 1.05 p.m. and 1.10 p.m. (London time) respectively on 6 April 2020 or, in the case of the class meetings, as soon after the preceding meeting (or any adjournment thereof) as may be practicable, are set out in Part 4 of this Circular.

The Forms of Proxy and Forms of Direction to be used by Shareholders and Depository Interest Holders respectively in connection with the Resolutions to be proposed at the Special General Meeting and the Class Meetings are enclosed. To be valid, a Form of Proxy should be completed, signed and returned in accordance with the instructions printed on it so as to be received by the Company's registrars, Link Asset Services, PXS1, 34 Beckenham Road, Beckenham, BR3 4ZF, by no later than 1.00 p.m. (London time) on 2 April 2020 in respect of the Special General Meeting, 1.05 p.m. (London time) on 2 April 2020 in respect of the Ordinary Share Class Meeting and 1.10 p.m. (London time) on 2 April 2020 in respect of the C Share Class Meeting. Depository Interest Holders should complete and sign the relevant accompanying Form of Direction and return it, in accordance with the instructions printed on it, by post or (during normal business hours) by hand to arrive as soon as possible and, in any event, by no later than 1.00 p.m. (London time) on 1 April 2020 in respect of the Special General Meeting, 1.05 p.m. (London time) on 1 April 2020 in respect of the Ordinary Share Class Meeting and 1.10 p.m. (London time) on 1 April 2020 in respect of the C Share Class Meeting. Depository Interest Holders who are CREST members and who wish to appoint or give instruction to the Depository through the CREST electronic proxy appointment service should follow the procedures as to the appointment of a proxy or as to instruction described in this Circular. Completion and return of a Form of Proxy or Form of Direction or transmission of a CREST Proxy Instruction will not preclude Shareholders or Depository Interest Holders from attending and voting in person at the relevant Special General Meeting or Class Meeting(s) should they so wish and if they are so entitled.

No action has been or will be taken to permit the possession or distribution of this Circular or the accompanying documents in any jurisdiction, other than the United Kingdom, where action for that purpose may be required. Persons into whose possession this Circular comes should inform themselves about and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

A summary of the action to be taken by Shareholders is set out in Part 1 of this Circular. If Shareholders have any queries in relation to the action to be taken they may call Link Asset Services on 0371 664 0321. Calls are charged at the standard geographic rate and will vary by provider. Calls from outside the United Kingdom will be charged at the applicable international rate. Link Asset Services is open between 9.00 a.m. to 5.30 p.m., Monday to Friday excluding public holidays in England and Wales. Please note that Link Asset Services cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes.

Capitalised terms used in this Circular have the meanings given in Part 5 of this Circular.

**Dated 13 March 2020**

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### ***Accompanying Documents***

- *Forms of Proxy (for use by Eligible Shareholders who do not hold Depository Interests through CREST)*
- *Forms of Direction (for use by Eligible Shareholders who hold Depository Interests through CREST)*

## EXPECTED TIMETABLE

2020

Record Date for the participation and voting at the Special General Meeting, Ordinary Share Class Meeting and C Share Class Meeting	Close of business on 17 March
Latest time and date for receipt of Forms of Direction or CREST Proxy Instructions for the Depository Interest Holders for the Special General Meeting	1.00 p.m. on 1 April
Latest time and date for receipt of Forms of Direction or CREST Proxy Instructions for the Depository Interest Holders for the Ordinary Share Class Meeting	1.05 p.m. on 1 April
Latest time and date for receipt of Forms of Direction or CREST Proxy Instructions for the Depository Interest Holders for the C Share Class Meeting	1.10 p.m. on 1 April
Latest time and date for receipt of Forms of Proxy for the Special General Meeting	1.00 p.m. on 2 April
Latest time and date for receipt of Forms of Proxy for the Ordinary Share Class Meeting	1.05 p.m. on 2 April
Latest time and date for receipt of Forms of Proxy for the C Share Class Meeting	1.10 p.m. on 2 April
Special General Meeting	1.00 p.m. on 6 April
Ordinary Share Class Meeting	1.05 p.m. on 6 April
C Share Class Meeting	1.10 p.m. on 6 April
Results of the Special General Meeting, Ordinary Share Class Meeting and C Share Class Meeting announced	6 April

Each of the times and dates in the above timetable is subject to change and may be extended or brought forward without further notice. The Company will notify investors of any such changes to these times and dates by making an announcement via a Regulatory Information Service.

References to times are to London times unless otherwise stated.

## PART 1

### LETTER FROM THE CHAIRMAN

#### CATCO REINSURANCE OPPORTUNITIES FUND LTD.

*(incorporated and registered as an exempted mutual fund company in Bermuda with registered no. 44855)*

*Directors*

James Keyes (*Chairman*)  
Arthur Jones  
Margaret Gadow

*Registered Address*

Crawford House  
50 Cedar Avenue  
Hamilton HM11  
Bermuda

13 March 2020

*To Shareholders*

Dear Shareholder,

#### **PROPOSAL FOR AMENDMENTS TO THE COMPANY'S BYE-LAWS AND NOTICES OF A SPECIAL GENERAL MEETING AND CLASS MEETINGS**

##### **1. INTRODUCTION AND BACKGROUND**

The Company has been in "run-off" since 26 March 2019 and has distributed to Shareholders substantially all of the redemption proceeds it has received during such period by way of a "reverse" tender offer on 9 September 2019 and a subsequent share buyback programme.

Having monitored the progress of the run-off closely and taking into account the decision that no further business is to be written by the Master Fund (as announced on 26 July 2019), the Directors have now reluctantly concluded that the Company will not raise further capital and will ultimately be wound-up. An update regarding this is set out below.

Until such time, the Company expects to continue to receive further redemption proceeds as the underlying portfolio is run-off. The Company intends to return such proceeds (less costs and reserves) to Shareholders as and when there are material amounts available for distribution. Having consulted with its advisers and major Shareholders, the Company has determined that, in light of the decision on the future of the Company, such proceeds will be returned to Shareholders by way of the redemption of Shares pro rata based on the holdings of each Shareholder at a price equal to the then prevailing NAV per Share (as determined by the Directors).

The Company is not currently permitted to redeem Shares in this manner under its Bye-laws and, consequently, the Company has published this Circular in order to convene the relevant meetings at which Shareholder approval will be sought to make the necessary amendments to the Bye-laws. If the necessary approvals are obtained, the Company intends to distribute future proceeds using this method, but reserves the right to make distributions in another way should it be in the best interests of the Company to do so in the then applicable circumstances.

The first redemption proceeds are expected to be received by the Company during the first quarter of 2020 (subject to the necessary Bermuda regulatory approvals having been received by the Master Fund).

##### **2. UPDATE ON THE FUTURE OF THE COMPANY**

The Directors have concluded that the Company will not raise further capital in any circumstances, and so the Company is being terminated by means of a managed process leading to liquidation in due course. Accordingly, the only further business that will be undertaken is that necessary to complete the run-off of each of the Company's portfolios. The Directors remain of the view that it is currently in the best interests of the Company for the Investment Manager to continue to manage the run-offs, rather than to commence a formal members' voluntary liquidation. The Directors will keep this approach under review and currently anticipate that they will not look to put the Company into member's voluntary liquidation until the run-offs are substantially completed. At such time, a further circular will be delivered

to Shareholders to convene a further meeting at which the Shareholders will be asked to approve the liquidation. The return of capital to Shareholders which is envisaged by this Circular to take place as and when the Company receives sufficient redemption proceeds is part of this managed termination process, and such return of capital will, in due course, be completed via the liquidation process.

The purpose of this Circular is to provide further details of the proposal to commence a managed termination process for the Company, to convene the Special General Meeting, Ordinary Share Class Meeting and the C Share Class Meeting at which the Shareholder approvals will be sought, and to provide notice of the first proposed redemption.

### **3. THE PROPOSAL**

#### ***Compulsory redemptions***

If the Resolutions are approved, the Bye-laws will be amended such that the Company will be permitted to compulsorily redeem such number of Ordinary Shares or C Shares as it sees fit on a pro rata basis based on the holdings of each Shareholder of the relevant class at a price equal to the then prevailing month-end NAV per Share of such class (as determined by the Directors), subject to the Companies Act and the Bye-laws. The proposed form of the amendment to the Bye-laws is detailed in full in the notices at Part 4 of this Circular. Copies of the Company's Bye-laws and a blackline showing the proposed amendments are available for inspection from the date of this Circular as set out in Part 3 of this Circular.

The Company intends to return any future net proceeds it receives during the run-off (after payment of any costs and save for any amount required for reserves in respect of anticipated liabilities and for working capital purposes) to Ordinary Shareholders or C Shareholders (as appropriate) by compulsory redemption until such time as the Company is put into formal liquidation. However, the Company reserves the right to make distributions in another way should it be in the best interests of the Company to do so.

#### ***Expected redemption procedure***

At least 5 Business Days prior to each redemption, the Company intends to make a Redemption Announcement on a Regulatory Information Service that will (as a minimum) contain the following information:

- (a) the aggregate amount to be distributed to Shareholders;
- (b) the percentage of Shares to be redeemed (pro rata as between the holders of the class of Shares being redeemed as at the Redemption Date);
- (c) a timetable for the redemption and distribution of redemption proceeds, including the Redemption Date and Redemption Record Date;
- (d) the Redemption Price in respect of Shares to be redeemed; and
- (e) a new ISIN in respect of Shares which will continue to be listed following the relevant Redemption Date.

#### ***Settlement***

For Depository Interest Holders who hold their interests in respect of the relevant class of Shares in CREST, redemptions will take effect automatically on each Redemption Date and the redeemed Shares will be cancelled. All Shares of the class that is subject to the redemption in issue will be disabled in CREST on the Redemption Date and the existing ISIN applicable to such Shares (the "**Old ISIN**") (which, as at the date of this Circular is BMG1961Q2095 for the Ordinary Shares and BMG1961Q1592 for the C Shares) will expire. A new ISIN (the "**New ISIN**") in respect of the remaining issued Shares of the relevant class being redeemed and which have not been redeemed will be enabled and available for transactions from and including the first Business Day following the relevant Redemption Date (or such other date notified to Shareholders). The New ISIN for the Shares of the relevant class will be notified to Shareholders in the Redemption Announcement. Up to and including the Redemption Date, Shares of the class which is subject to compulsory redemption will be traded under the Old ISIN and, as such, a purchaser of such Shares would have a market claim for a proportion of the redemption proceeds. CREST will automatically transform any open transactions in such class as at the

Redemption Date (which may be the Record Date for the purposes of the redemption) into the New ISIN.

In the case of Shares held in certificated form, redemptions will take effect automatically on each Redemption Date. Certificated Shareholders do not need to return their Share certificates to the Company in order to claim their redemption monies. Shareholders' existing Share certificates for the class of shares subject to the redemption will be cancelled and new Share certificates will be issued for the balance of their shareholding after each Redemption Date. Cheques will be issued to certificated Shareholders following the cancellation of any of their Shares. All Shares that are redeemed will be cancelled with effect from the relevant Redemption Date. Accordingly, once redeemed, Shares will be incapable of transfer.

Payments of redemption monies are expected to be effected either through CREST (in the case of Depository Interest Holders) or by cheque (in the case of Shares held in certificated form) within 14 Business Days of the relevant Redemption Date, or as soon as practicable thereafter. Shareholders will be paid their redemption proceeds in US dollars.

#### ***First Expected Compulsory Redemption***

The Company has already received redemption proceeds amounting to \$22.1 million in February 2020 in relation to redemption proceeds from the 2019 portfolio and expects to receive by 6 April 2020, being the date of the Special General Meeting and Class Meetings, a further \$10.5 million in relation to 2018 Side Pocket Investment a further redemption from the Master Fund effective 1 February 2020. Subject to all such proceeds being received and to the Resolutions being approved, the Company intends to return approximately 90% of these proceeds to Shareholders by way of a compulsory redemption as soon as is practicable following such date. The procedure set out above will be followed in relation to such redemption.

#### **4. TAXATION**

Shareholders may, depending on their individual circumstances, incur a liability to taxation as a result of redemption of Shares held by them. The attention of Shareholders is drawn to Part 2 of this Circular which sets out a general guide to certain aspects of current law and tax authority practice in respect of UK taxation. **Shareholders who are in any doubt as to their tax position or who are subject to tax in a jurisdiction other than the United Kingdom should consult an appropriate professional adviser.**

#### **5. SHAREHOLDER APPROVALS**

The implementation of the Proposal in respect of each class of Share is subject to, and conditional upon:

- (a) the adoption of the amendments to the Bye-laws in respect of the relevant class at the Special General Meeting;
- (b) in relation to the Ordinary Shares, the approval of the Ordinary Shareholders at the Ordinary Share Class Meeting of the variation of the class rights attaching to the Ordinary Shares arising as a result of the introduction of the Company's redemption rights; and
- (c) in relation to the C Shares, the approval of the C Shareholders at the C Share Class Meeting of the variation of the class rights attaching to the C Shares arising as a result of the introduction of the Company's redemption rights,

Each of the Resolutions is being proposed as a special resolution.

If the Proposal is not approved in respect of a class of Share, the Company will not be permitted to distribute cash to Shareholders of that class by way of compulsory redemption. Any further distributions of net proceeds in respect of such class will be carried out in such manner and at such time as the Directors see fit.

Notices convening the Special General Meeting, the Ordinary Share Class Meeting and the C Share Class Meeting to be held at 1.00 p.m., 1.05 p.m. and 1.10 p.m., respectively, on 6 April 2020, at the

offices of Markel CATCo Investment Management Ltd. at 8th Floor East, 141 Front Street, Hamilton HM19, Bermuda, are set out in Part 4 of this Circular.

## 6. ACTION TO BE TAKEN

### 6.1 *Form of Proxy*

*Shareholders (who do not hold their shares through Depository Interests)*

The following Forms of Proxy are enclosed:

- (a) a Form of Proxy for use by all Shareholders (with the exception of Depository Interest Holders who hold their interests in respect of Ordinary Shares and C Shares in CREST) in connection with the Special General Meeting;
- (b) a Form of Proxy for use by Ordinary Shareholders (with the exception of Depository Interest Holders who hold their interests in respect of Ordinary Shares in CREST) in connection with the Ordinary Share Class Meeting; and
- (c) a Form of Proxy for use by C Shareholders (with the exception of Depository Interest Holders who hold their interests in respect of C Shares in CREST) in connection with the C Share Class Meeting.

Whether or not Shareholders intend to be present at the Special General Meeting or relevant Class Meeting, they are requested to complete and sign the relevant accompanying Form of Proxy and return it, in accordance with the instructions printed on it, by post or (during normal business hours) by hand to Link Asset Services to arrive as soon as possible and, in any event, by no later than 1.00 p.m. (London time) on 2 April 2020 in respect of Special General Meeting, 1.05 p.m. (London time) on 2 April 2020 in respect of the Ordinary Share Class Meeting, and 1.10 p.m. (London time) on 2 April 2020 in respect of the C Share Class Meeting.

#### *Depository Interest Holders*

Any Depository Interest Holder wishing to instruct Link Market Services Trustees Limited, the Company's depository, to vote in respect of the Depository Interest Holder's interest should use the relevant enclosed Form of Direction for the applicable meeting and share class. Whether or not Depository Interest Holders intend to be present at the relevant Special General Meeting or Class Meeting, they are requested to complete and sign the appropriate accompanying Form of Direction and return it, in accordance with the instructions printed on it, by post or (during normal business hours only) by hand to Link Asset Services to arrive as soon as possible and, in any event, by no later than 1.00 p.m. (London time) on 1 April 2020 in respect of Special General Meeting, 1.05 p.m. (London time) on 1 April 2020 in respect of the Ordinary Share Class Meeting, and 1.10 p.m. (London time) on 1 April 2020 in respect of the C Share Class Meeting.

Depository Interest Holders who hold their interests in respect of Shares in CREST may instruct the Depository by completing and transmitting a CREST Proxy Instruction to Link so that it is received by no later than 1.00 p.m. (London time) on 1 April 2020 in respect of Special General Meeting, 1.05 p.m. (London time) on 1 April 2020 in respect of the Ordinary Share Class Meeting, and 1.10 p.m. (London time) on 1 April 2020 in respect of the C Share Class Meeting.

The return of a completed Form of Proxy, Form of Direction or CREST Proxy Instruction will not prevent a Shareholder or Depository Interest Holder from attending a Special General Meeting or Class Meeting and voting in person (in substitution for their proxy vote) if they wish to do so and are so entitled.

## 7. RECOMMENDATION

**The Board considers that the proposed amendments to the Company's Bye-laws are in the best interests of the Company.** Accordingly, the Board unanimously recommends Shareholders to vote in favour of the Resolutions to be proposed at the Special General Meeting, Ordinary Share Class Meeting and the C Share Class Meeting.

The Directors intend to vote in favour of the Resolutions on which they are entitled to vote in respect of their own beneficial holdings in the Company which, as at the date of this Circular, total 615,901

Ordinary Shares (representing approximately 0.2 per cent. of the Ordinary Shares currently in issue) and 250,000 C Shares (representing approximately 0.05 per cent of the C Shares currently in issue).

Yours faithfully

**James Keyes**

*Non-Executive Chairman*



## PART 2

### UNITED KINGDOM TAX ASPECTS OF THE PROPOSED SHARE REDEMPTIONS

The following discussion does not constitute tax advice. It is intended as a general guide to certain United Kingdom tax considerations and does not purport to be a complete analysis of all potential United Kingdom consequences of redemptions of Ordinary Shares or C Shares described in Part 1 of this Circular. It is based on current United Kingdom legislation and tax authority published practice, which are subject to change at any time (possibly with retroactive effect). It is of a general nature and (unless otherwise stated) only applies to certain Shareholders who are resident for tax purposes in (and only in) the United Kingdom who hold their Ordinary Shares or C Shares (as the case may be) as an investment and who are the absolute beneficial owners of the Ordinary Shares or C Shares (as the case may be). It does not address the position of certain categories of Shareholders who are subject to special rules, such as dealers in securities, insurance companies and collective investment schemes.

**Shareholders who are in any doubt as to the potential tax consequences of redemption of their Ordinary Shares or C Shares or who may be subject to tax in a jurisdiction other than the United Kingdom should consult their own independent tax advisers.**

#### United Kingdom Shareholders

##### *Offshore Funds*

Part 8 of the Taxation (International and Other Provisions) Act 2010 contains provision for UK taxation of investors in “offshore funds”. The Company does not consider that it is an “offshore fund” for such purposes, nor that it will become an “offshore fund” as a result of the proposals described in Part 1 of this Circular.

This is on the basis that the Company considers that it is entering a “self-managed wind down” for the purposes of HMRC published guidance, as set out in the Offshore Funds Manual at paragraph OFM10630. This guidance indicates that if a company is outside the definition of an “offshore fund” before it enters a “self-managed wind down”, then being in such a “wind down” with the subsequent appointment of a liquidator to complete the liquidation, will not by itself bring the company into the definition of an “offshore fund”.

However, there can be no guarantee that HMRC will not depart from its published guidance, either because of the presence of particular factual circumstances or generally. Additionally, HMRC does not provide guidance on what constitutes a “self-managed wind down” and HMRC may disagree with the Company’s view on this, so that there is no guarantee that HMRC will treat the Company as not being an “offshore fund”.

Were the Company to be or become an “offshore fund”, those rules could have the effect that any gain arising to a UK resident Shareholder on redemption of their Shares would be treated as an “offshore income gain” which is subject to income tax rather than as a capital receipt for UK tax purposes.

The remainder of this UK taxation section proceeds on the basis that the Company is not an “offshore fund”.

##### *Taxation of chargeable gains*

The redemption of Ordinary Shares or C Shares held by a UK resident Shareholder pursuant to redemption by the Company should be treated as a disposal of those shares for United Kingdom tax purposes. This may, subject to the Shareholder’s individual circumstances and any available exemption or relief, give rise to a chargeable gain (or allowable loss) for the purposes of United Kingdom taxation of chargeable gains.

For a Shareholder who is an individual, any chargeable gain realised on a disposal of Ordinary Shares or C Shares may be subject to capital gains tax. The liability to tax and the rate of tax (generally at 10% or 20%) will depend on the Shareholder’s own personal tax position and circumstances. No tax will be payable on any gain arising on the disposal of Ordinary Shares or C Shares if the amount of the chargeable gain realised by a Shareholder in respect of the sale, when aggregated with other

chargeable gains realised by that Shareholder in the tax year of assessment (and after taking into account aggregate losses), does not exceed the annual exempt amount (£12,000 for the tax year 2019/2020).

Corporate Shareholders will generally be subject to corporation tax on all of their chargeable gains resulting from the disposal of the Ordinary Shares or C Shares, subject to the availability of any allowable losses or exemptions. The current rate of corporation tax for the tax year 2019/2020 is 19 per cent.

### ***Transactions in securities***

Under the provisions of Part 15 of the Corporation Tax Act 2010 (for companies subject to corporation tax) and Chapter 1 of Part 13 of the Income Tax Act 2007 (for individuals and others subject to income tax), HMRC can in certain circumstances counteract tax advantages arising in relation to a transaction or transactions in securities. If these provisions were to be applied by HMRC to the disposal of Ordinary Shares or C Shares resulting from redemption by the Company, Shareholders might be liable to corporation tax or income tax (as applicable) as if they had received an income amount rather than a capital amount.

These rules apply only in certain circumstances and do not apply where it can be shown, in the case of any corporation tax advantage, that the transaction or transactions in question were entered into for genuine commercial reasons and none of the transactions involved had as one of their main objects the obtaining of any corporation tax advantage and, in the case of any income tax advantage, inter alia, that the person did not become a party to any of the transactions with a main purpose of obtaining an income tax advantage.

No application has been made to HMRC for clearance in respect of the application of Part 15 of the Corporation Tax Act 2010 or Chapter 1 of Part 13 of the Income Tax 2007 to the redemptions envisaged by this Circular.

### **Non-United Kingdom Shareholders**

Shareholders who are not resident in the United Kingdom for tax purposes will not generally be subject to United Kingdom taxation on chargeable gains in respect of any disposal of their Ordinary Shares or C Shares unless they hold their Ordinary Shares or C Shares for the purposes of a trade, profession or vocation carried on by them through a branch, agency or permanent establishment in the United Kingdom or for the purposes of such a branch, agency or permanent establishment. Individual Shareholders may later become liable to United Kingdom capital gains tax in respect of any gain made on the disposal of their Ordinary Shares or C Shares if they become resident in the United Kingdom for tax purposes at some point during the tax year in which the disposal occurs or if they resume United Kingdom residence after a period of temporary non-residence. Non-UK tax resident Shareholders should obtain their own advice about their tax position.

### **Stamp duty and stamp duty reserve tax (“SDRT”)**

The redemption by the Company of Ordinary Shares or C Shares will not give rise to any liability to UK stamp duty or UK SDRT for the relevant Shareholder.

## PART 3

### ADDITIONAL INFORMATION

#### 1. RISK FACTORS IN RELATION TO THE AMENDED BYE-LAWS

In considering whether to vote in favour of the Resolutions, Shareholders should have regard to the following risk factors. This list of risk factors is not exhaustive and does not purport to be a complete explanation of all the risks and significant considerations arising as a result of the Proposals. Additional risks and uncertainties not presently known to the Directors may also have an adverse effect on the Company should it implement the Proposals.

##### *Impact of the Proposals on Costs*

Redemptions will result in the issued share capital of the Company being reduced and the Company's capital base will therefore be smaller. Consequently, the fixed costs of the Company are likely to represent a greater proportion of the Company's total assets.

##### *Marketability of Shares*

The secondary market for Shares may be less liquid once any compulsory redemption of Shares is completed as a result of the lower number of Shares in issue.

##### *Frequency of Redemptions*

Redemptions of Shares will be made at the Directors' sole discretion, as and when they deem that the Company has sufficient cash available to make a redemption, and therefore Shareholders will have little certainty as to when their Shares will be redeemed.

##### *Taxation*

As noted in Part 2 of this Circular, the Company intends to enter a "self-managed wind down" and, based on published HM Revenue & Customs guidance, does not consider that it is or will become an "offshore fund" for the purposes of Part 8 of the Taxation (International and Other Provisions) Act 2010 as a result of the proposed redemptions.

However, there can be no guarantee that HMRC will not depart from its published guidance, either because of the presence of particular factual circumstances or generally. HMRC may disagree with the Company's views, so that the Company will not be an "offshore fund" such that any gain arising to UK residents Shareholders on redemption of their Shares may be taxed as an "offshore income gain" for UK tax purposes.

#### 2. MATERIAL CONTRACTS

##### *Receiving Agent Agreements*

The Company has entered into two receiving agent agreements on the same terms with Link Market Services Limited and Link Market Trustees Limited (each, the "**Receiving Agent**"), both agreements dated on or around the date of this Circular (the "**Receiving Agent Agreements**"). The Company has appointed the Receiving Agent to act as receiving agent and escrow agent and to provide various other services in connection with the compulsory share redemptions for the period of one year.

The aggregate liability of the Receiving Agent to the Company under each Receiving Agent Agreement, howsoever arising, is limited to the lesser of: (a) £250,000; and (b) an amount equal to five times the fee payable under that Receiving Agent Agreement.

Under each Receiving Agency Agreements, the Company shall indemnify the Receiving Agent and its affiliates from and against any and all losses, damages, liabilities, fees, costs and expenses incurred by such party resulting from the Company's breach of that Receiving Agent Agreement and, in addition, any claims, actions, proceedings, investigations arising from or in connection with such Receiving Agent Agreement, except to the extent such claims result solely from the fraud, wilful default or negligence of the Receiving Agent or the relevant party.

The Company will take steps to enter into replacement receiving agency agreements so that the redemptions can continue to be processed once these Receiving Agent Agreements are terminated.

### **3. DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the following documents will be available for inspection during normal business hours from the date of this Circular to the conclusion of both the Ordinary Class Meeting and the C Class Meeting:

- (a) the existing Bye-laws of the Company;
- (b) the blacklined version of the new Bye-laws of the Company proposed to be adopted, showing the amendments proposed to the Company's existing Bye-laws; and
- (c) a copy of this Circular.

The documents will be available for inspection at:

- (a) the registered office of the Company, Crawford House, 50 Cedar Avenue, Hamilton HM11, Bermuda;
- (b) Hogan Lovells International LLP, Atlantic House, London, EC1A 2FG; and
- (c) Markel CATCo Investment Management Ltd. at 8th Floor East, 141 Front Street, Hamilton HM19, Bermuda.

## PART 4

### NOTICES OF SPECIAL GENERAL MEETING AND CLASS MEETINGS

#### NOTICE OF SPECIAL GENERAL MEETING

##### CATCO REINSURANCE OPPORTUNITIES FUND LTD.

*(incorporated and registered as an exempted mutual fund in Bermuda with registered no. 44855)*

NOTICE IS HEREBY GIVEN that a SPECIAL GENERAL MEETING of CATCo Reinsurance Opportunities Fund Ltd (the “**Company**”) will be held at the offices of Markel CATCo Investment Management Ltd. at 8th Floor East, 141 Front Street, Hamilton HM19, Bermuda on 6 April 2020 at 1.00 p.m. (London time). Defined terms in this notice will have the meaning given to them in the circular published by the Company on 13 March 2020 (the “**Circular**”). This Special General Meeting is being convened for the purpose of considering and, if thought fit, passing the following resolutions which will be proposed as special resolutions:

#### SPECIAL RESOLUTIONS

1. THAT, conditional on the special resolution being approved at the Ordinary Share Class Meeting, the Company’s Bye-laws be amended by the insertion of a new Article 5.10, immediately after the existing Article 5.9, as follows:

*“Subject to the provisions of the Companies Act and these Bye-Laws, the Company may, on at least 5 calendar days’ prior notice to Shareholders, redeem Ordinary Shares, in such number as the Directors may determine. Ordinary Shares redeemed in accordance with this Article 5.10 shall be redeemed pro rata to the holdings of each Ordinary Shareholder for a price equal to the then prevailing Net Asset Value per Ordinary Share as determined by the Directors. All redeemed Ordinary Shares shall upon redemption immediately and automatically be cancelled.”*

2. THAT, conditional on the special resolution being approved at the C Share Class Meeting, the Company’s Bye-laws be amended by the insertion of a new Article 6.15 immediately after the existing Article 6.14, as follows:

*“Subject to the provisions of the Companies Act and these Bye-Laws, the Company may, on at least 5 calendar days’ prior notice to Shareholders, redeem C Shares, in such number as the Directors may determine. C Shares redeemed in accordance with this Article 6.15 shall be redeemed pro rata to the holdings of each C Shareholder for a price equal to the then prevailing Net Asset Value per C Share as determined by the Directors. All redeemed C Shares shall upon redemption immediately and automatically be cancelled.”*

BY ORDER OF THE BOARD  
13 March 2020

*Registered Office*  
Crawford House  
50 Cedar Avenue  
Hamilton HM11  
Bermuda

## NOTICE OF SEPARATE CLASS MEETING OF THE HOLDERS OF ORDINARY SHARES

### CATCO REINSURANCE OPPORTUNITIES FUND LTD.

*(incorporated and registered as an exempted mutual fund in Bermuda with registered no. 44855)*

NOTICE IS HEREBY GIVEN that a Class Meeting of the holders of Ordinary Shares in CATCo Reinsurance Opportunities Fund Ltd (the “**Company**”) will be held at the offices of Markel CATCo Investment Management Ltd. at 8th Floor East, 141 Front Street, Hamilton HM19, Bermuda on 6 April 2020 at 1.05 p.m. (London time). Defined terms in this notice will have the meaning given to them in the circular published by the Company on 13 March 2020 (the “**Circular**”). This Ordinary Share Class Meeting is being convened for the purpose of considering and, if thought fit, passing the following resolution which will be proposed as a special resolution:

#### SPECIAL RESOLUTION

THAT the Ordinary Shareholders hereby sanction, approve and consent to:

- (a) the passing and carrying into effect the resolutions set out in the notice of the Special General Meeting of the Company convened for 1.00 p.m. (London time) on 6 April 2020 (a copy of which is produced to the meeting and signed by the Chair for identification purposes) (the “**SGM Resolutions**”); and
- (b) any effect on, variation, modification, abrogation and/or deemed variation, modification or abrogation of the special rights, privileges and/or investment policies attached to the Ordinary Shares which will, or may, result from the passing and carrying into effect of the SGM Resolutions,

and such sanction, approval and consent shall become effective only if the SGM Resolutions are duly passed at the Special General Meeting.

BY ORDER OF THE BOARD  
13 March 2020

*Registered Office*  
Crawford House  
50 Cedar Avenue  
Hamilton HM11  
Bermuda

## NOTICE OF SEPARATE CLASS MEETING OF THE HOLDERS OF C SHARES

### CATCO REINSURANCE OPPORTUNITIES FUND LTD.

(incorporated and registered as an exempted mutual fund in Bermuda with registered no. 44855)

NOTICE IS HEREBY GIVEN that a Class Meeting of the holders of C Shares in CATCo Reinsurance Opportunities Fund Ltd (the “**Company**”) will be held at the offices of Markel CATCo Investment Management Ltd. at 8th Floor East, 141 Front Street, Hamilton HM19, Bermuda on 6 April 2020 at 1.10 p.m (London time). Defined terms in this notice will have the meaning given to them in the circular published by the Company on 13 March 2020 (the “**Circular**”). This C Share Class Meeting is being convened for the purpose of considering and, if thought fit, passing the following resolution which will be proposed as a special resolution:

#### SPECIAL RESOLUTION

THAT the C Shareholders hereby sanction, approve and consent to:

- (a) the passing and carrying into effect the resolutions set out in the notice of the Special General Meeting of the Company convened for 1.00 p.m. (London time) on 6 April 2020 (a copy of which is produced to the meeting and signed by the Chair for identification purposes) (the “**SGM Resolutions**”); and
- (b) any effect on, variation, modification, abrogation and/or deemed variation, modification or abrogation of the special rights, privileges and/or investment policies attached to the C Shares which will, or may, result from the passing and carrying into effect of the SGM Resolutions,

and such sanction, approval and consent shall become effective only if the SGM Resolutions are duly passed at the Special General Meeting.

BY ORDER OF THE BOARD  
13 March 2020

*Registered Office*  
Crawford House  
50 Cedar Avenue  
Hamilton HM11  
Bermuda

## Notes to the Notices of Special General Meeting and Class Meetings of the Ordinary Shareholders and C Shareholders:

1. Every holder has the right to appoint some other person(s) of their choice, who need not be a shareholder as his proxy to attend, speak and vote on their behalf at the meeting. A member entitled to attend and vote at a Special General Meeting or Class Meeting may appoint one or more proxies (who need not be members of the Company) to attend, speak and vote on his or her behalf. A shareholder may appoint more than one proxy in relation to a Special General Meeting or Class Meeting provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that shareholder. In order to be valid, any appointment of proxy (and the power of attorney or other authority, if any, under which it is signed or a notarially certified or office copy of such power or authority) must be put in place in accordance with these notes and the notes set out on the accompanying Form of Proxy and returned in hard copy form by post, by courier or by hand, to the Company's registrars' UK agent, Link Asset Services, PXS1, 34 Beckenham Road, Beckenham, Kent BR3 4ZF, UK, by no later than 1.00 p.m. (London time) on 2 April 2020 in respect of Special General Meeting, 1.05 p.m. (London time) on 2 April 2020 in respect of the Ordinary Share Class Meeting, and 1.10 p.m. (London time) on 2 April 2020 in respect of the C Share Class Meeting.
2. The Special General Meeting will be held at 1.00 p.m. (London time) on 6 April 2020, the Ordinary Share Class Meeting will be held at 1.05 p.m. (London time) on 3 April 2020 and the C Share Class Meeting will be held at 1.10 p.m. (London time) on 6 April 2020. Each meeting will be held at the offices of Markel CATCo Investment Management Ltd. at 8th Floor East, 141 Front Street, Hamilton HM19, Bermuda.
3. Returning a Form of Proxy will not preclude a member from attending a Special General Meeting or a Class Meeting and voting in person.
4. A Depository Interest Holder who is a CREST member and who wishes to appoint, or to give instruction to, the depository through the CREST electronic proxy appointment service may do so by using the procedures described in the CREST Manual (available via [www.euroclear.com/CREST](http://www.euroclear.com/CREST)). CREST personal members or other CREST sponsored members, and those CREST members who have appointed a service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf. In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a CREST Proxy Instruction) must be properly authenticated in accordance with Euroclear UK & Ireland Limited's specifications, and must contain the information required for such instruction, as described in the CREST Manual (available via [www.euroclear.com/CREST](http://www.euroclear.com/CREST)). The message, regardless of whether it constitutes the appointment of a proxy or is an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by the issuer's agent (ID RA10) by no later than 1.00 p.m. (London time) on 1 April 2020 in respect of Special General Meeting, 1.05 p.m. (London time) on 1 April 2020 in respect of the Ordinary Share Class Meeting, and 1.10 p.m. (London time) on 1 April 2020 in respect of the C Share Class Meeting. For this purpose, the time of receipt will be taken to be the time (as determined by the time stamp applied to the message by the CREST Application Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means. CREST members and, where applicable, their CREST sponsors, or voting service providers should note that Euroclear UK & Ireland Limited does not make available special procedures in CREST for any particular message. Normal system timings and limitations will, therefore, apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member, or sponsored member, or has appointed a voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting system providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings. The return of a completed Form of Direction or CREST Proxy Instruction will not prevent a Depository Interest Holder from attending the Special General Meeting or a Class Meeting and voting in person (in substitution for their proxy vote) if they wish to do so and are so entitled and, if a Depository Interest Holder wishes to attend a Class Meeting or a Special General Meeting, a letter of representation must be requested from Link Asset Services by no later than 1.00 p.m. (London time) on 1 April 2020 in respect of Special General Meeting, 1.05 p.m. (London time) on 1 April 2020 in respect of the Ordinary Share Class Meeting, and 1.10 p.m. (London time) on 1 April 2020 in respect of the C Share Class Meeting.
5. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5) (a) of the Uncertificated Securities Regulations 2001.
6. As at the date of this Circular, the Company's issued share capital is 305,811,860 Ordinary Shares carrying one vote each and 437,412,476 C Shares carrying one vote each.
7. Copies of the following documents will be available for inspection at the registered office of the Company, Crawford House, 50 Cedar Avenue, Hamilton HM11, Bermuda during normal business hours until the conclusion of the Class Meetings: (i) the existing Bye-laws of the Company; (ii) the new Bye-laws of the Company proposed to be adopted at the Special General Meeting, showing the amendments proposed to the Company's existing Bye-laws; and (iii) a copy of this Circular.
8. If your address information is incorrect, you should call Link Asset Services on 0371 664 0321. Calls are charged at the standard geographic rate and will vary by provider. Calls from outside the United Kingdom will be charged at the applicable international rate. Link Asset Services is open between 9.00 a.m. to 5.30 p.m., Monday to Friday excluding public holidays in England and Wales. Please note that Link Asset Services cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes.
9. Depository Interest Holders who do not lodge their voting instructions via CREST Electronic Proxy Appointment Service may submit a Form of Direction and the power of attorney or other authority (if any) under which it is signed, or a notarially or otherwise certified copy of such power or authority, to Link Asset Services, PXS, 34 Beckenham Road, Beckenham, BR3 4TU, UK by no later than 1.00 p.m. (London time) on 1 April 2020 in respect of Special General Meeting, 1.05 p.m. (London time) on 1 April 2020 in respect of the Ordinary Share Class Meeting, and 1.10 p.m. (London time) on 1 April 2020 in respect of the C Share Class Meeting.



## PART 5

### DEFINITIONS

The following definitions apply throughout this Circular, unless stated otherwise:

<b>“Business Day”</b>	means a day on which the London Stock Exchange is open, other than a Saturday, Sunday or other day when banks in the City of London are not generally open for non-automated business;
<b>“Bye-laws”</b>	means the bye-laws of the Company;
<b>“C Shares”</b>	means the C shares, being a temporary and separate class of shares, in the capital of the Company existing as at the date of this Circular and, where the context requires, a Depository Interest issued in respect of an Ordinary Share;
<b>“C Shareholder”</b>	a holder of C Shares;
<b>“C Share Class Meeting”</b>	a separate class meeting of the holders of C Shares convened on 6 April 2020 (or any adjournment thereof);
<b>“certificated” or “in certificated form”</b>	means in relation to a share or other security, a share or other security, title to which is recorded in the relevant register of the share or other security concerned as being held in certificated form (that is, not in CREST);
<b>“Circular”</b>	means this Circular;
<b>“Class Meeting”</b>	means a C Share Class Meeting and/ or Ordinary Share Class Meeting, as the context requires;
<b>“Companies Act”</b>	means the Bermuda Companies Act 1981, as amended;
<b>“CREST”</b>	means the relevant system (as defined in the CREST Regulations) in respect of which Euroclear is the Operator (as defined in the CREST Regulations);
<b>“CREST Manual”</b>	means the CREST manual issued by Euroclear;
<b>“CREST member”</b>	means a person who has been admitted by Euroclear as a system member (as defined in the CREST Regulations);
<b>“CREST participant”</b>	means a person who is, in relation to CREST, a system-participant (as defined in the CREST Regulations);
<b>“CREST Proxy Instruction”</b>	means the instruction whereby CREST members send a CREST message appointing a proxy to attend and vote in place of a Depository Interest Holder at a Class Meeting and instructing the proxy how to vote and containing the information set out in the CREST Manual;
<b>“CREST Regulations”</b>	means the Uncertificated Securities Regulations 2001 (SI 2001/3755);
<b>“CREST sponsor”</b>	means a CREST participant admitted to CREST as a CREST sponsor being a sponsoring system participant (as defined in the CREST Regulations);
<b>“CREST sponsored member”</b>	means a CREST member admitted to CREST as a sponsored member;
<b>“Depository”</b>	means Link Market Services Trustees Limited;

<b>“Depository Interests”</b>	means the dematerialised Depository Interests issued, on a one-for-one basis, in respect of Ordinary Shares and/or C Shares (as applicable);
<b>“Directors” or “Board”</b>	means the directors of the Company;
<b>“Depository Interest Holders”</b>	holders of Depository Interests in respect of Shares;
<b>“Eligible Shareholder”</b>	means an Ordinary Shareholder and/or C Shareholder (as applicable) who is eligible to vote on the Proposals, other than an Excluded Shareholder;
<b>“Euroclear”</b>	means Euroclear UK & Ireland Limited, the Operator of CREST;
<b>“Excluded Shareholder”</b>	means a Shareholder with a registered address in or who is located in a Restricted Jurisdiction;
<b>“FCA”</b>	means the UK Financial Conduct Authority;
<b>“Forms of Direction”</b>	means the forms of direction enclosed with this Circular for use by Depository Interest Holders in connection with the Class Meetings;
<b>“Forms of Proxy”</b>	means the forms of proxy enclosed with this Circular for use by Shareholders in connection with the Class Meetings;
<b>“FSMA”</b>	means the Financial Services and Markets Act 2000, as amended;
<b>“HMRC”</b>	means H.M. Revenue and Customs;
<b>“Investment Manager”</b>	means Markel CATCo Investment Management Ltd., a company incorporated in Bermuda with registered number 50596;
<b>“Link Asset Services”</b>	is a trading name of Link Market Services Limited;
<b>“Master Fund”</b>	means Markel CATCo Diversified Fund, a segregated account of the Master Fund SAC;
<b>“Master Fund SAC”</b>	means Markel CATCo Reinsurance Fund Ltd, a segregated accounts company incorporated in Bermuda;
<b>“Master Fund Share”</b>	means a share in the capital of the Master Fund SAC attributable to the Master Fund;
<b>“NAV” or “Net Asset Value”</b>	means: <ul style="list-style-type: none"> <li>(a) in relation to the Company, the net asset value of the Company as a whole on the relevant date calculated in accordance with the Company’s normal accounting policies; and</li> <li>(b) in relation to a Share of a particular class, means the net asset value of the Company in respect of that class on the relevant date calculated in accordance with the Company’s normal accounting policies divided by the total number of Shares of the relevant class then in issue (excluding, for the avoidance of doubt, any Shares of that class held in treasury);</li> </ul>
<b>“Numis”</b>	means Numis Securities Limited;
<b>“Ordinary Shareholder”</b>	means a holder of Ordinary Shares;

<b>“Ordinary Shares”</b>	means the ordinary shares in the capital of the Company existing as at the date of this Circular and, where the context requires, a Depository Interest issued in respect of an Ordinary Share;
<b>“Ordinary Share Class Meeting”</b>	a separate class meeting of the holders of Ordinary Shares convened on 6 April 2020 (or any adjournment thereof);
<b>“Participant ID”</b>	means the identification code or membership number used in CREST to identify a particular CREST member or other CREST participant;
<b>“Receiving Agent”</b>	means either Link Market Services Trustees Limited or Link Market Services Limited (as the context requires);
<b>“Record Date”</b>	means close of business on 17 March 2020;
<b>“Redemption Announcement”</b>	means the announcement to be made by the Company to Shareholders in advance of any compulsory redemption;
<b>“Redemption Date”</b>	means the effective date on a compulsory redemption of Ordinary Shares or C Shares;
<b>“Redemption Record Date”</b>	means the close of business on the relevant Redemption Date or as otherwise set out in the relevant Redemption Announcement;
<b>“Redemption Price”</b>	means the Net Asset Value per Share of the Shares that will be redeemed on a given Redemption Date (as determined by the Directors), less the costs associated with the relevant redemption and adjusted as the Directors consider appropriate;
<b>“Register”</b>	means the register of members of the Company;
<b>“Registrar”</b>	means Link Asset Services (in its capacity as registrar);
<b>“Regulatory Information Service”</b>	means a regulatory information service approved by the FCA and on the list of regulatory information services maintained by the FCA;
<b>“Resolutions”</b>	means the special resolutions to be proposed at the Special General Meeting and the Class Meetings in the form set out in the notices at Part 4 of this Circular;
<b>“Shares”</b>	means the Ordinary Shares and/or the C Shares as the context so requires;
<b>“Shareholder”</b>	registered holders of Shares or, where the context so requires, holders of Depository Interests;
<b>“Special General Meeting”</b>	a special general meeting of the holders of Shares in the Company convened on 6 April 2020 (or any adjournment thereof);
<b>“uncertificated” or “in uncertificated form”</b>	means, in relation to a share or other security, a share or other security, title to which is recorded in the relevant register of the share or other security concerned as being held in uncertificated form (that is, in CREST) and title to which may be transferred by means of CREST; and
<b>“US dollar” or “US\$”</b>	means the lawful currency of the United States.

