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This document is an admission document prepared in accordance with the rules of AIM, a market operated by the London Stock Exchange and does not comprise a prospectus for the purposes of the Prospectus Rules and has not been approved by or filed with the Financial Services Authority. **Application has been made for all of the issued and to be issued Ordinary Shares to be admitted to trading on AIM. It is expected that Admission will become effective and that trading in the Ordinary Shares will commence on AIM on 21 October 2009.**

The Company and its Directors, whose names appear on page 5 of this document, accept responsibility for the information contained in this document including individual and collective responsibility for compliance with the AIM Rules for Companies and the Guernsey Prospectus Rules. To the best of the knowledge and belief of the Company and its Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this document is in accordance with the facts, and does not omit anything likely to affect the import of such information.

AIM is a market designed primarily for emerging or smaller companies to which a higher investment risk tends to be attached than to larger or more established companies. AIM securities are not admitted to the Official List of the UK Listing Authority. A prospective investor should be aware of the risks of investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with an independent financial adviser. Each AIM company is required pursuant to the AIM Rules for Companies to have a nominated adviser. The nominated adviser is required to make a declaration to the London Stock Exchange on admission in the form set out in Schedule Two to the AIM Rules for Nominated Advisers. The London Stock Exchange has not itself examined or approved the contents of this document.

BURFORD CAPITAL LIMITED

(a closed-ended investment company incorporated in Guernsey with limited liability under The Companies (Guernsey) Law, 2008 (as amended) with registered number 50877)

PLACING OF 80,000,000 ORDINARY SHARES AT A PRICE OF 100 PENCE PER ORDINARY SHARE AND ADMISSION TO TRADING ON AIM

Sole Bookrunner, Nominated Adviser and Broker
FOX-PITT, KELTON LIMITED

Co-Lead Manager
EXECUTION LIMITED

Expected share capital of the Company immediately following Admission

<i>Authorised Number</i>		<i>Issued and fully paid Number</i>
500,000,000	Ordinary Shares of no par value	80,000,000

Your attention is drawn in particular to the Risk Factors in Part 1 of this document.

The Company is a registered closed-ended investment scheme registered pursuant to the Protection of Investors (Bailiwick of Guernsey) Law, 1987, as amended and The Registered Collective Investment Scheme Rules 2008 issued by the Guernsey Financial Services Commission (the "GFSC"). The GFSC, in granting registration, has not reviewed this document but has relied upon specific warranties provided by the Company's Guernsey licensed Administrator. Neither the GFSC nor the States of Guernsey Policy Council take any responsibility for the financial soundness of the Company or for the correctness of any of the statements made or opinions expressed with regard to it.

The Placing Shares will, on issue, rank in full for all dividends and other distributions declared, paid or made in respect of the Ordinary Shares after Admission and will otherwise rank *pari passu* in all respects with each other.

FPK, which is authorised and regulated in the United Kingdom by the Financial Services Authority, is acting as sole bookrunner, nominated adviser and broker to the Company and is acting exclusively for the Company and for no one else in connection with the Placing and Admission. FPK will not be responsible to anyone other than the Company for providing the protections afforded to clients of FPK or for advising any other person on the contents of this document or the Placing and Admission. The responsibility of FPK as nominated adviser to the Company is owed solely to the London Stock Exchange and is not owed to the Company or any Director or to any other person in respect of their decision to acquire Ordinary Shares in reliance of any part of this document. No representation or warranty, express or implied, is made by FPK as to the contents of this document (without limiting the statutory rights of any person to whom this document is issued). No liability whatsoever is accepted by FPK for the accuracy of any information or opinions contained in this document or for the omission of any material information for which it is not responsible.

Execution Ltd, which is authorised and regulated in the United Kingdom by the Financial Services Authority, is acting as co-lead manager to the Company and is acting exclusively for the Company and for no one else in connection with the Placing and Admission. Execution Ltd will not be responsible to anyone other than the Company for providing the protections afforded to clients of Execution Ltd or for advising any other person on the contents of this document or the Placing and Admission. No representation or warranty, express or implied, is made by Execution Ltd as to the contents of this document (without limiting the statutory rights of any person to whom this document is issued). No liability whatsoever is accepted by Execution Ltd for the accuracy of any information or opinions contained in this document or for the omission of any material information for which it is not responsible.

In connection with the Placing, FPK and any affiliate acting as an investor for its own account may take up the Ordinary Shares and in that capacity may retain, purchase or sell for its own account such securities and/or any related investments and may offer to sell such securities and/or other investments otherwise than in connection with the Placing. FPK does not intend to disclose the extent of any such investment or transactions otherwise than in accordance with any legal or regulatory obligation to do so.

Copies of this document will be available during normal business hours on any day (except Saturdays, Sundays, bank and public holidays) free of charge to the public at the offices of FPK, 25 Cophthall Avenue, London EC2R 7BP for one month from the date of Admission.

IMPORTANT NOTICE

This document does not constitute an offer to sell or an invitation to subscribe for, or a solicitation of any offer to subscribe for or buy any Ordinary Shares in the Company to any person in any jurisdiction in which such offer or solicitation is unlawful. This document should not be distributed, published, reproduced or otherwise made available in whole or in part or disclosed by recipients to any other person and, in particular, should not be distributed to persons with addresses in Canada, Australia, Japan, South Africa or the Republic of Ireland or in any other country outside the United Kingdom where such distribution may lead to a breach of any law or regulatory requirements. No securities commission or similar authority in Canada has in any way passed on the merits of the securities offered hereunder and any representation to the contrary is an offence. No document in relation to the Placing has been, or will be, lodged with, or registered by, The Australian Securities Commission, and no registration statement has been, or will be, filed with the Japanese Ministry of Finance in relation to the Placing or the Securities. Accordingly, subject to certain exceptions, the Securities may not, directly or indirectly, be offered or sold within Canada, Australia, Japan, South Africa or the Republic of Ireland or offered or sold to a resident of Canada, Australia, Japan, South Africa or the Republic of Ireland. A registered collective investment scheme is not permitted to be directly offered to the public in Guernsey but may be offered to regulated entities in Guernsey or offered to the public by entities appropriately licensed under the Protection of Investors (Bailiwick of Guernsey) Law, 1987, as amended.

The Ordinary Shares have not been, and will not be, registered under the Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States and may not be offered or sold within the United States or to, or for the account or benefit of, any US Person as that term is defined in Regulation S unless an exemption from the registration requirements of the Securities Act is available.

The Company has not been registered and will not register under the United States Investment Company Act of 1940, as amended (the “US Investment Company Act”) and investors will not be entitled to the benefit of that Act.

Forward-looking statements

This document includes statements that are, or may be deemed to be, “forward-looking statements”. These forward-looking statements can be identified by the use of forward-looking terminology, including the terms “believes”, “estimates”, “anticipates”, “expects”, “intends”, “may”, “will” or “should” or, in each case, their negative or other variations or comparable terminology. These forward-looking statements relate to matters that are not historical facts. They appear in a number of places throughout this document and include statements regarding the intentions, beliefs or current expectations of the Company, the Directors and the Investment Adviser concerning, amongst other things, the investment strategy, financing strategies, investment performance, results of operations, financial condition, liquidity, prospects, and dividend policy of the Company and the markets in which it will operate. By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future.

Forward-looking statements are not guarantees of future performance. The Company’s actual investment performance, results of operations, financial condition, liquidity, dividend policy and the development of its financing strategies may differ materially from the impression created by the forward-looking statements contained in this document. In addition, even if the investment performance, results of operations, financial condition, liquidity and dividend policy of the Company, and the development of its financing strategies, are consistent with the forward-looking statements contained in this document, those results or developments may not be indicative of results or developments in subsequent periods. Important factors that may cause these differences include, but are not limited to, changes in general market conditions and in the business of investing in or financing claims or disputes specifically, legislative or regulatory changes, changes in taxation regimes or the anticipated tax treatment of the Company or its investments, the Company’s ability to invest its cash and the proceeds of the Placing in suitable investments on a timely basis, the Company’s ability to manage its portfolio of investments on satisfactory terms, the availability and cost of capital for future investments, the continued provision of services by the Investment Adviser and its ability to retain key personnel.

Potential investors are advised to read this document in its entirety, and, in particular, the section entitled “Risk Factors” for a further discussion of the factors that could affect the Company’s future performance. In light of these risks, uncertainties and assumptions, the events described in the forward-looking statements in this document may not occur. These forward-looking statements speak only as at the date of this document. Subject to its legal and regulatory obligations (including under the AIM Rules for Companies and the Guernsey Prospectus Rules), the Company expressly disclaims any obligations to update or revise any forward-looking statement contained herein to reflect any change in expectations with regard thereto or any change in events, conditions or circumstances on which any statement is based.

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DIRECTORS, INVESTMENT ADVISER AND ADVISERS

Directors	Sir Peter Edward Middleton (Non-executive Chairman) Hugh Steven Wilson (Non-executive Vice Chairman) Charles Nigel Kennedy Parkinson (Non-executive Director) David Charles Lowe (Non-executive Director) All of:
Registered Office	Regency Court Gategny Esplanade St Peter Port Guernsey GY1 1WW
Principals	Christopher Peter Bogart Selvyn Seidel Both of:
Investment Adviser	Burford Group Limited Regency Court Gategny Esplanade St Peter Port Guernsey GY1 1WW
Sole Bookrunner, Nominated Adviser and Broker to the Company	Fox-Pitt, Kelton Limited 25 Copthall Avenue London EC2R 7BP
Co-lead Manager	Execution Limited The Old Truman Brewery 91 Brick Lane London E1 6QL
English Solicitors to the Company	Latham & Watkins (London) LLP 99 Bishopsgate London EC2M 3XF
Guernsey Advocates to the Company	Ogier Ogier House St Julian's Avenue St Peter Port Guernsey GY1 1WA
Solicitors to the Sole Bookrunner and Co-lead Manager	Addleshaw Goddard LLP Milton Gate 60 Chiswell Street London EC1Y 4AG
Auditors and Reporting Accountants	PricewaterhouseCoopers CI LLP National Westminster House Le Truchot St Peter Port Guernsey GY1 4ND
Administrator and Secretary	International Administration (Guernsey) Limited Regency Court Gategny Esplanade St Peter Port Guernsey GY1 1WW

Principal Bankers to the Company

HSBC Bank plc
HSBC House
Lefebvre Street
St Peter Port
Guernsey GY1 4EU

Registrars

Capita Registrars (Guernsey) Limited
Longue Hougue House
St Sampson
Guernsey GY2 4JN

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Admission and expected commencement of dealings	21 October 2009
CREST accounts credited (as applicable)	21 October 2009
Despatch of definitive share certificates	by 28 October 2009

Each of the times and dates in the above timetable is subject to change. All times are London times.

PLACING STATISTICS

Placing Price per Ordinary Share	100p
Number of new Ordinary Shares being placed	80,000,000
Number of Ordinary Shares in issue immediately following the Placing	80,000,000
Estimated initial Net Asset Value per Ordinary Share on Admission	95.4p
Market capitalisation of the Company at the Placing Price	£80 million
Estimated gross proceeds of the Placing	£80 million
Estimated net proceeds of the Placing receivable by the Company	£76.3 million
ISIN code	GG00B4L84979

SUMMARY INFORMATION

The following is a summary of certain information appearing elsewhere in this document and should be read as an introduction to this document only. This summary is qualified in its entirety by, and should be read in conjunction with, the more detailed information and financial information appearing elsewhere in this document. Any decision to invest in Ordinary Shares should be based on consideration of this document as a whole. Prospective investors should consider the factors and risks attaching to an investment in the Ordinary Shares and in particular the risk factors set out in Part 1 of this document.

1. The Company

Burford Capital Limited is an investment company formed to invest in large commercial disputes, with an initial focus on litigation in the United States as well as international arbitration matters.

The investment objective of the Company is to provide investors with attractive dividend returns and capital appreciation through investing in claims and disputes.

2. Investment Proposition

In its most basic form, investing in disputes involves funding the costs associated with bringing a litigation or arbitration claim in return for a share of any recovery (whether through settlement or ultimate adjudication). Other variations of the asset class abound, including the outright purchase of claims and judgements.

Spending on litigation in the United States is enormous, both as to fees paid to lawyers and as to amounts paid to resolve claims. Tens of billions of dollars are paid each year in legal fees and hundreds of billions of dollars are paid each year to resolve claims.

While dispute finance has existed for many years in the United States in a variety of forms, such as through contingent fee plaintiffs' law firms, the existence of dedicated dispute funders is a relatively new development in the market, and it is reported by firms in the market that there are substantial numbers of viable claims seeking what relatively little dedicated funding is available.

3. Investment Approach

The Company's investment approach is to create a portfolio of dispute finance investments, diversified by duration, claim type, geography and a number of other variables. The Company believes that adopting a portfolio management approach to dispute finance investing has the potential to create attractive returns on capital. The Company also believes that the relationships and experience of the Investment Adviser will provide an ongoing source of investment opportunities. Because disputes are resolved without regard to the public markets, investments in disputes are entirely uncorrelated to the performance of the public equity markets.

4. Investment Adviser

Under the Investment Adviser Agreement, the Investment Adviser will be responsible for sourcing, evaluating, negotiating and monitoring investments on behalf of the Company, although the Board or its investment committee will approve each of the Company's investments.

The Company has entered into a relationship with the Investment Adviser, the principals of which are two lawyers, Christopher Bogart and Selvyn Seidel. Mr. Seidel has spent more than forty years as a practising litigator and ran a variety of litigation functions for one of the largest law firms in the world, and Mr. Bogart has been a practising litigator, the general counsel of a Fortune 50 corporation managing a portfolio of litigation, and an investment manager. The Investment Adviser also employs and contracts with a variety of professionals to assist it in its functions.

5. Fees

The Investment Adviser is entitled to an annual advisory fee from the Company at the rate of 2 per cent. per annum of the Adjusted Net Asset Value and a performance fee based on the performance of the Company, further details of which are set out in paragraph 3 of Part 3 of this document.

6. Dividend Policy

The Company has adopted a dividend policy that expresses an intention to pay cash dividends from net realised gains in a manner that provides an ongoing level of dividend income to shareholders.

7. The Board

The Company has an experienced board of independent directors, chaired by Sir Peter Middleton, the former Chairman and Chief Executive of Barclays, that will approve each investment individually (either directly or through a committee of the board) based on recommendations from the Investment Adviser.

8. The City Code

Assuming the Placing Shares are issued in full, funds managed by Invesco Perpetual would hold 45 per cent. of the Company's issued share capital. In this case, the Executive of the Takeover Panel has agreed to waive the mandatory bid obligation under Rule 9 of the City Code given the disclosure of Invesco Perpetual's potential shareholding in this document. The Executive of the Takeover Panel has also waived, subject to certain limitations, the obligation for Invesco Perpetual to make an offer for the Company should their shareholding increase as a result of the Company executing its share buyback authority. If Invesco Perpetual were to increase its percentage interest in the Company, other than subject to the provisions of the share buyback, it may be subject to a mandatory bid obligation under Rule 9 of the City Code.

PART 1

RISK FACTORS

An investment in the Ordinary Shares involves a degree of risk. Prospective investors should consider carefully the risk factors described below, together with all the other information set out in this document and their own circumstances, before deciding to invest in the Ordinary Shares. Should any of the following events or circumstances occur, the Company's results of operations, financial condition and business prospects could be materially adversely affected. In such circumstances, the market price of the Ordinary Shares could decline and investors could lose all or part of the value of their investment. The risks and uncertainties described below are not the only ones faced by the Company and are not set out in any particular order of priority. Additional risks and uncertainties not presently known or currently viewed as immaterial may also have a material adverse effect on the Company's results of operations, financial condition and business prospects.

Before making a final investment decision, prospective investors should consider carefully whether an investment in the Company is suitable for them and, if they are in any doubt, should consult with an independent financial adviser authorised under the Financial Services and Markets Act 2000 who specialises in advising on the acquisition of shares and other securities in the UK.

RISKS RELATING TO THE COMPANY

Recently formed company

The Company was incorporated on 11 September 2009, has not yet commenced operations and has no financial track record. In addition, the Company has not currently committed to any investments and its near term and longer term opportunities will only be identified after the Placing is completed. As a result, prospective investors do not have financial or other information regarding specific investment opportunities of the Company or information on the Company's future prospects to assist in making their investment decision.

Whilst the Company has, with the assistance of the Administrator, agreed and implemented financial controls and reporting systems and procedures to support its governance, reporting and disclosure obligations as a publicly traded company, as a newly incorporated entity which has yet to commence operations these have yet to be tested in a live environment and there is no certainty that they will function as designed in practice or at all. Accordingly, no assurance can be given that the Company will be able to provide investors with the financial information they may expect or desire or that the Company will be able to provide such information within the timeframe that investors expect.

Any failure in achieving its investment strategy or in managing its financial controls, reporting systems or procedures could have a material adverse effect on the Company's results of operations, financial condition and business prospects.

Life of the Company

The Company does not have a fixed life but the Board considers it desirable that Shareholders should have the opportunity to review the future of the Company at appropriate intervals. Accordingly, the Board intends at the annual general meeting of the Company to be held to consider the accounts for the financial period ending 31 December 2015 (or any accounting period substituted for it) an ordinary resolution shall be proposed that the Company shall continue in existence. If the resolution to continue in existence is passed, a similar ordinary resolution will be proposed at every third annual general meeting thereafter. If that resolution is not passed, the Directors are required to formulate proposals to be put to members to wind up the Company. Therefore, Shareholders will only be able to realise their investment by selling their Ordinary Shares or accepting any buyback programme proposals that may or may not be made by the Company from time to time.

Competition

Competition for attractive investment opportunities may lead to lower potential returns than expected from individual investments which may affect the Company's ability to invest on terms which the Investment Adviser considers attractive. The Company may face competition from other entities, some of which may have significantly greater financial and/or technical resources than the Company, whose business may be at a more mature stage of development than that of the Company, which may develop or market alternative financial arrangements that are more effective or less susceptible to challenge than those developed or marketed by the Company, or that might render the Company's investment strategy obsolete or uncompetitive.

Guernsey law and the City Code

The Company is a limited liability company incorporated under the Law. Guernsey law does not make a distinction between private and public companies and some of the protections and safeguards that investors may expect to find in relation to a public company are not provided for under Guernsey law.

It is expected that the Company will be subject to the City Code which will provide certain protections to Shareholders in the event of a takeover bid. Should the Company's Ordinary Shares cease to trade on AIM or should the place of central management and control alter from Guernsey, investors may not be afforded the protections of the City Code.

Hedging and currency risk

The Company's assets are expected to be denominated in dollars and the Company's financial information will be presented in dollars. Some of the Company's expenses will be denominated in dollars but others will be in sterling and other currencies. Returns of capital and, if paid, dividends will be denominated in sterling. The Company may hedge some of its exposure to the US dollar or other non-sterling currencies through forward foreign exchange contracts or through other financial products. While hedging may reduce currency risk, it is not possible to hedge fully or perfectly against currency fluctuations, and the Company may also elect to forego hedging to save the attendant expense. Accordingly, investors will be exposed to exchange rate risks between dollars (or other non-sterling currency) and sterling such that if the value of the dollar (or other non-sterling currency) falls relative to sterling, the Company's assets will, in sterling terms, be worth less.

Interest rate risk

If the Company were to enter into financing arrangements where its exposure to floating interest rates was not hedged, or should a counterparty fail, the Company may be subject to interest rate risk and changes in interest rates could have a material adverse effect on the Company's results of operations, financial condition and business prospects.

Additional capital

Should the Company require additional funds in order to carry out its investment strategy, there can be no assurance that the Company will be able to raise additional capital which it may require on favourable terms or at all. Any additional capital raising by issuing Ordinary Shares may be dilutive to Shareholders, and any debt financing, if available, may require the Company to be bound by financial covenants that could limit the Company's operations. If the Company is unable to obtain additional funding as needed it may be required to reduce the scope of its operations and it could conceivably default on its obligations, causing it potential losses and liability for damages.

The Company may experience fluctuations in its operating results

Investors contemplating an investment in the Ordinary Shares should recognise that their market value can fluctuate and may not always reflect the underlying operating results of the Company. Such operating results may themselves vary from time to time due to a variety of factors including, but not limited to, the changes in accounting valuations of the investments made by the Company, the recognition of recoveries and the collection of awards, settlement monies or other funds from investments. The actual results of the Company for a particular period should therefore not be taken as indicative of its performance in a future period. It should be remembered that the price of the Ordinary Shares and the income from them can go down as well as up.

The application of IFRS accounting standards and the lack of current and timely information about individual cases

The Company will present its financial statements pursuant to IFRS accounting standards. Those standards require the Company to estimate its likely net investment return on each investment and to take into account the probable return over the anticipated life of the investment, even though no investment return has actually yet occurred and projections of likely investment return are inherently speculative when dealing with litigation, claims, defences, and disputes. Amongst other things, this accounting treatment will result in the Company's Net Asset Value as reported pursuant to IFRS containing potentially substantial amounts of unrealised gains on its investments. Moreover, while the Company intends to review projected investment returns as part of the preparation of its semi-annual financial statements and adjust them in response to major developments in a litigation matter, it will not routinely adjust projected returns simply for minor developments or adjustments in sentiment and it will not adjust them or make public announcements about developments in individual cases between those semi-annual reviews. Thus, the Company's financial statements (while adhering to accounting standards) may not provide shareholders with current information about the actual performance of the Company's investments and may be confusing to shareholders by showing significant amounts of recorded income when that income may still be entirely estimated. It may also be the case that a significant development (such as a large win or a large loss) in a particular case will have occurred without Shareholders' knowledge until the Company's next publication of its results unless the development is so material to the Company's overall financial position that an earlier public announcement is required by law.

Influence of Invesco

Assuming the Placing Shares are issued in full, funds managed by Invesco Perpetual will hold a significant shareholding in the Company (being 45 per cent. of the Company's issued share capital). This may impact on the outcome of those decisions and activities of the Company which require shareholder approval or ratification.

RISKS RELATING TO THE COMPANY'S INVESTMENT STRATEGY

Ethics and legal restrictions

Law and professional regulation (including ethics regulation) in the area of acquiring or otherwise taking a financial position or a commercial interest with respect to claims and defences, or in what is commonly referred to as the "litigation or claim funding" area or the "litigation or claim financing" area, can be complex and uncertain in the US and elsewhere. As important illustrations, there exist in various jurisdictions prohibitions or restrictions in connection with purchasing claims from plaintiffs (known as maintenance, and a form of maintenance, called champerty), assignment of certain kinds of claims, and/or participating in a lawyer's contingent fee interests (including ethical rules against sharing fees with lawyers and non-lawyers). Such prohibitions and restrictions to the extent they exist are governed by the rules and regulations of each state and jurisdiction in the United States and vary in degrees of strength and enforcement in different states and federal jurisdictions.

Some jurisdictions in the US and other jurisdictions may not, for legal and professional ethics reasons, permit the Company to make investments in or engage in other business and financial transactions relating to certain litigation and arbitration cases, or the law and regulations in those jurisdictions may be uncertain, and accordingly the Company may not have the ability or the desire to make such investments in these jurisdictions, thereby limiting the size of the potential market. There is also the risk that the Company may make an investment or otherwise engage in a business or financial transaction despite the uncertainty around a certain jurisdiction, leading to that investment being at risk by virtue of its investment agreement being found to be unenforceable.

The Company has retained counsel experienced in ethics and other professional matters, and intends to assess the foregoing legal and ethical and other issues as appropriate as well as on an overall ongoing basis. However, in many jurisdictions, the relevant issues may not have been considered by the courts nor addressed by statute and thus obtaining clear opinions or legal advice may be difficult to achieve. Thus the Company's investments could be open to challenge or subsequently reduced in value or extinguished.

Changes in laws, regulations, or ethical rules in jurisdictions where these restrictions currently do not apply could further reduce or limit opportunities for the Company to make investments or could result in the reduction or extinction of the value of investments already concluded by the Company in such jurisdictions.

Inability to locate and delay in making investments

The success of the Company will be dependent upon, *inter alia*, the Investment Adviser identifying and advising on the conclusion, management and realisation of suitable investments. There is no guarantee that the Investment Adviser will be successful in sourcing suitable investments in a timely fashion or at all, or in sourcing a sufficient number of suitable investments that meet the diversification and underwriting and other requirements of the Company and that are in jurisdictions where such investments are permitted or advisable.

It may take a significant amount of time to deploy the Company's capital fully and a significant proportion of the Net Proceeds may not be used or committed for an indefinite period. There is no obligation on the Company to use or commit any of the Net Proceeds within a certain time period following Admission.

The Company's business model depends upon referral relationships

The Company's investment strategy means that it will rely on the Principals' networking ability to maintain active contacts and communications with legal professionals, other professionals and business and financial parties in order to provide it with investment opportunities. If the Investment Adviser fails to maintain relationships and contacts with key legal professionals and others, or the Investment Adviser fails to establish strong referral relationships with other sources of investment opportunities, the Company may not be able to achieve its investment objectives. The relationships and contacts of the Investment Adviser are not obliged to provide the Company with investment opportunities and therefore there is no assurance that such relationships and contacts will lead to the origination of opportunities and potential investments.

Case selection

The Company's ability to provide returns to Shareholders and achieve its investment objective is substantially dependent on whether or not the cases in which the Company becomes involved with will be successful or will pay the returns targeted by the Investment Adviser or pay those returns in the anticipated time. Assessing the values, strengths and weaknesses of a case is complex and the outcome is not certain. Should cases, claims, defences, or disputes in which the Company invests prove to be unsuccessful or produce returns below those expected by the Investment Adviser, the Net Asset Value per Ordinary Share and/or the market price of the Ordinary Shares could be materially adversely affected.

Evaluation and disclosure of cases and case performance

Details of cases that the Company has or is pursuing or intends to pursue, cannot and will not be disclosed on a named or detailed basis to Shareholders because of confidentiality and other restrictions. To this extent, Shareholders will therefore not have an opportunity to evaluate for themselves such cases and therefore Shareholders will be dependent upon the judgement and ability of the Investment Adviser and the Directors in investing and managing the assets of the Company.

Recovery collection risks

Part of the case selection process for investment involves an assessment by the Investment Adviser of the ability of the defendant to pay a judgement or award if the case is successful. If the defendant is unable to pay or the plaintiff or defendant seeks to challenge the validity of the judgement or award on legal or professional ethics grounds, the Company may encounter difficulties in recovery.

The use of debt finance leverage may increase the Company's financial and business risks

The Company has no debt finance leverage in place at the date of this document and the Directors currently have no intention of utilising debt finance. However the Company might employ a level of structural leverage in its investment strategy. Should the Directors decide it appropriate, the Company is entitled to arrange recourse borrowings on behalf of the Company up to an aggregate level of 50 per cent. of the Net Asset Value (calculated as at the time of drawdown based on the last published Net Asset Value) to partly finance its activity.

The use of leverage creates special risks and would increase the Company's exposure to capital risk and interest costs. Any investment income and gains earned on investments made through the use of leverage that are in excess of the interest costs associated with such investments may cause the Net Asset Value and the Net Asset Value per Ordinary Share to increase more rapidly than would otherwise be the case.

Conversely, where the associated interest costs are greater than such income and gains, the Net Asset Value per Ordinary Share may decrease more rapidly than would otherwise be the case. Lenders may require security to be taken over the Company's assets. Failure by the Company to meet its payment obligations under credit agreements could result in enforcement by lenders of their security interest over the Company's assets, which could have a material adverse effect on the Net Asset Value and returns to Shareholders.

Potential commitments in excess of funds raised

The Company may contract for commitments in matters in excess of the total funds raised in the Placing. While the Company intends to manage its investment portfolio in such a manner as to minimise the risk of a mismatch between commitments and available cash, it is possible that the Company will err and such a mismatch will occur, which could cause damage to the Company and the potential loss of business and financial relationships.

Reliance on lawyers

The Company is particularly reliant on lawyers to litigate claims and defences with due skill and care. If they are not able to do this, or do not do this for other reasons, it is likely to have a material adverse effect on the value of the Company's investment. Whilst the Investment Adviser will evaluate the lawyers involved in any investment (who may or may not be selected by the Company), there is no guarantee that the outcome of a case will be in line with the lawyers' assessment of the case or in line with the expected skill and care from the lawyers.

Concentration risk

Although the Investment Committee cannot commit funds to a single investment in excess of \$15 million without the full Board's prior approval, certain investments may represent a significant proportion of the Company's total assets. As a result, the impact on the Company's performance and the potential returns to investors will be proportionately affected if any one of those investments were to perform badly than would be the case if the Company's portfolio of investments were in smaller sizes.

Expansion

To the extent the Company expands its currently expected scope of activity, it may be required to comply with further laws and regulations applicable in the jurisdictions to which it expands its activities. Such laws and regulations could make it more onerous, financially, legally or otherwise, for the Company to conduct its business and could increase its cost base or decrease its revenue and therefore adversely affect its profitability.

Other conflicts

Although the Investment Adviser and its Principals are bound by a variety of commitments to and restrictions relating to their obligations to the Company, there are circumstances (described fully in section 11 of Part 2 of this document) in which the Investment Adviser and its Principals are not restricted from undertaking similar work for other similar businesses in other capacities for the benefit of parties other than the Company. Although the Investment Adviser gives undertakings as to the handling of such conflicts fairly, the Company may not participate in all investment opportunities generated by the Investment Adviser.

Changes in regulation

The Company is subject to regulatory requirements currently and may be subject to additional regulatory requirements both in its current areas of investments and any future areas of investments. The Company will be under a duty to comply with any new rules, regulations and laws applicable to it. Compliance with these rules, regulations and laws could create additional burdens for the Company and could have a material

adverse effect on the investment strategies of, and/or the value of, direct or indirect business or financial interests of the Company.

Legal professional duties

Where the Company participates in a claim but does not wholly own or control it, the Company will not be the client of the law firm representing the owner of the claim. Accordingly that law firm may be required to act in accordance with its client's wishes rather than those of the Company or may be subject to an overriding duty to the courts.

RISKS RELATING TO THE INVESTMENT ADVISER

New businesses

The Investment Adviser was incorporated on 3 September 2009, has not yet commenced operations and has no financial track record. The Investment Adviser is subject to all the risks and uncertainties associated with any new business enterprise.

Reliance on key personnel

As the Company has no executive directors and no employees, the Board will be reliant on the advice and recommendations it receives from the Investment Adviser and its personnel (or the personnel of its expert consultants, subcontractors or delegates). As a result, the Company's performance will, to a large extent, be dependent upon the judgement and ability of the Investment Adviser (and, in turn, the Principals) to implement the Company's strategy through advising the Board and the Investment Committee of the Board on how to use and commit the Company's capital and finance, manage and realise returns on its interests (although noting that such advice is to be given in accordance with the investment guidelines established by the Board). The success of the Company will therefore depend largely upon the ability and continuing availability of the Principals. Even though both Principals will, through the Investment Adviser Agreement, be subject to certain non-compete restrictions, the death, incapacity or loss of the service of either Principal could have a material adverse impact on the business of the Company. No key man insurance has been taken out in respect of either of the Principals by the Company.

Fees

The existence of a performance fee may create an incentive for the Investment Adviser to propose riskier or more speculative investments than it would otherwise propose in the absence of such fee.

Substantial fees payable regardless of profit

The Company will be under an obligation to pay all fees and properly incurred expenses of the Investment Adviser, the Administrator and the Registrar (to the extent required under the relevant contractual agreements entered into between the Company and the respective parties). These expenses and fees will be payable regardless of the operating results of the Company. For further information, please see paragraph 1 of Part 4 of this document.

RISKS RELATING TO THE ORDINARY SHARES

No prior trading record for the Company or the Ordinary Shares

Since the Ordinary Shares have not previously traded, their market value is uncertain. There can be no assurance how the market will value the Ordinary Shares. Following Admission, the market price of the Ordinary Shares may be volatile and investors may therefore be unable to recover their original investment upon a sale. The Company's results and prospects from time to time may be below the expectations of market analysts.

Equity and economic market conditions may affect the Ordinary Shares regardless of the performance of the Company. Equity and economic market conditions are affected by many factors, such as general economic outlook, movements in or outlook on interest rates and inflation rates, currency fluctuations, commodity prices, changes in investor sentiment towards particular market sectors and the demand for and supply of

capital. Accordingly, the market price of Ordinary Shares may not reflect the underlying value of the Company's commercial interests, and the price at which investors may dispose of their Ordinary Shares at any point in time may be influenced by a number of factors, some of which may be outside the Company's control.

Dividends

The level of dividend to be paid on the Ordinary Shares (if any) is not guaranteed and may fluctuate.

If under Guernsey law there were to be a change to the basis on which dividends could be paid by Guernsey companies, or if there were to be changes to accounting standards or the interpretation of accounting standards, this could have a negative effect on the Company's ability to pay dividends.

AIM investments carry a higher risk

The Ordinary Shares will be admitted to trading on AIM. An investment in shares quoted on AIM may be less liquid and may carry a higher risk than an investment in shares quoted on the Official List. An investment in Ordinary Shares may be difficult to realise. Prospective investors should be aware that the value of the Ordinary Shares may go down as well as up and that the market price of the Ordinary Shares may not reflect the underlying value of the Company. Investors may therefore realise less than, or lose all of, their investment. The AIM Rules for Companies are less demanding than those of the Official List. An investment in shares that are traded on AIM is likely to carry a higher risk than an investment in shares quoted on the Official List.

Lack of liquidity of the Ordinary Shares

Although the Company has applied for the Ordinary Shares to be admitted to trading on AIM, no assurance can be given that at any time after Admission a liquid market for the Ordinary Shares will develop. Shareholders who need to dispose of their Ordinary Shares may be forced to do so at prices that do not fully reflect the Net Asset Value per Ordinary Share.

Market value of Ordinary Shares

The market value of, and the income derived from, the Ordinary Shares can fluctuate. Investors may not get back the full value of their investment. The market value of the Ordinary Shares, as well as being affected by the Net Asset Value per Ordinary Share, also takes into account the relevant dividend yield and prevailing interest rates. As such, the market value of an Ordinary Share may vary considerably from the underlying Net Asset Value per Ordinary Share.

The Company may in the future issue new ordinary shares, which may dilute Shareholders' equity

The Company's capital requirements depend on a number of factors. If its capital requirements vary materially from its current estimates, the Company may require further equity financing. Following Admission, the Company will have authority to issue further Ordinary Shares for cash on a non-pre-emptive basis up to an amount representing 10 per cent. of the share capital on Admission. Therefore, any additional equity financing may be dilutive to the Company's existing Shareholders.

TAX RISKS

Characterisation of Investments

Tax laws and regulations are under constant development and often subject to change as a result of government policy. The Company intends to structure investments on a case-by-case basis in accordance with legal and ethics principles and limitations identified by the Investment Adviser and its professional advisors. There is no guarantee that a state, federal or other governmental taxing authority in the jurisdiction where the investment is made or where the relevant claim is pending will accept, for tax or other regulatory purposes, the characterisation of the investment as intended and documented by the Company and reflected in the investment documents. Taxing or other regulatory authorities may deem the transaction to be characterised differently for local tax or other regulatory purposes, which could yield a different tax or regulatory treatment of the associated investment returns.

If the Company, or a taxing authority, does re-characterise investment contracts or disbursements for their accounting or taxing purposes respectively, this could result in additional tax being assessed on the Company on investment returns associated with the contract; a write down of the value of the investment asset on the books of the Company; or a re-characterisation of the investment contract for purposes of interpretation or enforcement of the Company's rights in a place whose courts have jurisdiction over the enforcement of the investment contract or judgement or arbitral award based on such contract.

Tax Leakage

Although the Company will seek to minimise taxation, some or all revenues earned by the Company may be subject to a significant income or corporate income tax liability (including withholdings) which cannot be reclaimed by the Company. If applicable, the rates of such taxes (or withholdings) will depend on the jurisdiction in which the revenues are earned (or connected) and will reduce the net returns on the Company's investments and, as a result, diminish the potential value of the Company's assets. Potential investors are directed to Part 6 of this document, which provides further information on the taxation of the Company.

Changes in taxation legislation or regulation may adversely affect the Company or Shareholders

Any change in the Company's tax status, or in taxation legislation in Guernsey or any other jurisdictions in which the Company carries on, or is deemed to carry on, a trade or business or from which its income is sourced, could affect the value of its investments and the Company's ability to achieve its investment objective, and may adversely affect returns to Shareholders. Potential investors are directed to Part 6 of this document, which provides further information on the taxation of the Company.

Statements in this document concerning the taxation of the Company or Shareholders are based upon current US, UK and Guernsey tax law and practice, which laws and practice are in principle subject to change that could adversely affect the ability of the Company to meet its investment objective, or alter the post-tax returns to Shareholders.

The UK Government recently introduced changes to the rules relating to the offshore funds regime in the Finance Act 2009, which will generally come into force on 1 December 2009. Under the terms of this legislation, Ordinary Shares acquired prior to 1 December 2009 should not be caught by the new rules. However, were the Company to be classified as a "mutual fund" as a result of these changes, Shareholders may be taxed on the gains realised on the disposal of their Ordinary Shares as income (resulting in the payment of income tax or corporation tax on income) rather than as a capital gain (resulting in the payment of capital gains tax or corporation tax on chargeable gains). This may have a material and adverse impact on the after tax returns received by investors.

Prospective investors are urged to consult their tax advisers with respect to their particular tax situations and the tax effects of an investment in the Company.

PART 2

INFORMATION ON THE COMPANY

1. Introduction

Burford Capital Limited is a newly incorporated limited liability, closed-ended investment company registered in Guernsey. The Company's strategy is to create and manage a diversified portfolio of commercial dispute investments with the objective of providing Shareholders with attractive levels of dividends and capital growth. In the short-term, the Company intends to focus its activities on commercial disputes in the United States and on international arbitration matters; in the medium-term, the Company may expand its focus to other attractive and suitable jurisdictions.

The Directors believe that commercial dispute financing is an expanding investment asset class with the potential to generate attractive returns uncorrelated to general equity market performance. Moreover, the Principals believe that opportunities for dispute financing (although present at all phases of an economic cycle) tend to be particularly robust following economic downturns given the financial constraints on claimants' ability to self-finance the pursuit of their disputes.

Coupled with the opportunities that the Directors believe exist, it is also the Directors' belief that the Company will benefit from the wealth of its aggregated talent, experience and the relationships that both they and the Principals have developed over time.

The Directors bring a range of experience in investment management and litigation matters:

- Sir Peter Middleton is the former Group Chairman and Group Chief Executive of Barclays and is currently the Chairman of Camelot Group Plc, the UK Chairman of Marsh & McLennan Companies and Chairman of the Centre for Effective Dispute Resolution;
- Hugh Steven Wilson is a Managing Partner of Tennenbaum Capital Partners, a private investment firm with several billions of dollars of funds under management, having previously been a senior partner at Latham & Watkins, a leading international law firm, Chairman of the firm's National Litigation Department, and Global Co-Chair of the firm's Mergers and Acquisitions Practice Group;
- Charles Parkinson is a barrister and accountant who is currently the Minister of Treasury & Resources of Guernsey. He is also a director of Mapeley Limited, part of Fortress Investment Group, and Dexion Equity Alternative Limited, a UK listed Guernsey company with K2 Advisers LLC as its investment adviser; and
- David Lowe, OBE is a retired businessman, a former director with Lazards and Barclays Capital in Guernsey and was until recently Senior Jurat, Royal Court of Guernsey.

In addition to the Directors' experience, the Company can also draw upon the expertise of the Principals who have extensive litigation and litigation management experience:

- Selvyn Seidel is a New York litigator with more than 40 years of legal experience; he has held various senior positions with Latham & Watkins, including Chairman of its International Practice, and Chairman of its International Litigation and Arbitration Practice; and has taught litigation practice as an Adjunct Professor of Law at New York University School of Law; and
- Christopher Bogart has held various senior legal and business positions, including as Executive Vice President & General Counsel of Time Warner Inc.; Chief Executive Officer of Time Warner Cable Ventures; a litigator at Cravath, Swaine & Moore; and Chief Executive Officer of Churchill Ventures Ltd., a listed investment concern. He also founded the Glenavy Arbitration Investment Fund LP, an early investor in arbitration dispute finance.

In addition, the Principals have a depth of contacts and relationships with a wide range of experienced and respected experts in law as well as in other occupations that will assist the Company with the sourcing and analysis of potential investments.

2. Market opportunity

In its most basic form, third party funding of disputes permits a party to a potential law suit or arbitration to obtain funding for some or all of the legal costs and expenses associated with that dispute in return for a share of any recovery (whether through settlement or ultimate adjudication). In addition, commercial dispute funding also encompasses outright purchases of all or part of a claim, the purchase of an interest or an asset that is accompanied by an interest in a claim and the making of loans to law firms to finance a portfolio of contingent cases on their books.

The Company will initially focus its investment activity on commercial litigation cases in the United States and international arbitration cases and as a result those markets are described below.

US Legal Market

The United States' legal industry is enormous by any measure. There are more than one million lawyers in the United States. There are more than 40,000 law firms of which the largest 200 law firms alone were estimated to have 2008 revenues of \$84.3 billion according to *The American Lawyer*.

The United States has a long history of high levels of spending on legal fees and liability for claims and disputes, and it also has accepted a range of differing economic arrangements to finance both legal fees and ultimate liability. For example, contingency fees, where lawyers do not charge fees to clients unless and until they secure a recovery and then typically claim a percentage of the recovery, are widespread. Class actions, where the claims of many similarly situated plaintiffs are brought in a single proceeding, are similarly common and make possible the adjudication of many types of claims that could not economically be brought and adjudicated individually. The use of insurance in a number of risk and cost transfer scenarios is common. The provision of third party financing for certain types of matters, such as intellectual property, is now well established.

The amount of total US spending on dispute-related legal (and related professional) fees is difficult to quantify as there is no comprehensive public compilation of such data. However, the Principals estimate that over \$30 billion of the reported annual revenues for the largest 200 law firms in the US in 2008 would represent litigation-related fees and total nationwide spending on legal fees and the other costs of litigation (such as expert witnesses) is by inference considerably higher. That total spending on litigation is theoretically the addressable market for investments in claims and disputes, although there are numerous situations in which, today, a litigant would not elect to avail itself of third party funding, thus reducing the actual size of the market.

The amount of total US spending on the outcome of claims and disputes (that is, the damages and other amounts awarded after adjudication or paid by settlement agreement) is also difficult to quantify. A study on US tort costs issued by Towers Perrin estimated that "commercial tort costs", namely, the amounts paid out in tort claims against businesses, were \$161 billion in 2007, a figure which does not include many other types of claims. A recent study by Professors Robert H. Lande and Joshua P. Davis showed that forty selected major antitrust cases had generated total recoveries of \$18-\$20 billion, or an average of \$450-\$500 million per case.

While litigation in the US is often a lengthy process taking several years for cases to proceed, on average, from filing to trial, the vast majority of cases are either settled or otherwise resolved before trial. In the federal court system, it is reported that only approximately 2 per cent. of filed cases ever begin trial. Thus, settlement of cases is a key factor in the economics and duration of investments in US litigation cases.

International Arbitration Market

In the international arbitration market, the Company will focus on two principal types of matters: arbitrations by a foreign national against a government (often pursuant to the terms of an investment treaty), and arbitrations between private parties from different countries who have agreed to use arbitration to resolve disputes. International arbitrations can occur under the auspices of various arbitral bodies, such as the International Chamber of Commerce, the London Court of International Arbitration or the International Centre for Settlement of Investment Disputes, or they can occur privately pursuant to contract without the involvement of such a body.

International arbitration is an even more difficult market about which to obtain aggregate statistical information because one of the claimed advantages of arbitration is that many arbitrations are conducted confidentially. Nonetheless, based on the informed insight of the Principals gained from their active presence in the arbitration market and the knowledge, experience, contacts and relationships that they have gained, the Directors believe that the use of international arbitration has increased over time. That belief is supported by the increases in volume of cases reported by the major arbitral institutions. For example, ICSID reports that its number of cases is at an all-time high and increased by more than 12 per cent. from 2007 to 2008. Third party studies reveal that several thousand new arbitrations are filed each year at the major arbitral institutions.

Competition

The Directors believe that disputes and claims generate a distinct asset class. The asset is the claim itself, or the economic interest in the claim, defence or other relevant asset. The value of the asset is the value that can be placed on it through analysing and evaluating the risks and other factors that may be involved, and assessing and projecting what will be recovered on resolution.

This asset class appears to be growing rapidly, both as a function of total capital invested in the asset class and the number of participants in the industry. A number of specialised institutional funders of claims exist already, in the United States, the United Kingdom, Australia and other jurisdictions. They include Juridica Investments Limited, another AIM traded fund, and IMF (Australia) Limited, which is listed on the Australian Stock Exchange. There are also a number of private funders, such as Harbour Litigation Funding, IM Litigation Funding, and Allianz Prozessfinanz who are all active in litigation funding activity. In addition, given the uncorrelated nature of the asset class and the potential high returns that are available, the market has seen an increasing presence from a number of non-specialised funders such as large financial institutions and hedge funds. The Company may compete for investments with all of the foregoing market participants.

It will similarly compete with certain contingency law firms who are available in certain practice areas to take major claims on a contingency basis. The Company may also compete with such parties for exclusive or preferred (whether de facto or de jure) relationships with potential sources of claims, such as law firms and claims brokers.

The Company believes that the level of competition to which it is subject is likely to continue to increase over time. The Directors believe that whilst competition will increase, the Company will be well placed to cope with these competitive pressures through the experience, skill, contacts and relationships of the Principals and the value that they can add to identifying, selecting and processing a claim or dispute.

3. Investment objective and policy

The investment objective of the Company is to provide investors with attractive dividend returns and capital appreciation through investing in claims and disputes.

The Directors intend to adopt a portfolio approach to the Company's investments by providing funding to claims, defences or disputes that are diversified by type of claim or dispute, geographic location of venue, size of recovery anticipated, cost of prosecution, likely duration, law firm involved and estimated returns. The Company intends to structure its portfolio to include a mixture of shorter duration, lower yielding investments intended to produce short-term returns; medium duration, higher yielding investments intended to produce attractive returns as investments made at the inception of litigation reach resolution; and an allocation of higher risk, high yield investments designed to add noteworthy returns to the portfolio over time. The bulk of the Company's portfolio is expected to be in medium duration investments which in the normal course of litigation would reach trial readiness within three years of commencement but which in many cases will be anticipated to settle earlier than that.

The Company's focus will be largely, if not entirely, on larger commercial matters. The Company expects its average investment commitment to exceed \$3 million, and in many cases to be in the \$5-\$15 million range. Except in extraordinary cases, the Company does not intend to invest in litigation brought by individuals. Every investment will be reviewed and approved by the Investment Committee, and any individual investment of, or expected to be of, more than \$15 million will be individually reviewed and approved by the full Board. It is the intention for the portfolio to comprise fifteen to thirty cases.

In view of the opportunities that the Directors believe exist in the third party funding market place at this time, the Directors are hopeful that the Company will be able to invest the Net Proceeds reasonably rapidly. In any event, it is the Directors' intention that the Net Proceeds will be committed to investments within the first eighteen to twenty-four months following Admission.

The Company currently has no precise intended allocation of the portfolio between US matters and international arbitration matters, but it intends both types of matters to have meaningful representation in the portfolio.

The Investment Adviser will conduct due diligence into each investment and has created investment guidelines that will be applied to each potential investment which are discussed further below.

Any variation to the Company's investment objective and policy or restrictions will be made only following approval of the Board and subject to compliance with the AIM Rules for Companies.

4. Investment Structures

The Company intends to make use of a wide variety of investment structures, with each investment using an individually tailored structure that is most appropriate for that investment. The Investment Adviser will structure proposed investments based on a variety of factors including, but not limited to, the size of the case, the cost involved, the anticipated timeframe of the case, the returns anticipated, the nature of the dispute, the nature of the parties to and participants in the dispute, the permissible legal and ethical structures in the jurisdiction(s) in question and tax mitigation. Examples of possible structures include, *inter alia*:

- funding the legal expenses associated with pursuing or defending a claim in exchange for a payment based on the claim's outcome;
- acquiring an interest in all or a part of a claim or claimant at various stages during the adjudication process, including after a judgement or award has been rendered;
- lending money, either directly or through a law firm established by the Principals, to fund the activities of a law firm, the litigation of a portfolio of cases, or the litigation of a single case;
- arranging and participating in structures that remove the risk of liability from companies' balance sheets;
- acquiring interests in intellectual property that is the subject of claimed infringement; and
- participating in post-insolvency litigation trust structures.

In certain instances, the Company will enter into agreements to fund investments over a period of time (for example, by paying their costs in instalments as they arise over the life of a litigation matter). In the event that the Company has committed cash to cases which have a period of time still to run, it could be that the Company is faced with a situation where it could have committed its entire fund but the cash remains on the balance sheet until such time as further instalments are due to be paid. In such instances, the Directors of the Company may decide to commit additional funding into attractive investments in the expectation that some matters will reach resolution before all commitments are called.

5. Investment Process

Deal flow

The Investment Adviser and its subsidiaries (collectively referred to in this discussion as the Investment Adviser) will source potential claims through a number of separate opportunities. The Investment Adviser will seek to utilise and leverage its contacts with the major law firms in the US and the corporate law departments and managers of US corporations. In addition, the Investment Adviser intends to access deal flow through dialogue with hedge funds, brokers in the third party funding market that are already active in trying to match unfunded cases with providers of finance, presentations at key conferences on the subject

which are a useful opportunity for lawyers to hear of the opportunities and through the Principals' relationships with a network of legal experts garnered during the course of their law practice in the US.

Decision making process

Having identified potential opportunities, the Investment Adviser will follow a rigorous process designed to rapidly screen out unsuitable cases. This initial screening process, which will be carried out by the Investment Adviser and suitably qualified legal professionals selected by the Principals, considers a number of factors including, but not limited to:

- the strength of the claim and its likelihood of success;
- the potential value of a claim both following adjudication and for settlement purposes;
- enforceability of an ultimate award;
- financial condition of the defendant;
- the likely cost of litigating the claim;
- regulatory and ethical risks, if any, in the relevant jurisdiction;
- timing to get through trial and final judgment; and
- timing and likelihood of settlement.

Should potential cases pass the Investment Adviser's initial screening processes they will undergo a due diligence process to be carried out by suitably qualified legal (and in some cases other) professionals. Once due diligence has been completed, the Investment Adviser will determine if it considers the opportunity is suitable to pursue. If so, it will put forward its investment proposal to the Investment Committee under which it will identify the basis on which the investment is considered suitable for the Company. Having considered the recommendations of the Investment Adviser, the decision to invest will (save for exceptional circumstances as outlined below) be made by the Investment Committee which has been given such authority by the Directors. For the avoidance of doubt, the members of the Investment Adviser will not be responsible for making investment decisions on behalf of the Company.

Monitoring investments

To the extent permitted by local law and the investment terms themselves, once an investment has been made, the Investment Adviser will engage in regular, ongoing monitoring of the investments made on behalf of the Company, both to ensure that the Company's investment rights are protected and to add whatever value the Investment Adviser and its affiliated legal experts can appropriately provide to the conduct of the matter.

6. Investment Restrictions

As noted above, the Company intends to build a diversified portfolio of investments in claims, defences and disputes. In the short term, the Company intends to focus its efforts on the US market and on international arbitrations, although the Company will be free to invest in claims, defences and disputes elsewhere.

The Investment Committee has been granted authority to make investment decisions on behalf of the Company in all instances save for:

- instances where the Investment Adviser recommends a single investment with an expected commitment by the Company in excess of \$15 million; and
- any investments proposed outside the scope of the investment policy detailed herein.

In these instances, the investment proposal and any investment decision will be made by the Board as a whole.

7. Competitive strengths

The Directors believe that the Company has the following key business strengths:

- the Company has a highly experienced Board chaired by Sir Peter Middleton with Mr. Wilson, a managing partner of a US based private investment business, as vice chairman;
- the Company will have the expertise of the Investment Adviser and the Principals to draw upon;
- the Company will benefit from the deal flow from the Investment Adviser;
- the Investment Adviser has the significant skill set of the Principals to assess potential investments;
- the Principals can draw upon their experience as general counsel of a Fortune 50 company and as a veteran of a leading international law firm with a leading litigation practice, coupled with their experience in originating and/or developing business;
- the Principals can draw on experienced lawyers and other professionals who are retained by the Investment Adviser; and
- the Investment Adviser has relationships with legal and other professionals who will assist the Investment Adviser in its assessment of potential investments.

The Directors also believe that the ability to deploy material capital resources into the market following Admission will also provide its own competitive advantage.

8. Board of Directors

The Board comprises four independent non-executive Directors. The Directors have overall responsibility for the Company's activities including the review of its investment activities and performance. They have primary responsibility for determining the Company's overall investment objectives, strategy and policies and for implementing the Company's investment policies. The Board is also responsible for supervising and reviewing the activities of the Investment Adviser. The Board is expected to meet four times a year to review the Company's investment strategy and policies. The Directors bring a range of experience in investment management and litigation matters, appropriate for the investing policy of the Company. The Directors of the Company are:

- *Sir Peter Middleton, age 75 (Chairman)*

Sir Peter Middleton is UK Chairman of Marsh & McLennan Companies, Chairman of Marsh Ltd, Chairman of Mercer Ltd, Chairman of Camelot Group plc and Chairman of the Centre for Effective Dispute Resolution.

He was a Director, Chairman and Deputy Chairman of United Utilities from 1994-2007, a Board member of OJSC Mobile Telesystems from 2005-2007 and a board member of Bass plc from 1992-2001 and General Accident (later CGU) from 1992-1995.

Sir Peter spent nearly 30 years at HM Treasury, working closely with nine Chancellors, and was Permanent Secretary from 1983 to 1991.

He chaired a review of the British Film Industry for the Thatcher Government and a review of Civil Justice for the Blair Government.

Sir Peter became Group Chairman of Barclays Bank plc in April 1999 and retired in August 2004. He joined Barclays in 1991 as Group Deputy Chairman and Executive Chairman of BZW, became Chairman of Barclays Capital following the reorganisation of BZW in October 1997 and was Group Chief Executive from November 1998 until October 1999. He was also President of the British Bankers Association from 2004-2006 and a member of the National Institute for Economic Research from 1996-2007.

- ***Hugh Steven Wilson, age 61 (Vice Chairman)***

Mr. Wilson has been a Managing Partner of Tennenbaum Capital Partners, a US based private investment business, since 2005, and serves as the Chief Executive Officer of four registered investment companies within the Tennenbaum Capital Group. Prior to joining Tennenbaum Capital Partners, Mr. Wilson was a senior partner with Latham & Watkins where he was Global Co-Chair of the Mergers and Acquisitions Practice Group and former Chairman of both the National Litigation Department and the National Mergers and Acquisitions Litigation Practice Group. He is currently a member of the board of directors of Alabama Aircraft Industries, Inc. Mr. Wilson has a Master of Laws degree from Harvard Law School and a JD degree from the University of Chicago Law School.

- ***David Lowe, age 73***

David Lowe was until recently Senior Jurat of the Guernsey Royal Court after being elected a Jurat in 1993. He retired from Bucktrout Company Limited after being there from 1956-1993 where his last position was as the company's Chief Executive. He is a former director of Lazard and Barclays Capital in Guernsey. He has been awarded an O.B.E. and is a fellow of the Royal Entomological Society.

- ***Charles Parkinson, age 55***

Charles Parkinson is currently the Minister of Treasury & Resources for the States of Guernsey. Prior to this he held the Deputy Minister of Treasury & Resources position of Guernsey from 2004-2007. He is also Chairman of Eastern European Property Fund Limited, an AIM traded company, and a director of Mapeley Limited, part of Fortress Investment Group, and Dexion Equity Alternative Limited, a UK listed Guernsey company with K2 Advisers LLC as its investment adviser. He is a past Partner/Director of PKF Guernsey, accountants and fiduciaries, and retired from this position after being there from 1983-2004. Mr. Parkinson is also a barrister and accountant.

In addition, David Lowe and Charles Parkinson are the two members of the Audit and Investment Committees of the Company.

9. External advisers

In addition to the expertise within the Board, the Company also has the benefit of the expertise of several legal specialists.

- Jonathan Molot has agreed to serve as a managing director and chairman of the investment committee of the Investment Adviser's US subsidiary. Mr. Molot is a Professor of Law at Georgetown University Law Centre and has taught as a visiting professor at Harvard Law School and other law schools. Mr. Molot is an experienced litigator, former senior US government official and founder of Litigation Risk Solutions LLC, a litigation risk transfers consultancy. Mr. Molot is an expert in litigation risk management and litigation finance and has taught the subject in law schools across the US and written numerous articles on the topic. He served as counsel to the economic policy team on the Obama-Biden Presidential Transition Team and as a senior advisor in the Treasury Department at the start of the Obama Administration. Mr. Molot has a law degree from Harvard Law School and later clerked for the United States Supreme Court.
- Professor Geoffrey Hazard has agreed to serve as Legal Ethics Counsel to the Company and the Investment Adviser. Professor Hazard is Trustee Professor of Law at the University of Pennsylvania Law School and Sterling Professor of Law Emeritus at Yale Law School and has been described in the US as "perhaps the primary figure in legal ethics in the country today".
- Peter Haje has agreed to serve as a member of the investment committee of the Investment Adviser's US subsidiary. Mr. Haje is a New York lawyer with close to 50 years of experience and has served as Managing Partner of the law firm Paul Weiss Rifkind Wharton & Garrison and as Executive Vice President & General Counsel of Time Warner Inc. He is currently the lead director of Time Warner Cable. Mr. Haje also is the co-founder of the Glenavy Arbitration Investment Fund LP.

The Company and the Investment Adviser will also be assisted by external law firms in identifying and assessing potential claims and, where appropriate, the external law firms will represent the claimants. These law firms will include Latham & Watkins, which may play a significant role in the Company's assessment of international arbitration investment opportunities.

10. Dividend policy

The Company intends to strike a balance between payment of regular dividends and retention of proceeds for re-investment. For any given period the Board may, in its sole discretion, based on its judgement of the Company's best interests and taking into account ongoing investment opportunities for the business and the Company's Net Asset Value, declare and pay dividends pursuant to the dividend policy set out below, may alter that dividend policy either temporarily or permanently, or may decline to pay dividends altogether.

As a general matter, however, it is the Board's intention to pay out either (i) 90 per cent. of the net cash returns generated by its investments until such time as the Company is providing investors with an annual dividend equivalent to 5 per cent. of the gross proceeds of the Placing or (ii) 50 per cent. of the Company's net cash returns generated by its investments, whichever would provide a larger dividend.

Any dividend paid by the Company will be paid following the announcement of the Company's interim or full year results. The first opportunity for the Company to pay a dividend will be following the announcement of the Company's interim results for the period ending 30 June 2010.

11. Conflicts management

The Principals currently manage a small litigation investment fund on behalf of a limited number of high net worth individuals. This fund is already largely committed and this fund does not contemplate the re-investment of proceeds from investments once realised or terminated. However, in the event that the fund has surplus capital, for example because a matter settled without using the capital allotted to it, it may have investment policies that overlap with the investment policy of the Company in an immaterial amount.

The Investment Adviser and the Principals may be involved in other financial, investment or professional activities which may on occasion give rise to conflicts of interest with the Company. In particular, they may provide investment management, investment advice or other services in relation to a number of funds which may have similar investment policies to that of the Company or funds in which the Company invests.

The Investment Adviser and the Principals have made a variety of commitments to the Company about their ongoing obligations:

- The Investment Adviser Agreement provides that the Principals must, for the life of the Investment Adviser Agreement, devote a substantial majority of their business time to the affairs of the Investment Adviser, and that failure to do so is grounds for termination of the Investment Adviser Agreement
- The Investment Adviser Agreement also provides that the Principals personally must, for the life of the Investment Adviser Agreement, devote sufficient time to the affairs of the Company to enable the Investment Adviser to properly perform its duties, and that failure to do so is grounds for termination of the Investment Adviser Agreement
- The Investment Adviser Agreement provides that the Investment Adviser and the Principals personally will not seek to raise further capital for general dispute finance except through the Company for the life of the Investment Adviser Agreement, provided, however, that if the Directors decline the Investment Adviser's proposal for further capital raising through the Company for any reason, the Investment Adviser is free to raise capital separately from the Company but not in any event until such time as not less than 70 per cent. of the Net Proceeds are committed to investments
- The Investment Adviser Agreement also provides that the Investment Adviser may seek to raise specialised investment funds with investment objectives different from that of the Company but in so doing will (a) not infringe the Investment Adviser's commitment of time to the Company,

and (b) provide investment rights to the Company in an amount to be determined solely by the Directors

- The Investment Adviser Agreement provides that the Investment Adviser may expand into non-investment fund activities provided that the Investment Adviser's and Principals' obligations to the Company are not infringed and that such activities are identified to the Directors and an opportunity for the Company to participate therein is provided.

The Investment Adviser will comply with the conflicts provisions of The Registered Collective Investment Scheme Rules 2008, the Licensees (Financial Resources Notification, Conduct of Business and Compliance) Rules 1998, the Protection of Investors (Bailiwick of Guernsey) Law, 1987, as amended, and the provisions of any laws, ordinances, statutory instruments, rules or regulations and have regard to its obligations under the Investment Adviser Agreement to act in the best interests of the Company, so far as is practicable having regard to its obligations to other clients, when potential conflicts of interest arise. In the event of a conflict of interest arising, the Investment Adviser will ensure that it is resolved fairly. In particular, the Investment Adviser will use its reasonable efforts to ensure that the Company has the opportunity to participate in potential investments identified by the Investment Adviser which fall within the Company's investment objective and policy on the best terms reasonably obtainable at the relevant time with the aim of ensuring that the principle of best execution is attained. Conflict of interest situations between the Investment Adviser and the Company will also be subject to review by the Investment Committee or the Board itself.

12. Repurchases of Ordinary Shares

Conditional upon Admission, the Company has been granted authority to make market purchases of up to 15 per cent. of its own issued Ordinary Shares immediately following the conclusion of the Placing. This authority will expire on the earlier of 11 March 2011 and the conclusion of the first annual general meeting of the Company. A renewal of the authority to make purchases of Ordinary Shares will be sought from Shareholders at each annual general meeting of the Company. Subject as mentioned below, the timing of any purchases will be decided by the Board.

The Company may conduct share repurchases in the market with a view to addressing any imbalance between the supply of and demand for its shares, to increase the Net Asset Value per Ordinary Share and/or to assist in narrowing any discount to Net Asset Value per Ordinary Share in relation to the price at which Ordinary Shares may be trading. Such purchases will only be made at a price not lower than 1p and not higher than 5 per cent. above the average of the mid-market values of the Ordinary Shares for the five business days before the date of the market acquisition, and in accordance with the Law.

The Company shall exercise the foregoing power to conduct market repurchases if and when the Ordinary Shares have traded on AIM for a period of 20 consecutive days or more at a price below 90 per cent. of the last published Cash NAV (subject to applicable regulatory requirements).

13. Further issues of Ordinary Shares

Under the terms of the Articles, the issue of further Ordinary Shares for cash is subject to pre-emption rights in favour of existing Shareholders which may be disapplied by Shareholders by way of ordinary resolution. Following Admission, the Company will have authority to issue further Ordinary Shares for cash on a non-pre-emptive basis up to an amount representing 10 per cent. of the Company's issued share capital on Admission.

14. Life of the Company

The Company does not have a fixed life but the Board considers it desirable that Shareholders should have the opportunity to review the future of the Company at appropriate intervals. Accordingly, the Board intends at the annual general meeting of the Company to be held to consider the accounts for the financial period ending 31 December 2015 (or any accounting period substituted for it) that an ordinary resolution shall be proposed that the Company shall continue in existence. If the resolution to continue in existence is passed, a similar ordinary resolution will be proposed at every third annual general meeting thereafter. If that

resolution is not passed, the directors are required to formulate proposals to be put to members to wind up the Company. Therefore, Shareholders will only be able to realise their investment by selling their Ordinary Shares or accepting any buyback programme proposals that may or may not be made by the Company from time to time.

15. The Placing

On 16 October 2009, the Company, the Investment Adviser, the Principals, the Directors, FPK and Execution Ltd entered into the Placing Agreement pursuant to which FPK and Execution Ltd agreed to use reasonable endeavours to procure subscribers for the Placing Shares at the Placing Price pursuant to the Placing. All such subscriptions will be at the Placing Price. Under the Placing, the Placing Shares have been offered to institutional and certain other investors in the UK and certain other jurisdictions.

The Placing is conditional, *inter alia*, on: (i) Admission having become effective by 9.00 a.m. on 21 October 2009 or such later date as the Company and FPK may agree (being not later than 30 October 2009); and (ii) the Placing Agreement becoming unconditional in all respects and not having been terminated in accordance with its terms prior to Admission. The Placing Price is payable in full in cash on acceptance (which shall not be later than 8.00 a.m. on 21 October 2009). Monies received from applicants pursuant to the Placing will be held by FPK until such time as the Placing Agreement becomes unconditional in all respects. If the Placing Agreement does not become unconditional in all respects by 21 October 2009 (or such later date as FPK and the Company may agree, not being later than 30 October 2009), application monies will be returned to applicants at their own risk without interest.

The Placing is intended to raise £80 million before expenses. The expenses of the Placing are estimated to amount to £3.7 million. The Net Proceeds will be used: (a) to fund investments in accordance with the investment policy and strategy outlined in this document; and (b) to pay the Company's ongoing operating costs.

In the absence of unforeseen circumstances, the Investment Adviser anticipates that the Net Proceeds should be fully invested (or committed to be invested) within 18 to 24 months of Admission. However, there is no fixed period within which the Company is required to make an investment or return funds to Shareholders.

The Ordinary Shares have not been, and will not be, registered under the Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States and may not be offered or sold within the United States or to, or for the account or benefit of, any US Person as that term is defined in Regulation S unless an exemption from the registration requirements of the Securities Act is available. All offers and sales outside the United States will be made in compliance with Regulation S. The Company is making no offer or sale of Ordinary Shares into the United States or to US Persons (as that term is defined in Regulation S) in connection with the Placing.

Under the Placing Agreement, FPK and Execution Ltd will receive a commission of 3 per cent. on the value at the Placing Price of the Ordinary Shares in issue following Admission. FPK will also receive a corporate finance fee. Further details regarding the Placing Agreement are set out in paragraph 10 of Part 7 of this document.

16. The City Code

Rule 9 of the City Code is designed to prevent the acquisition or consolidation of control of a company subject to the City Code without a general offer being made to all shareholders. Rule 9 states that when any person or group of persons acting in concert acquires (whether by one transaction or a series of transactions) an interest in shares which carry 30 per cent. or more of the voting rights of the company, such person or persons acting in concert must normally make a general offer for the balance of the issued share capital of such company (the "**Mandatory Bid Obligation**"). Rule 9 also states that any person or group of persons acting in concert that is interested in shares which in aggregate carry not less than 30 per cent. of the voting rights of a company but does not hold shares carrying more than 50 per cent. of such voting rights must normally make a general offer for the balance of the issued share capital should there be any increase in the

percentage of the shares carrying voting rights in which they or any person acting in concert with them are interested.

An offer under Rule 9 must be made in cash and at the highest price paid by the person required to make the offer or any person acting in concert with him for any interest in shares of the company during the 12 months prior to the announcement of the offer.

Assuming the Placing Shares are issued in full, funds managed by Invesco Perpetual would hold 45 per cent. of the Company's issued share capital. In this case the Takeover Panel has agreed to waive the Mandatory Bid Obligation since the potential level of shareholding of Invesco Perpetual is being disclosed in this document and this is the basis upon which investors will be subscribing.

As Invesco Perpetual will have a holding between 30 per cent. and 50 per cent. of the Company's issued share capital, it would be subject to a Mandatory Bid Obligation if it were to increase its percentage interest in the Company subject to the provisions of Rule 37 of the City Code which are described in the following paragraph.

Under Rule 37 of the City Code, any increase in the percentage of the shares carrying voting rights in which a shareholder or group of shareholders acting in concert is interested as a result of the redemption or purchase by a company of its own shares may be treated as an acquisition of additional shares for the purposes of Rule 9 if the shareholder or group concerned is a director of the company or is (or is presumed to be) acting in concert with any of the directors.

Following consultation, the Panel has confirmed that Invesco Perpetual is not to be regarded as acting in concert with the Directors and accordingly, in these circumstances, Invesco Perpetual will not be required to make a general offer for the balance of the Ordinary Shares which it does not already own upon the implementation of any market purchase of Ordinary Shares as described in paragraph 12 above.

Invesco Perpetual is a wholly-owned subsidiary of Invesco Limited, the NYSE-listed fund management group.

Invesco Limited is a global investment management company with \$388.6 billion in assets under management (as of 30 June 2009). The company provides investment solutions for retail, institutional and high net worth clients around the world. Invesco Perpetual is a large UK based independent investment manager which currently manages assets on behalf of consumers, institutional clients and investment professionals through a broad product range which includes ICVCs, investment trusts, ISAs, pension products, offshore funds and other specialist mandates.

17. Currency issues and cash investments

The Directors anticipate that, initially, the majority of the Company's investments will be made in instruments denominated in dollars and therefore the majority of its revenues will also be in dollars. Accordingly, the Company may convert some or all of the sterling proceeds of the Placing into dollars after Admission as required by its investment programme or acquire instruments to hedge fluctuations in the sterling-dollar exchange rate. Any dividends or other distributions made to Shareholders will be paid in sterling unless a Shareholder elects via CREST, at its own cost, to receive dividends in another currency. All reporting by the Company in terms of its Net Asset Value announcements, interim and audited accounts will be in dollars. The base currency of the Company for accounting purposes will be dollars.

Any cash held by the Company may be held on deposit or invested in money-market funds or other near-cash investments. Cash pending investment, reinvestment or distribution may be placed in dollar or sterling bank deposits, bonds or treasury securities, for the purpose of protecting the capital value of the Company's cash assets. The nature of the Company's investment programme and the episodic nature of capital flows in litigation matters may, however, result in the Company concluding that it expects to have significant cash balances for some time despite committing its capital, and thus the Board may conclude that other investments are appropriate to increase investors' yield on cash balances, such as investing its cash balances in market neutral funds and engaging in other principal-protective strategies. In order to hedge against interest rate risks or currency risk, the Company may enter into forward interest rate agreements, forward

currency agreements, interest rate and bond futures contracts and interest rate swaps and purchase and write (sell) put or call options on interest rates and put or call options on futures on interest rates. The Company does not intend to have any significant exposure to margin positions.

18. Borrowing powers

The Company does not have any immediate intention to borrow funds. However, if appropriate, the Directors may exercise the powers of the Company to borrow money and to give security over its assets.

The Company may borrow funds secured on its investments if the Board (with the advice of the Investment Adviser) considers that satisfactory opportunities for investment arise at a time when the Company is close to being fully committed or invested. In any event, no new borrowings will be incurred to the extent total borrowings would then exceed 50 per cent. of the Company's last announced Net Asset Value at the time of draw down.

PART 3

MANAGEMENT, STRUCTURE AND ADMINISTRATION

1. Investment Adviser

The Company will enter into the Investment Adviser Agreement with Burford Group Limited, a new advisory company based in Guernsey. The Principals, who are the founding principals of the Investment Adviser, will advise on and appropriately structure investments for the Company. The Principals bring a range of experience in investment management and litigation matters, appropriate for the investing policy of the Company. Appropriate cases will then be proposed to the Investment Committee of the Company whose responsibility it will be to make investment decisions on behalf of the Company (save in exceptional circumstances as set out in paragraph 6 of Part 2 of this document).

The ultimate owners of the Investment Adviser are the Principals. Further shares of the Investment Adviser may be issued to other employees of the Investment Adviser. The Investment Adviser will earn operating revenues from the Company in the form of management fees and performance fees under the Investment Adviser Agreement.

The Investment Adviser has undertaken to subscribe for 1,625,000 Ordinary Shares in the Placing.

The Investment Adviser will establish a wholly-owned subsidiary in the US, and intends to establish a further subsidiary in the UK. Both of these subsidiaries will act as sub-advisers to the Investment Adviser.

The Investment Adviser is licensed by the GFSC pursuant to the Protection of Investors (Bailiwick of Guernsey) Law, 1987, as amended, to carry out certain restricted activities in relation to the Company.

2. Key management of the Investment Adviser Group

Directors

The directors of the Investment Adviser are:

Nicholas John Mann Tostevin: age 57

Mr. Tostevin is an advocate of the Royal Court of Guernsey, Notary Public and retired senior partner of Babbé, a Guernsey law firm. He was previously a member of the Guernsey States of Deliberation where offices held included President of the Education Council and member of the Income Tax Authority. He was also former Chairman of the Guernsey Bar Council and is currently the Chairman of the Association of Guernsey Notaries Public and is the Deputy Chairman of the Guernsey States Members' Conduct Panel.

Mark Woodall: age 47

Mr. Woodall is the Chief Financial Officer of the Administrator, an Associate of the Institute of Chartered Accountants in England and Wales and an Associate of the Chartered Institute of Bankers. He has worked in offshore fund administration since 1992, during which time he has been a director of a number of offshore funds, managers and advisers. Prior to co-founding the Administrator in February 2000, Mr. Woodall was company secretary, financial controller and head of operations for funds with assets in excess of £5 billion in Guernsey's largest fund administrator.

Principals

The Principals are as follows:

Christopher P. Bogart: age 43

Christopher Bogart's background includes a wide variety of legal, executive management and investment experience.

Most recently, Mr. Bogart has simultaneously served as Chief Executive Officer of Churchill Ventures Ltd., a \$110 million publicly traded investment vehicle; Managing Director of Glenavy Capital LLC, a global media and technology investment firm; and General Partner of the Glenavy Arbitration Investment Fund LP, a dispute financing firm.

Previously, Mr. Bogart held a number of senior executive positions with Time Warner Inc. He served as Executive Vice President & General Counsel of Time Warner Inc., managing a legal function with more than 300 lawyers. He also served as Chief Executive Officer of Time Warner Cable Ventures and one of four senior executives operating Time Warner Cable, Time Warner's largest business, with \$9 billion in revenue and 30,000 employees.

Mr. Bogart came to Time Warner from the New York law firm of Cravath, Swaine & Moore where he was a trial lawyer representing companies such as IBM, General Electric and Time Warner.

Selvyn Seidel: age 66

Selvyn Seidel's background includes 40 years as legal counsel representing businesses in the United States and abroad. Along the way Mr. Seidel has worked closely with businesses spanning a range of categories and legal disciplines.

Most recently, Mr. Seidel was a senior partner at Latham & Watkins, a leading international law firm now with 27 offices and approximately 2,000 lawyers around the world. While at Latham, Mr. Seidel co-founded the New York office and his management responsibilities included Chairman of the International Practice, founder and Chairman of the International Litigation and Arbitration Practice Group, and Chairman of the New York Litigation Department.

In 2007, Mr. Seidel founded Burford Advisors LLC, a multi-disciplinary advising firm with dispute financing being one of its key areas of focus, which has been active in the market as an intermediary between providers of finance and claimants.

Mr. Seidel was an Adjunct Professor at New York University School of Law, and is currently an Alumnus Lecturer at Linacre College, Oxford University. He is a founding board member of the RAND Institute for Civil Justice (Europe). Mr. Seidel graduated from the University of Chicago (1964, B.A., economics), the University of California (Berkeley) Law School (1967, J.D., California Law Review), and the University of Oxford, (1968, Dip. Law, Linacre College).

3. Investment Adviser Agreement

Duration

The initial term of the Investment Adviser Agreement will expire on the date of the annual general meeting of the Company to be held in 2016 and it will be automatically renewed for additional three year periods unless terminated. Please see paragraph 10 of Part 7 for a fuller description of the agreement's termination provisions.

Advisory fees

The Investment Adviser is entitled to an annual advisory fee from the Company at the rate of 2 per cent. per annum of the Adjusted Net Asset Value calculated and paid on a quarterly basis. An estimated fee will be calculated at the start of the relevant period based on the estimated Adjusted Net Asset Value for the end of the period and paid in advance. There will then be an adjustment at the relevant year end. The first fee will be payable on Admission for the period from Admission to 31 December 2009.

Performance fees

The Investment Adviser shall be entitled to a performance fee on the following basis:

1. If the Cash Net Asset Value on any Calculation Date represents at least a cumulative non-compounded 8 per cent. return from Admission (the "Preferred Return") and exceeds the Cash Net Asset Value on (in the case of the first payment) Admission and thereafter the previous occasion a performance fee

was payable (“High Water Mark”), the Investment Adviser is entitled to a performance fee equal to 20 per cent. of the increase in Cash Net Asset Value since the last High Water Mark, payable only to the extent it would not reduce the return below the Preferred Return.

2. 30 per cent. of the performance fee paid for any accounting period shall be subject to clawback. If the Cash Net Asset Value on the third anniversary of the end of the relevant accounting period does not represent at least the Preferred Return, that amount (but no more) shall be repaid to the extent necessary to restore the fund to the Preferred Return.
3. The payment of a further 30 per cent. of the performance fee in respect of any accounting period shall be satisfied by the issue of Ordinary Shares at the higher of Cash NAV and the average market price following the relevant Calculation Date. The issue of the shares will be deferred for a period of 3 years and will be subject to any repayment due under 2 above having been made. The Investment Adviser will be entitled to a payment equal to the dividends which would have been paid if those shares had been issued on the Calculation Date. Further Ordinary Shares will not be issued to the Investment Adviser to the extent it would increase its interest to 30 per cent. or more of the Company’s issued share capital.

For this purpose:

- (a) “Calculation Date” means the last day of any annual accounting period of the Company or the date upon which the Investment Adviser Agreement terminates;
- (b) there shall be added to the Net Proceeds on the date of Admission one-sixth of the costs borne by the Company in relation to its establishment, the Placing and Admission, and an additional one-sixth shall be added on the day following each of the next five Calculation Dates. Such sums shall be taken into account, from the date of addition, in calculating the Preferred Return.

Further details of the Investment Adviser Agreement are set out in paragraph 11 of Part 2 and paragraph 10 of Part 7 of this document.

4. Conflicts management

The Investment Adviser is subject to various potential conflicts of interest arising out of the relationship of the Principals to the Investment Adviser further details of which are set out in paragraph 11 of Part 2 of this document.

5. Administrator

International Administration (Guernsey) Limited has been appointed administrator to the Company, and in that capacity, the Administrator is responsible for providing day to day administration and secretarial services to the Company as set out in the Administration Agreement. The Administrator is licensed to provide administrative services to collective investment schemes by the GFSC. In consideration for its services, and in addition to set-up fees of £35,000 payable upon Admission, the Administrator will receive an annual administration fee of £100,000 per annum, or such other fees as may be agreed between the Administrator and the Company from time to time. The Administration Agreement is terminable by either party on not less than ninety days’ notice in writing and in certain other circumstances, including material breach of the terms of the agreement by either party.

Further details of the Administration Agreement are set out in paragraph 10 of Part 7 of this document.

6. Registrar

The Registrar has been appointed pursuant to an agreement between the Registrar and the Company dated 16 October 2009 to provide registrar services to the Company. In consideration for its services, the Registrar will be paid a fee, based upon the number of account holders, of not less than £7,500 per annum for maintaining the share register together with a deal fee for each Shareholder transaction.

PART 4

OTHER INFORMATION

1. Expenses

Formation and Initial Expenses

The formation and initial expenses of the Company are those that are necessary for the incorporation and organisation of the Company and in order to effect the Placing and Admission. Such expenses will include registration fees, admission fees, printing costs, legal fees and any other applicable expenses, commissions and fees payable under the Placing Agreement. These expenses will be met by the Company out of the proceeds of the Placing and will be paid on or after Admission. The Directors do not anticipate that these formation and initial expenses will exceed 4.6 per cent. of the gross proceeds of the Placing.

It is not intended that any amounts will be written off or that any preliminary expenses will be amortised. The Company is newly incorporated and accordingly does not have goodwill attributed to it. Other than as set out in this document, the Principals will not receive any benefit from the proceeds of the offer.

Ongoing and Annual Expenses

The Company will also incur ongoing and annual expenses. These expenses will include, among others, the fees payable to the Investment Adviser and the Directors. The Directors will be paid fees as described in paragraph 7 of Part 7 plus reimbursement for reasonable out-of-pocket expenses as non-executive directors provided under the terms of letters of appointment between each of them and the Company dated 16 October 2009. Other ongoing operational expenses of the Company include, among others, regulatory fees, professional advisor fees, insurance costs, audit fees and other applicable expenses. It is estimated that the annualised running costs of the business will initially be approximately 3 per cent. of the Company's initial Net Asset Value.

2. Lock-in Arrangements

The Investment Adviser has agreed to acquire 1,625,000 Ordinary Shares in the Placing. In addition, Sir Peter Middleton has agreed to acquire 30,000 Ordinary Shares in the Placing.

Under the Placing Agreement, the Investment Adviser and the Directors agree (subject to certain limited exceptions) not to dispose of any Ordinary Shares in which they are interested following Admission, for a period of one year from the date of Admission.

The Principals intend to increase their shareholding in the Company over time, consistent with legal restrictions, through any or all of the following mechanisms: (i) direct cash purchases of Ordinary Shares in the market; or (ii) application of a portion of the Investment Adviser's performance fees as set out in paragraph 3 of Part 3 of this document.

3. Financial Statements

The unaudited and audited accounts of the Company will be prepared under IFRS.

4. Report and Accounts

The Company's annual report and accounts will be prepared up to 31 December each year with the first accounting period of the Company ending on 31 December 2010. The annual report and accounts covering the year ended 31 December each year will be despatched within six months of that date. The first unaudited interim report covering the period from Admission to 30 June 2010 will be despatched to Shareholders by 31 August 2010, with the preliminary announcement of results for the period from Admission to 31 December 2010 to be made no later than 31 March 2011. Thereafter, Shareholders will receive an unaudited interim report covering the six month period ended 30 June each year, which will be despatched within three months of that date. As at 15 October 2009, being the latest practicable date prior to the publication of this

document, the Company had not commenced operations and no financial statements have been made up save for the unaudited opening statement of net assets set out in Part 5 of this document. The reporting currency of the Company will be dollars.

5. Valuation Policy and Reporting

The Net Asset Value per Ordinary Share will be calculated and published at least semi-annually and will be based on the Net Asset Value. The Net Asset Value will equal the value of its cash, investments and other assets, less its actual and accrued liabilities, including provisions for future liabilities.

The specific accounting treatment to be applied to each investment may vary depending on the structure of the actual investment and will be agreed upon between the Company's auditors and the Company. However, it is expected that the majority of investments will be classified as either investment or insurance contracts dependent on the specifics of each arrangement. These will initially be measured and booked at fair value, being the sum of the up-front cash payment made to commence the investment plus, in certain circumstances, transaction costs. Thereafter, investments will be measured semi-annually and individually on a fair value basis and accounted for using the effective interest method of calculation. The fundamental measure of assumptions used to determine fair value will be the expected net cash receipts from the investment, the expected timing of their receipt and the effective interest rate to be applied to the amortised cost of each investment.

The precise calculations will be made in accordance with applicable accounting standards or as otherwise determined by the Board. The making of valuations will be suspended in circumstances where the underlying data necessary to value the investments of the Company cannot readily, or without undue expenditure, be obtained.

No person shall be under any liability by reason of the fact that a valuation believed to be the appropriate valuation for any investment may be found subsequently not to be such. Any suspensions of the publication of the Net Asset Value per Ordinary Share will be communicated, together with the reasons for such suspension, to investors via a Regulatory Information Service provider.

6. Taxation

Information concerning the tax status of the Company and the taxation of certain Shareholders is contained in Part 6 of this document. **If any potential investor is in any doubt about the tax consequences of acquiring, holding or disposing of Ordinary Shares he or she should seek advice from his or her own independent professional adviser.**

7. Corporate Governance

As a Guernsey registered company, the Company is not required to comply with the Combined Code. The Directors, however, recognise the importance of good corporate governance and intend to comply with the Combined Code to the extent practicable and commensurate with the size, operations and structure of the Company. The Company has also adopted, and the Directors have undertaken to comply with, a share dealing code for directors' dealings in securities of the Company which is appropriate for a company whose shares are admitted to trading on AIM (particularly relating to dealing during 'close periods' in accordance with Rule 21 of the AIM Rules for Companies).

The Board has established an Audit Committee, with formally delegated duties and responsibilities and with written terms of reference. The Audit Committee assists the Board in discharging its responsibilities with regard to corporate governance, financial reporting and external and internal audits and controls, including, amongst other things, reviewing the Company's annual financial statements, reviewing and monitoring the extent of the non audit services undertaken by external auditors, advising on the appointment of external auditors and reviewing the effectiveness of the Company's internal controls and risk management systems. The ultimate responsibility for reviewing and approving the annual report and accounts and the half yearly reports remains with the Board. From time to time, separate committees may be set up by the Board to consider specific issues when the need arises.

On Admission, the membership of the Audit Committee will comprise Charles Parkinson and David Lowe. The Audit Committee will be chaired by Charles Parkinson, who is considered by the Directors to have recent and relevant financial experience. The Audit Committee will meet formally at least twice every year and otherwise as required. The Audit Committee will meet with the Company's external auditors at least once each year.

The Directors do not intend to establish remuneration or nomination committees as the Directors do not believe that such committees would be appropriate given the nature of the Company's operations. The Board will review annually the remuneration of the Directors and agree the level of non-executive fees. Consideration will be given by the Board to future succession plans for Board members as well as consideration as to whether the Board has the skills required to manage the Company effectively. The assessment of the performance of the Chairman will be determined by the other Directors.

8. Admission and Dealings

Application has been made to the London Stock Exchange for all of the issued and to be issued Ordinary Shares to be admitted to trading on AIM. Admission is expected to take place and dealings in the Ordinary Shares are expected to commence on AIM at 8.00 a.m. on 21 October 2009. All such Ordinary Shares will, when issued, be in registered form. The Registrar will be responsible for the maintenance of the register of Shareholders.

It is expected that definitive share certificates will be despatched by first class post to those Shareholders whose entitlements are to be dealt with outside CREST at the risk of the person entitled thereto on 28 October 2009 or as soon thereafter as is practicable and that the CREST accounts in respect of those Shareholders who have requested that their entitlements are dealt with inside CREST will be credited on 21 October 2009. Pending the despatch of share certificates, transfers will be certified against the register of members of the Company.

9. CREST

CREST is a paperless settlement procedure enabling securities to be evidenced otherwise than by a certificate and transferred otherwise than by written instrument. Upon Admission, the Articles will permit the holding of Ordinary Shares under the CREST system. The Company has applied for the Ordinary Shares to be admitted to CREST with effect from Admission. Accordingly, settlement of transactions in the Ordinary Shares following Admission may take place within the CREST system if any Shareholder so wishes. CREST is a voluntary system and holders of Ordinary Shares who wish to receive and retain share certificates will be able to do so. An investor applying for Ordinary Shares under the Placing may, however, elect to receive Ordinary Shares in uncertificated form if such investor is a system-member (as defined in the Uncertificated Securities Regulations 2001) in relation to CREST.

PART 5

FINANCIAL INFORMATION ON THE COMPANY

A. Accountants report to the Directors and Nominated Adviser of Burford Capital Limited



PricewaterhouseCoopers CI LLP
PO Box 321
National Westminster House
Le Truchot St Peter Port
Guernsey GY1 4ND
Channel Islands

The Directors
Burford Capital Limited
Regency Court
Glategny Esplanade
St Peter Port
Guernsey
GY1 1WW

Fox-Pitt, Kelton Limited
25 Copthall Avenue
London
EC2R 7BP

16 October 2009

Dear Sirs

Burford Capital Limited

Introduction

We report on the special purpose financial information set out in paragraphs 1 to 6 below (the “Company IFRS Financial Information Table”). The Company IFRS Financial Information Table has been prepared for inclusion in the admission document dated 16 October 2009 (the “**Admission Document**”) of Burford Capital Limited (the “**Company**”) on the basis of the accounting policies set out in paragraph 3. This report is required by Schedule Two of the AIM rules for Companies published by the London Stock Exchange plc (the “**AIM Rules**”) and is given for the purposes of complying with that schedule and for no other purpose.

Responsibilities

The Directors of the Company are responsible for preparing the Company IFRS Financial Information Table in accordance with International Financial Reporting Standards.

It is our responsibility to form an opinion on the Company IFRS Financial Information Table and to report our opinion to you.

Save for any responsibility which we may have to those persons to whom this report is expressly addressed and for any responsibility arising under paragraph (a) of Schedule Two of the AIM Rules to any person as and to the extent there provided, to the fullest extent permitted by law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with this report or our statement, required by and given solely for the purposes of complying with Schedule Two of the AIM Rules, consenting to its inclusion in the Admission Document.

Basis of opinion

We conducted our work in accordance with Standards for Investment Reporting issued by the Auditing Practices Board in the United Kingdom. Our work included an assessment of evidence relevant to the amounts and disclosures in the Company IFRS Financial Information Table. It also included an assessment of significant estimates and judgements made by those responsible for the preparation of the Company IFRS Financial Information Table and whether the accounting policies are appropriate to the Company's circumstances consistently applied and adequately disclosed.

We planned and performed our work so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the Company IFRS Financial Information Table is free from material misstatement, whether caused by fraud or other irregularity or error.

Opinion

In our opinion, the Company IFRS Financial Information Table gives, for the purposes of the Admission Document dated 16 October 2009, a true and fair view of the state of affairs of the Company as at the date stated.

Declaration

For the purposes of paragraph (a) of Schedule Two of the AIM Rules we are responsible for this report as part of the Admission Document and declare that we have taken all reasonable care to ensure that the information contained in this report is, to the best of our knowledge, in accordance with the facts and contains no omissions likely to affect its import. This declaration is included in the Admission Document in compliance with Schedule Two of the AIM Rules.

Yours faithfully

PricewaterhouseCoopers CI LLP
Chartered Accountants
Guernsey

B. Financial Information on the Company for the period ended 11 September 2009

Burford Capital Limited

Statement of Net Assets as at

11 September 2009

	<i>US\$</i>
Assets	
Debtor	2
	<hr/>
Total Assets	2
	<hr/>
Shareholders' Funds	
Share premium	2
	<hr/>
Total Shareholders' Funds	2
	<hr/>

The Company has not traded since its incorporation and therefore no income statement has been presented. In addition, there are no other recognised income or expenses.

On incorporation the Company had an issued share capital of 1 Ordinary Share of no par value issued at a premium of £1 per share. As at 11 September 2009 the Company had not yet received the cash for this Ordinary Share and as such a debtor balance has been recorded and no cash flow statement has been presented.

1. General Information

The Company was incorporated as Burford Capital Limited and registered in Guernsey on 11 September 2009 as a limited liability, closed-ended investment company (registration number 50877), under The Companies (Guernsey) Law, 2008.

2. Basis of Preparation

The special purpose financial information of Burford Capital Limited ("the Company") has been prepared in accordance with the requirements of the AIM Rules for Companies published by the London Stock Exchange and in accordance with International Financial Reporting Standards ("IFRS"). The financial statements have been prepared under the historical cost convention as modified by the revaluation of available for sale financial assets.

3. Accounting Policies

(a) Investments in Claims

The Company contemplates making investments in claims and disputes using a variety of structures, including purchases, loans, contract-based funding arrangements and other direct and indirect investment structures.

Investments in claims will initially be measured and recorded at the initial cash investment amount. Due diligence costs will be capitalised into the cost of the investment. Absent a particular investment requiring an alternative accounting methodology under IFRS, the Company will carry its investments as either investment or insurance contracts and account for them as available for sale debt instruments.

On a semi-annual and individual basis, investments will be measured at their estimated fair values and adjustments to the carrying amounts will be made, as needed.

The fundamental measure of assumptions used to determine fair value will be the expected net cash receipts from the investment, the expected timing of their receipt and the effective interest rate to be applied to the amortised cost of each investment.

As a general matter, because the vast majority of claims are expected to be resolved by negotiated settlement rather than formal adjudication, the Company will express expected cash receipts on a settlement basis; settlement values tend to be materially lower than the theoretical value of claims taken all the way through the adjudicative process. The Company's expression of an expected settlement value and timing will reflect the Company's and its Investment Adviser's probability-weighted range of potential settlement outcomes and timings as created and applied based on the Investment Adviser's professional experience.

The nature of claims is such that there will inevitably be ongoing changes in both timing and sentiment concerning each investment, and it is not intended that moderate changes in variables will result in an adjustment to fair value at various interim points while an investment is progressing. However, material changes in investment status because of an observed development in an investment (such as a judgment, a judicial ruling affecting a claim's merits, or a material schedule change) will result in a change to fair value.

The income earned on all performing investments will be recorded evenly using the effective interest method as explained in Note (c) below.

Movement in fair value arising from changes in assumptions related to an investment in a claim will be taken to the Profit and Loss account. Movement in market based assumptions, due to market, credit and interest risk, will be taken directly to equity and only recognised in the Profit and Loss account on finalisation of the claim.

Purchases and sales of available for sale debt instruments are recognised on the trade date, being the date on which the Company commits to purchase or sell the asset.

(b) *Translation of Foreign Currencies*

All books and records of the Company will be maintained in US dollars. Foreign currency transactions are translated into the functional currency (US dollars) using the exchange rates prevailing at the date of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Profit and Loss Account.

The functional currency of the Company is the US dollar reflecting the primary economic environment in which the Company operates.

The presentation currency for financial reporting purposes is US dollars.

(c) *Interest Income*

Interest income for all performing available for sale debt instruments is recognised in the Profit and Loss Account on an accruals basis, using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial asset or liability and of allocating the interest income or interest expense over the relevant period. In the case of investments in claims this rate is the rate which takes the contract's initial value to the expected payout over the expected duration of the claim. The application of the method has the effect of recognising income (and expense) receivable (or payable) on investments in claims evenly in proportion to the amount outstanding over the period of the claim to finalisation.

In calculating effective interest, the Company estimates cash flows considering all contractual terms of the financial instrument and the likely outcome of the case.

(d) Cash and Cash Equivalents

Cash and cash equivalents consist of highly liquid instruments, such as bank deposits, certificates of deposit, time deposits, treasury notes and other money market instruments, which generally have maturities of less than three months.

(e) Taxation

The Company qualifies for exemption from income tax in Guernsey under the Income Tax (Exempt Bodies) (Guernsey) Ordinance, 1989 (“the Ordinance”). Exemption has to be applied for annually and is granted subject to the payment of an annual fee, currently fixed at £600, provided the States of Guernsey Income Tax Authority is satisfied that the Company complies and will continue to comply with the provisions of the Ordinance. The Company expects to qualify for exemption in the current period and it is the intention of the Directors to conduct the affairs of the Company so as to ensure that it continues to qualify for exemption.

To the extent that any foreign withholding taxes or any form of profits taxes become payable, these will be accrued on the basis of the event that created the liability to taxation.

(f) Use of Accounting Estimates

The preparation of the financial statements in conformity with IFRS requires the use of accounting estimates and exercise of judgement by management while applying the Company’s accounting policies. These estimates are based on management’s best knowledge of the events that existed at the balance sheet date; however the actual results may differ from these estimates.

(g) Expenses

Expenses are accounted for on an accrual basis.

(h) Dividends

Dividends paid during the period will be disclosed in equity. Final dividends proposed by the Board and approved by the Shareholders or final dividends declared by the Board not requiring Shareholder approval prior to the period end will be disclosed as a liability. Dividends proposed but not approved will be disclosed in the notes.

(i) Financial Instruments

Market risk/liquidity risk

Apart from investments in claims (see note (a) above) there are no financial assets or liabilities held which presently give rise to market risk. The Company is exposed to liquidity risk. The Company’s investments (as described in note (a) above) typically require significant capital contributions with little or no immediate return and no guarantee of return or repayment. The market for such investments is limited with cash realisation of capital in the long-term.

Credit risk

The Company will be exposed to credit risk in various investment structures (see note (a) above), most of which involve advancing sums without recourse to the borrower and payable only out of successful case investments. Should these litigations fail, there is a risk of loss of investment cost.

The Company will also be exposed to material credit risk in respect of the investments and cash and cash equivalents. The maximum credit risk exposure represented by cash, cash equivalents and investments is as stated on the Statement of Net Assets.

Currency risk

The Company may hold assets denominated in currencies other than US dollars, the functional currency. It will therefore be exposed to currency risk, as values of the assets denominated in other currencies will fluctuate due to changes in exchange rates. The Company may hedge future investment opportunities in the functional currency.

Fair values

The financial assets and liabilities including investments are stated at fair value (see note (a) above).

(j) *Share Capital and Share Premium*

Shares are classified as equity where there is no obligation to transfer cash and other assets.

The Company's capital is represented by Ordinary Shares of no par value and share premium. Each Ordinary Share carries one vote and is entitled to dividends when declared. The Company has no restrictions or specific capital requirements on the issue and re-purchase of Ordinary Shares subject to the pre-emption provisions in the Articles and the authority granted to the Board. The relevant movements on capital will be shown in the statement of changes in equity.

4. Related-party transactions

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions.

(a) *Investment advisory fee*

The Company will receive investment advice from Burford Group Limited, an investment advisory company incorporated in Guernsey. Under the terms of the Investment Adviser Agreement, the Company appointed Burford Group Limited as its adviser to provide advisory services to the Company. The Investment Adviser will receive an annual advisory fee of 2 per cent. per annum of the Adjusted Net Asset Value ("ANAV") of the Company at the relevant year end calculated on a quarterly basis. "ANAV" means the Net Asset Value of the Company at the relevant time, after accruing for the annual advisory fee but not taking into account any liability of the Company for accrued performance fees and after (i) deducting any unrealised gains on investments and (ii) adding the amount of any write downs with respect to investments which have not been written off in full.

An estimated fee will be calculated at the start of the relevant period based on the budgeted ANAV for that period and paid quarterly in advance. There will then be an adjustment at the relevant year end. The first fee, which will be payable on Admission, will be for the period from Admission to 31 December 2009.

(b) *Performance fee*

The Investment Adviser shall be entitled to a performance fee on the following basis:

- (i) If the Cash NAV on any Calculation Date represents at least a cumulative non-compounded 8 per cent. return from Admission (the "Preferred Return") and exceeds the Cash NAV on (in the case of the first payment) Admission and thereafter the previous occasion on which a performance fee was payable ("High Water Mark"), the Investment Adviser is entitled to a performance fee equal to 20 per cent. of the increase in Cash NAV since the last High Water Mark, payable only to the extent it would not reduce the return below the Preferred Return.
- (ii) 30 per cent. of the performance fee paid for any accounting period shall be subject to clawback. If the Cash NAV on the third anniversary of the end of the relevant accounting

period does not represent at least the Preferred Return, that amount (but no more) shall be repaid to the extent necessary to restore the fund to the Preferred Return.

- (iii) there shall be added to the Net Proceeds on the date of Admission and on the day following each of the following five Calculation Dates one-sixth of the costs borne by the Company in relation to its establishment, the Placing and Admission. Such sums shall be taken into account, from the date of addition, in calculating the Preferred Return.
- (iv) The payment of a further 30 per cent. of the performance fee in respect of any accounting period shall be satisfied by the issue of Ordinary Shares at the higher of Cash NAV and the average market price following the relevant Calculation Date. The issue of the shares will be deferred for a period of 3 years and will be subject to any repayment due under (ii) above having been made. The Investment Adviser will be entitled to a payment equal to the dividends which would have been paid if those shares had been issued on the Calculation Date. Further Ordinary Shares will not be issued to the Investment Adviser to the extent it would increase its interest to 30 per cent. or more of the Company's issued share capital.

For this purpose:

“Calculation Date” means the last day of any annual accounting period of the Company or the date upon which the Investment Adviser Agreement terminates.

“Cash NAV” means on any date an amount equal to the sum of:

- (a) the Net Proceeds; plus
- (b) the cash amount of any gains and other income received by the Company; less
- (c) the cash amount invested in investments written off; less
- (d) all cash costs and expenses incurred by the Company (which, for the avoidance of doubt, shall not include any dividends paid to shareholders of the Company);

“Net proceeds” means the proceeds of the Placing less the costs of formation of the Company, the Placing and Admission;

5. Share capital and share premium

On incorporation on 11 September 2009 one Ordinary Share of no par value was issued for £1.

6. Post balance sheet events

It is expected that on Admission 80,000,000 Ordinary Shares of no par value will be issued at a premium of £1 per share.

Estimated costs of Placing, Admission and establishment of £3.7 million have been incurred.

PART 6

TAXATION

The following summary, which relates only to UK and Guernsey taxation, is applicable to certain investors in the Company that are the beneficial owners of the Ordinary Shares. The summary does not address the position of certain classes of investors, such as dealers. Investors should note that the statements below are of a general nature and are based on current tax law and current published revenue practice, as of the date of this document, both of which are subject to change, possibly with retrospective effect. In particular, the levels and basis of, and reliefs from, taxation may change and this may alter the benefits of investment in the Company.

The information is not exhaustive and, if potential investors are in any doubt as to the tax consequences of acquiring, holding or disposing of their investments, they should consult their professional advisers without delay.

It is the responsibility of all persons interested in purchasing Ordinary Shares to inform themselves regarding any tax consequences arising in the jurisdictions in which they are resident or domiciled for tax purposes, as well as any foreign exchange or other fiscal or legal restrictions, which are relevant to their particular circumstances in connection with the acquisition, holding or disposal of Ordinary Shares.

Shareholder

Guernsey

The following information does not deal with certain types of person, such as persons holding or acquiring shares in the course of trade, collective investment schemes or insurance companies. The following is intended only as a general guide and is not intended to be, nor should it be considered to be, legal or tax advice to any particular holder.

Guernsey does not levy capital gains tax (with the exception of a dwellings profit tax, which has been temporarily suspended) and, therefore, Shareholders will not suffer any tax in Guernsey on capital gains. Provided that such Shareholder does not carry on business in Guernsey through a permanent establishment situated in Guernsey, no deduction will be made from any dividend or distribution payable to any Shareholder not resident for income tax purposes in Guernsey, whether made during the life of the Company or by distribution on the liquidation of the Company. Such dividends or distributions may be paid and received free of Guernsey income tax.

Shareholders resident for income tax purposes in Guernsey are liable to income tax on the amount of the dividends or distributions received from the Company. In respect of income tax on distributions, companies which are Shareholders would be liable for income tax at the standard company rate of 0% and individuals would be liable for income tax at a rate between 0% and 20% depending on whether the income from which the distribution was made has been taxed (and at what rate it was taxed). As an exempt company, the Company would not be required to make a deduction of tax from any such dividend or distribution payable to any such Guernsey resident tax payer. The Company is required to return to the Guernsey Director of Income Tax the names and addresses of the persons to whom such distributions are made, the date and amount of these distributions and of the tax paid in respect of them.

European Union Directive on the Taxation of Savings Income

Guernsey is not subject to the European Union Directive on the Taxation of Savings Income (Directive 2003/48/EC) (the "EU Savings Tax Directive"). However, the States of Guernsey have introduced a retention tax system in respect of payments of interest, or other similar income, made to an individual beneficial owner resident in an EU member state by a paying agent located in Guernsey. Alternatively, such individual is entitled to request a paying agent not to retain tax from such payments, but instead apply a system by which the details of such payments are communicated to the tax authorities of the EU member state in which the beneficial owner is resident.

Under the terms of bilateral agreements with the 27 EU member states and domestic legislation, interest payments may include distributions from the proceeds of shares or units in certain collective investment schemes which are equivalent to a UCITS. Guidance notes on the implementation of the agreement (issued by the States of Guernsey) indicate that the Company is not equivalent to a UCITS. Accordingly, any such payments will not be subject to retention or disclosure.

United Kingdom

This summary only covers the principal UK tax consequences for holders of Ordinary Shares who are individuals domiciled in the UK and are either resident or ordinarily resident in the UK for UK tax purposes and corporate holders of Ordinary Shares which are resident in the UK for UK tax purposes (or, holders of Ordinary Shares who, although neither resident nor ordinarily resident in the UK, carry on a trade, profession or vocation through a branch or agency (in the case of individuals) or permanent establishment (in the case of corporate entities) in the UK for the purposes of which they have used, held or acquired their Ordinary Shares), who hold their Ordinary Shares as an investment and who are absolute beneficial owners of their Ordinary Shares and of any dividends paid in respect of them, in circumstances where the dividends paid are regarded for UK tax purposes as that person's own income and not the income of some other person (for the purposes of this section, "**UK Shareholders**").

In addition, the summary: (a) only addresses the tax consequences for holders who hold the Ordinary Shares as capital assets and does not address the tax consequences which may be relevant to certain other categories of holders, for example, brokers, dealers or traders in shares or securities; (b) does not address the tax consequences for holders that are insurance companies, collective investment schemes, tax exempt organisations or persons connected with the Company or holders who are regarded for UK tax purposes as having obtained Ordinary Shares by reasons of employment; (c) assumes that the holder does not control or hold, either alone or together with one or more associated or connected persons, directly or indirectly, 10 per cent. or more of the shares and/or voting power of the Company; (d) assumes that there will be no register in the UK in respect of the Ordinary Shares; (e) assumes that the Ordinary Shares will not be held by a depository incorporated in the UK; (f) assumes that the Ordinary Shares will not be paired with shares issued by a company incorporated in the UK; and (g) assumes that the Company will be resident for tax purposes in Guernsey only.

The following is intended only as a general guide and is not intended to be, nor should it be considered to be, legal or tax advice to any particular holder. Potential investors should satisfy themselves as to the overall tax consequences, including, specifically, the consequences under UK tax law and H.M. Revenue & Customs practice, of the acquisition, ownership and disposition of Ordinary Shares in their own particular circumstances, by consulting their own tax advisors.

Taxation of Dividends

Withholding Tax

The Company is not required to make any withholding from payments of dividends for or on account of UK tax.

Tax Liability for Individual UK Shareholders

UK resident individual Shareholders who receive a dividend from the Company will generally be entitled to a tax credit equal to one-ninth of the dividend payment, depending on the size of their shareholding, which can be set against the individual's income tax liability on the dividend payment. Such UK resident individual Shareholders will generally be taxable on the total of the dividend payment and the tax credit (the "**gross dividend**"), which will be regarded as the top slice of the UK Shareholder's income. The tax credit will discharge the individual's liability to income tax on the gross dividend, except to the extent the gross dividend falls above the threshold for higher rate income tax, in which case the UK Shareholder will be subject to income tax on the gross dividend at the current rate of 32.5 per cent., but will be able to set the tax credit off against this liability such that the individual will be liable to income tax in an amount equal to 22.5 per cent. of the gross dividend (25 per cent. of the dividend payment).

Under legislative changes announced in the Finance Act 2009 the rate of taxation for individuals earning taxable income in excess of £150,000 per annum will be increased to 50 per cent. with effect from April 2010. The rate of tax on the gross dividend for an individual UK Shareholder who exceeds the threshold for the new rate will increase to 42.5 per cent. such that after taking into account the tax credit the UK Shareholder will be liable to tax in an amount equal to 32.5 per cent. of the gross dividend (36 per cent. of the dividend payment).

Tax Liability for Corporate UK Shareholders

UK Shareholders within the charge to UK corporation tax may be liable for UK corporation tax (the main rate of UK corporation tax is currently 28 per cent.) on the receipt of the dividend. However, the Finance Act 2009 introduced an exemption from corporation tax on dividends received by UK resident companies, which may exempt such UK Shareholders from UK taxation on dividends paid by the Company, depending on their circumstances and subject to certain conditions being satisfied.

Taxation of Capital Gains

A disposal, part disposal or deemed disposal of the Ordinary Shares by a UK Shareholder may give rise to a chargeable gain or an allowable loss for the purposes of UK taxation of capital gains, depending on the holder's circumstances and subject to any available allowance, exemption or relief. In addition, holders who are individuals and who dispose of their Ordinary Shares while they are resident outside of the UK for UK tax purposes on a temporary basis only may, subject to certain conditions, be treated for UK tax purposes as disposing of their Ordinary Shares in the tax year in which they again become resident or ordinarily resident in the UK.

For an individual UK Shareholder, the principal factors that will determine the extent to which a gain will be subject to capital gains tax ("CGT"), which is currently at the rate of 18 per cent., are: (i) the extent to which the individual realised any other capital gains in the tax year in which the disposal takes place; (ii) the extent to which the individual has incurred and not utilised capital losses in that or any earlier year; (iii) the availability of "entrepreneur's relief" to reduce the effective rate at which the gain is charged to CGT; and (iv) the level of the annual allowance of UK tax-free gains in the tax year in which the disposal takes place (the "**Annual Exemption**"). The Annual Exemption is £10,100 for the 2009-2010 tax year.

A UK Shareholder that is within the charge to UK corporation tax is entitled to an indexation allowance which applies to reduce capital gains to the extent that (broadly speaking) they arise due to inflation. Indexation allowances may reduce a chargeable gain but neither create nor increase an allowable loss.

Certain taxes levied by jurisdictions other than the UK on chargeable gains may be available for credit relief against CGT or UK corporation tax on the same gain, subject to the detailed UK tax law and practice regarding the availability and calculation of such credit.

Stamp Duty and Stamp Duty Reserve Tax

The following comments are intended as a guide to the general UK stamp duty and stamp duty reserve tax ("SDRT") position and do not relate to persons such as market makers, brokers, dealers, intermediaries and persons connected with depository arrangements or clearance services, to whom special rules apply. These comments apply irrespective of the tax residence or domicile of the investor.

No UK stamp duty will be payable on the issue of new Ordinary Shares. No UK stamp duty will be payable on the transfer of existing Ordinary Shares provided that any instrument of transfer is not executed in the UK and does not relate to any property situated or to any matter or thing done or to be done, in the UK.

No UK SDRT will be payable on the issue of new Ordinary Shares. Any agreement to transfer Ordinary Shares, including any transfer effected through CREST, should not be subject to SDRT, provided that the Ordinary Shares are not and will not be registered in any register of the Company kept in the UK and that the Ordinary Shares are not and will not be paired with shares issued by a company incorporated in the UK.

Other UK tax considerations

The Company has been advised that UK Shareholders who acquire their Ordinary Shares pursuant to this offering should not be regarded as having a material interest in an offshore fund for the purposes of sections 756A to 764 of the Income and Corporation Taxes Act 1988 (“**ICTA**”). Therefore any gains realised on such holdings should be subject to capital gains tax (or, in the case of companies, corporation tax on chargeable gains) and not income tax (or, in the case of companies, corporation tax on income). The Finance Act 2009 has introduced changes to the rules relating to offshore funds, which are currently in force, but which generally take effect from 1 December 2009. H.M. Revenue & Customs has stated that it will issue guidance on the application of these rules, but has not done so at the date of this document. Furthermore, the rules may be subject to further change before or after they come into force. Potential investors are directed to the Tax Risks in Part 1 of this document, in particular to the risk factor entitled “Changes in taxation legislation or regulation may adversely affect the Company or Shareholders”, which provides additional information on the changes to the rules relating to offshore funds.

Any UK Shareholder who, either alone or together with connected or associated persons, is entitled to at least 25 per cent. of the Ordinary Shares may be subject to the rules on controlled foreign companies contained at sections 747 to 756 ICTA.

A UK Shareholder that is an individual should note the provisions of sections 714 to 751 of the Income Tax Act 2007 which could, in certain circumstances, render it liable to income tax on the income payable to a non-resident or non-domiciled person such as the Company. However, the provisions do not apply where the shareholder can satisfy H.M. Revenue & Customs that, either:

- (i) it would not be reasonable to conclude from all the circumstances of the case that avoiding liability to tax was the purpose or one of the purposes of effecting the transaction; or
- (ii) the transaction was a genuine commercial transaction and it would not be reasonable to conclude from all the circumstances of the case that one or more of the transactions was more than incidentally designed for the purpose of avoiding liability to taxation.

It is possible that the Company would be regarded as a close company if it were UK resident. UK Shareholders should therefore note the rules in section 13 of the Taxation of Chargeable Gains Act 1992 which look through non-resident closely controlled companies to UK residents who are participators in the company. UK Shareholders may, in certain circumstances, be liable to CGT or corporation tax on chargeable gains on a proportionate share of the Company’s capital gains. However, these rules apply only to investors who, either alone or together with connected persons, would be attributed a share exceeding 10 per cent. of the Company’s capital gains. In addition, an exception from the rules may apply where (as the Company expects to be the case) 35 per cent. of Ordinary Shares are held by the public (as defined in section 415 ICTA).

The Company

Guernsey Taxation

In response to the European Union Code of Conduct Group review Guernsey abolished the exempt tax status for the majority of companies from 31 December 2007. Collective investment schemes were allowed to continue to apply of exempt status after 31 December 2007, as these companies were not identified as being harmful by the European Union Code of Conduct Group. Under the zero ten tax regime Guernsey introduced a 0% rate of tax for all companies except those that received income from specified banking activities, Guernsey property rental and certain regulated activities.

The States of Guernsey has stated that it will review the zero ten regime in 2011/12 and consider further revenue raising measures including the introduction of a Goods and Services tax.

The Company will apply for exempt status for Guernsey tax purposes under the Income Tax (Exempt Bodies) (Bailiwick of Guernsey) Ordinance 1989 (the “**Exempt Ordinance**”). Under the provisions of the Exempt Ordinance, exemption is granted by the Director of Income Tax on an annual basis, provided the Company continues to comply with the requirements of the Exempt Ordinance and upon payment of an

annual fee which is currently fixed at £600. It is the intention of the Directors to conduct the affairs of the Company so as to ensure that it retains such exempt status. It is a condition of the exemption that no investment or other property situated in Guernsey, other than a relevant bank deposit or an interest in another body to which an exemption from tax has been granted, is acquired or held.

Once exempt status has been granted, the Company is treated as not being resident in Guernsey for the purposes of liability to Guernsey income tax. Under current law and practice therefore, the Company is only liable for tax in Guernsey in respect of income arising in Guernsey, other than Guernsey bank deposit interest.

Any income of the Company arising in Guernsey will attract a standard rate of tax of 0% save for the following limited exceptions:

- (a) income from specified banking activities is subject to income tax at 10 per cent.
- (b) income from activities that are regulated by the Guernsey Office of Utility Regulation is subject to income tax at 20 per cent. and
- (c) income derived from Guernsey land and buildings is subject to income tax at 20 per cent.

Guernsey does not levy taxes upon capital inheritances, capital gains (with the exception of a dwellings profit tax, the imposition of which has been temporarily suspended), gifts, sales or turnover, nor are there any estate duties, save for an ad valorem fee for the grant of probate or letters of administration. No stamp duty is chargeable in Guernsey on the issue, transfer, switching or redemption of shares in a Guernsey incorporated company.

Other Taxation

It is the intention of the Directors to conduct the affairs of the Company so that the central management and control of the Company is not exercised anywhere other than Guernsey. It is also the intention of the Directors to conduct the affairs of the Company so that it does not itself carry out any trade or business outside of Guernsey. On this basis, the Company should generally not be liable for taxation outside of Guernsey on its income, profits and gains, other than to the extent it is liable to taxation in a jurisdiction by reference to its income, profits or gains being ‘connected’ with or having a source with that jurisdiction. However, it should be noted that given the activities that will be conducted in jurisdictions other than Guernsey by, or on behalf of, the Company, such jurisdictions, including the US, may seek to argue that the Company is, by virtue of those activities, itself engaged in a trade or business within that jurisdiction. If such arguments were successful, this would give rise to significant liabilities to taxation for the Company.

The direct and indirect investments by the Company will be structured in various ways and in various jurisdictions. The Directors will seek to minimise taxation in the jurisdictions in which it invests and, to this end, the Board will take appropriate tax advice. However, it should be noted that the income, profits or gains of the Company may be subject to significant taxation by reference to them being ‘connected’ with or having a source within a particular jurisdiction. In particular, certain income, profits or gains of the Company sourced in the US may be subject to income tax and withholding tax in the US. Given the uncertainty regarding the application of US tax laws to the types of income the Company will earn from its investments in the US, there can be no assurance that US taxing authorities will not successfully challenge the Company’s reporting and paying of US taxes applicable to such income, resulting in increased taxes, interest and possibly penalties.

THE INFORMATION ABOVE IS A GENERAL SUMMARY. IT DOES NOT COVER ALL TAX MATTERS THAT MAY BE IMPORTANT TO A PARTICULAR INVESTOR. EACH PROSPECTIVE INVESTOR SHOULD CONSULT ITS OWN TAX ADVISOR ABOUT THE TAX CONSEQUENCES OF AN INVESTMENT IN THE ORDINARY SHARES ACCORDING TO THE INVESTOR’S OWN CIRCUMSTANCES.

PART 7

ADDITIONAL INFORMATION

1. Responsibility Statement

- 1.1 The Directors whose names and functions appear on page 5 of this document, and the Company, accept responsibility for the information contained in this document, including individual and collective responsibility for compliance with the AIM Rules for Companies and the Guernsey Prospectus Rules. To the best of the knowledge of the Directors and the Company (who have taken all reasonable care to ensure that such is the case) the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.
- 1.2 The business address of each of the Directors is Regency Court, Glategny Esplanade, St Peter Port, Guernsey GY1 1WW.

2. Incorporation

- 2.1 The Company was incorporated as a limited liability company under the laws of Guernsey, on 11 September 2009 and is registered with number 50877. The Company operates under The Companies (Guernsey) Law, 2008 as a limited liability company. The Company's registered office and its principal place of business are at Regency Court, Glategny Esplanade, St Peter Port, Guernsey GY1 1WW (telephone: +44 1481 723450). The liability of the Company's members is limited.
- 2.2 The address of the Company's website which discloses the information required by Rule 26 of the AIM Rules for Companies is www.burfordcapital.com.
- 2.3 The Company does not have any subsidiaries but may form subsidiaries to hold particular investments.

3. Share Capital

- 3.1 At the date of this document the issued fully paid share capital of the Company is:

<i>Class of shares</i>	<i>Issued (fully paid)</i>
Ordinary Shares	1

- 3.2 The issued fully paid share capital of the Company immediately following Admission will be as follows:

<i>Class of shares</i>	<i>Issued (fully paid)</i>
Ordinary Shares	80,000,000

- 3.3 The new Ordinary Shares will rank in full for all dividends or other distributions hereafter declared, paid or made on the Ordinary Share capital of the Company.
- 3.4 Since the date of incorporation and until Admission, there have been and there will be no changes to the issued share capital of the Company.
- 3.5 Except as set out in this paragraph 3, no subscriptions, allotments or options exist and there are no plans to introduce any such subscriptions, allotments or options, in respect of any other shares of the Company.

4. Memorandum and Articles of Incorporation

The memorandum of incorporation of the Company provides that the objects of the Company are unlimited. A copy of the memorandum of incorporation is available for inspection at the registered office of the Company.

The following is a brief summary of the material provisions of the articles of incorporation of the Company as at the date of Admission:

Definitions

The following definitions apply for the purposes of this paragraph 4 only:

“Companies Law”	means The Companies (Guernsey) Law, 2008, as amended, extended or replaced from time to time and any Ordinance, Statutory Instrument, rule or regulation made thereunder;
“CREST Guernsey Requirements”	Rule 8 and such other of the rules and requirements of Euroclear as may be applicable to issuers as from time to time specified in the CREST Manual;
“CREST UK system”	means the facilities and procedures for the time being of the relevant system of which Euroclear has been approved as operator;
“DTR”	means the Disclosure Rules and the Transparency Rules, being in force in the United Kingdom, as amended from time to time;
“equity securities”	means Shares or a right to subscribe for or to convert securities into Shares;
“Law”	means every Order in Council, Law, Ordinance or Statutory Instrument for the time being in force concerning companies registered in Guernsey and affecting the Company (including, for the avoidance of doubt, the Companies Law) in each case as amended, extended or replaced from time to time and any Ordinance, Statutory Instrument, rule or regulation made thereunder;
“Share”	means a share (whether an Ordinary Share or otherwise) in the capital of the Company; and
“uncertificated”	means a unit of a Guernsey security title to which is recorded on the relevant register of securities as being held in uncertificated form and title to which may be transferred by means of the CREST UK system; and “certificated” means a unit of a security which is not an uncertificated unit.

References in this paragraph 4 to “Shareholders” shall be construed as references to holders for the time being of Shares.

(a) Shares

- (i) Subject to the provisions of the Law and without prejudice to any rights attached to any existing Shares or to the provisions of Article 5(a), any Share in the Company may be issued with or have attached thereto such rights or restrictions as the Company may from time to time by ordinary resolution determine or, subject to or in default of any such direction, as the directors may determine.
- (ii) The Company may issue fractions of Shares and any such fractional Shares shall rank *pari passu* in all respects with the other Shares issued by the Company.
- (iii) The Company may from time to time acquire its own Shares (including any redeemable shares) in any manner in accordance with the Law. Any such Shares acquired by the Company may be cancelled or may be held as treasury shares, subject to and in accordance with the Law.
- (iv) Subject to the provisions of the Companies Law, the Company may give financial assistance, as defined by section 330 of the Companies Law directly or indirectly for the purpose of or in connection with the acquisition of its Shares.

- (v) The Company may issue Shares which are, at the option of the Company, liable to be redeemed and convert all or any class of its Shares into redeemable Shares.
- (vi) The Company may issue Shares which do not entitle the holder to voting rights in any general meeting or entitle the holder to restricted voting rights in any general meeting.
- (vii) Subject to the provisions of the Law, the Articles, and any resolution of the Company, the directors have general and unconditional authority:
 - (A) to allot (with or without conferring rights of renunciation), grant options over, offer or otherwise deal with or dispose of unissued Shares of the Company or rights to subscribe or convert any security into Shares; or
 - (B) to sell, transfer or cancel any treasury shares held by the Company,
 - in any such case to such persons, at such times and generally on such terms and conditions as the directors may determine.
- (viii) The Company may exercise the powers of paying commissions and in such an amount or at such a percentage rate as the directors may determine. Subject to the provisions of the Law any such commission may be satisfied by the payment of cash or by the allotment of fully or partly paid Shares or partly in one way and partly in the other. The Company may also on any issue of Shares pay such brokerage as may be lawful.
- (ix) Except as required by law, no person shall be recognised by the Company as holding any Share upon any trust and (except as otherwise provided by the Articles or by law) the Company shall not be bound by or recognise (even when having notice thereof) any interest in any Share other than an absolute right of the registered holder to the entirety of a Share or fraction thereof.

(b) Variation of Rights

- (i) Whenever the capital of the Company is divided into different classes of Shares the rights attached to any class of Shares may (unless otherwise provided by the terms of issue of the Shares of that class) be varied or abrogated, either whilst the Company is a going concern or during or in contemplation of a winding-up:
 - (A) with the consent in writing of the holders of a majority of the issued Shares of that class; or
 - (B) with the sanction of an ordinary resolution passed at a separate meeting of the holders of the Shares of that class.
- (ii) The necessary quorum shall be two persons present holding or representing by proxy at least one-third of the voting rights of the class (provided that if any such meeting is adjourned for lack of a quorum, the quorum at the reconvened meeting shall be those holders of Shares of the class present in person or by proxy) provided always that where the class has only one member, that member shall constitute the necessary quorum and any holder of Shares of the class in question may demand a poll.
- (iii) The special rights conferred upon the holders of any Shares or class of Shares issued with preferred, deferred or other rights shall (unless otherwise expressly provided by the conditions of issue of such Shares) be deemed not to be varied by the creation or issue of further Shares ranking *pari passu* therewith or by the exercise of any power under the disclosure provisions requiring Shareholders to disclose an interest in the Company's Shares pursuant to the Articles.

(c) Disclosure of interests in Shares

- (i) The Company may, by notice in writing (a "Disclosure Notice") require a person whom the Company knows to be, or has reasonable cause to believe is or, at any time during the 3 years immediately preceding the date on which the Disclosure Notice is issued to have been interested in any Shares:
 - (A) to confirm that fact or (as the case may be) to indicate whether or not it is the case; and

- (B) to give such further information as may be required in accordance with the Articles.
- (ii) A Disclosure Notice may (without limitation) require the person to whom it is addressed:
 - (A) to give particulars of his own past or present interest in any Shares (held by him at any time during the 3 year period specified in the Articles);
 - (B) to disclose the identity of any other person who has a present interest in the Shares held by him;
 - (C) where the interest is a present interest and any other interest in any Shares subsisted during that 3 year period at any time when his own interest subsisted, to give (so far as within his knowledge) such particulars with respect to that other interest as may be required by the Disclosure Notice; and
 - (D) where his interest is a past interest to give (so far as is within his knowledge) like particulars of the identity of the person who held that interest immediately upon his ceasing to hold it.
- (iii) If any member is in default in supplying to the Company the information required by the Company within the prescribed period (which is 28 days after service of the notice or 14 days if the Shares concerned represent 0.25 per cent. or more in number of the issued Shares of the relevant class), or such other reasonable period as the directors may determine, the directors in their absolute discretion may serve a direction notice on the member. The direction notice may direct that in respect of the Shares in respect of which the default has occurred (the “Default Shares”) the member shall not be entitled to vote in general meetings or class meetings. Where the Default Shares represent at least 0.25 per cent. in number of the class of Shares concerned the direction notice may additionally direct that dividends on such Shares will be retained by the Company (without interest) and that no transfer of the Default Shares (other than a transfer authorised under the Articles) shall be registered until the default is rectified.
- (iv) Notwithstanding the provisions of the Law, a Shareholder shall notify the Company of the percentage of voting rights which he/she/it holds in respect of the Shares or through any direct or indirect holding of financial instruments (or through a combination of such holdings) which he/she/it would be required to notify to the Company if DTR 5 applied. For this purpose “financial instruments” shall have the meaning ascribed in the glossary to the FSA’s Handbook of rules and guidance and the Company shall be deemed to be an “issuer” (as such term is defined in Rule 5.1.1 of DTR 5). Such a notification shall include the information provided for in DTR 5 and be made within two trading days. If a Shareholder fails to comply with this requirement, the Shares of such Shareholder shall be treated as if they were Default Shares for the purposes of paragraph (c)(iii) above and the Board may impose on the Shares of such Shareholder all or any of the restrictions mentioned in paragraph (c)(iii) until such time as the Board is satisfied that the Shareholder has fully complied with this requirement.

(d) Pre-emption rights

- (i) Subject to the Articles, the Company shall not allot equity securities on any terms unless:
 - (A) the directors have made an offer to each person who holds equity securities to allot to him on the same or more favourable terms such proportion of those equity securities that is as nearly as practicable (fractions being disregarded) equal to the proportion that the relevant person’s existing holding of equity securities bears to all the issued Shares and the period, which shall not be less than 14 clear days, during which any offer may be accepted has expired or the Company has received notice of the acceptance or refusal of every offer made.
- (ii) The pre-emption provisions described above shall not apply to:
 - (A) a particular allotment of equity securities if these are, or are to be, wholly or partly paid up otherwise than in cash; or
 - (B) the allotment of such number of Shares as, in aggregate, does not exceed 10 per cent. of the number of Shares in issue immediately following Admission.

- (iii) The Shareholders may by ordinary resolution, resolve that the pre-emption provisions described above shall not apply in certain circumstances.

(e) Transfer of Shares

Subject to the terms of the Articles any member may transfer all or any of his certificated Shares by an instrument of transfer in any usual form or in any other form which the directors may approve. An instrument of transfer of a certificated Share shall be executed by or on behalf of the transferor and, unless the Share is fully paid, by or on behalf of the transferee. The directors may, without assigning any reasons therefor, refuse to register the transfer of a certificated Share (whether fully paid or not) unless the instrument of transfer is lodged at the registered office and is accompanied by any certificates for the Shares to which it relates and such other evidence as the directors may require to show the right of the transferor to make the transfer.

Subject to the terms of the Articles any member may transfer all or any of his uncertificated Shares by means of a relevant system authorised by the directors in such manner provided for, and subject as provided, in any regulations issued for this purpose under the Law or such as may be otherwise from time to time be adopted by the Directors on behalf of the Company and the rules of any relevant system and accordingly no provision of the Articles shall apply in respect of an uncertificated Share to the extent that it requires or contemplates the effecting of a transfer by an instrument in writing or the production of a certificate for the Shares to be transferred. The directors may only decline to register a transfer of an uncertificated Share in the circumstances set out in regulations issued for this purpose under the Law or such as may otherwise from time to time be adopted by the directors on behalf of the Company and the rules of any relevant system, and where, in the case of a transfer to joint holders, the number of joint holders to whom the uncertificated Share is to be transferred exceeds four.

The directors shall have power to implement such arrangements as they may, in their absolute discretion, think fit in order for any class of Shares to be admitted to settlement by means of the CREST UK system and such securities may be issued in uncertificated form in accordance with and subject as provided in the CREST Guernsey Requirements.

Subject to the CREST Guernsey Requirements and/or the rules of any other relevant system, the registration of transfers may be suspended by giving such notices as may be required by the rules of any relevant system at such times and for such periods (not exceeding thirty days in any year) as the directors may determine.

(f) Alteration of Capital

The Company may by ordinary resolution make various alterations to its share capital, including, *inter alia*, consolidating and dividing share capital, sub-dividing shares, cancelling untaken shares, converting shares into shares denominated in a different currency and denominating or redenominating the currency of share capital.

(g) Notice of General Meetings

Whilst not expressly provided for in the Articles, the Companies Law provides that the first annual general meeting of the Company shall be held within 18 months beginning on the date of the Company's incorporation and thereafter, at least once in every calendar year. No more than 15 months may elapse between one annual general meeting and the next.

Any general meeting shall be called by at least ten days' notice. A general meeting may be deemed to have been duly called by shorter notice if it is so agreed by all the members entitled to attend and vote thereat. The notice shall, in addition to any other requirement of the Companies Law, specify the day, time and place of the meeting and the general nature of the business to be transacted and, in the case of an annual general meeting, shall specify the meeting as such. 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 such notice shall not invalidate the proceedings at the meeting.

(h) Votes of Members

Subject to any rights or restrictions attached to any Shares and referred to above and below, on a show of hands every member who is present in person (or being a corporation, present by a duly authorised representative) or by proxy shall have one vote and on a poll every member present in person (or being a corporation, present by a duly authorised representative) or by proxy shall have one vote for every Share of which he is the holder.

(i) Restrictions on Voting

Unless the board otherwise decides, no member shall be entitled to vote at any general meeting or at any separate meeting of the holders of any class of Shares in the Company, either in person or by proxy, in respect of any Share held by him unless all calls and other sums presently payable by him in respect of that Share have been paid.

No member of the Company shall, if the directors so determine, be entitled in respect of any Share held by him to attend or vote (either personally or by representative or by proxy) at any general meeting or separate class meeting of the Company or to exercise any other right conferred by membership in relation to any such meeting if he or any other person appearing to be interested in such Shares has failed to comply with a Disclosure Notice (see paragraph (c) above) within 14 days, in a case where the Shares in question represent at least 0.25 per cent. of their class, or within 28 days, in any other case, from the date of such Disclosure Notice. These restrictions will continue until the information required by the notice is supplied to the Company or until the Shares in question are transferred or sold in circumstances specified for this purpose in the Articles.

(j) Interests of Directors

- (i) Subject to and in accordance with the Companies Law, a director must, immediately after becoming aware of the fact that he is interested in a transaction or proposed transaction with the Company, disclose that fact to the directors (including, if the monetary value of the director's interest is quantifiable, the nature and monetary value of that interest, or if the monetary value of the director's interest is not quantifiable, the nature and extent of that interest).
- (ii) Subject to the provisions of the Companies Law, and provided that he has disclosed to the directors the nature and extent of any interests of his, a director notwithstanding his office:
- (A) may hold any other office or place of profit under the Company (other than the office of auditor) in conjunction with his office of director on such terms as to the tenure of office and otherwise as the directors may determine;
 - (B) may be a party to, or otherwise interested in, any transaction or arrangement with the Company or in which the Company is otherwise interested;
 - (C) may be a director or other officer of, or employed by, or a party to any transaction or arrangement with, or otherwise interested in, any body corporate promoted by the Company or in which the Company is otherwise interested;
 - (D) shall not, by reason of his office, be accountable to the Company for any remuneration or benefit which he derives from any such office or employment or from any such transaction or arrangement or from any interest in any such body corporate and no such transaction or arrangement shall be liable to be avoided on the ground of any such interest or benefit;
 - (E) may act by himself or his firm in a professional capacity for the Company, other than as auditor, and he or his firm shall be entitled to remuneration for professional services as though he were not a director of the Company; and
 - (F) may, be counted in the quorum present at any meeting where he or any other director is appointed to hold any such office or place of profit under the Company, or where the terms of appointment are arranged and he may vote on any such appointment or arrangement other than his own appointment or the terms thereof.

(k) Remuneration and Appointment of Directors

- (i) The directors shall be remunerated for their services at such rate as the directors shall determine provided that the aggregate amount of such fees shall not exceed £350,000 per annum (or such sum as the Company in general meeting shall from time to time determine). The directors may be paid all reasonable travelling, hotel and other out of pocket expenses properly incurred by them in attending board or committee meetings or general meetings, and all reasonable expenses properly incurred by them seeking independent professional advice on any matter that concerns them in the furtherance of their duties as a director.
- (ii) Subject to the Law and the Articles, the directors shall have power at any time, and from time to time, without sanction of the Company in general meeting, to appoint any person to be a director, either to fill a casual vacancy or as an additional director. Any director so appointed shall hold office only until the next following annual general meeting and shall then be eligible for re-election. Subject to the Law and the Articles, the Company may by ordinary resolution appoint any person as a director and remove any person from office as a director.
- (iii) A director shall not be required to hold any qualification shares.
- (iv) Subject to the provisions of the Law, the directors may appoint one or more of their number to the office of managing director or to any other executive office upon such terms as they determine.

(l) Retirement, Disqualification and Removal of Directors

- (i) A Director may resign from office as a director by giving notice in writing to that effect to the Company at its registered office, which notice shall be effective upon such date as may be specified in the notice, failing which upon delivery to the registered office.
- (ii) One third of the directors (rounded down to the nearest whole number) shall retire by rotation at each annual general meeting of the Company. Such directors may be reappointed.
- (iii) There is no age limit at which a director is required to retire.
- (iv) The office of a director shall be vacated if he ceases to be a director by virtue of any provision of the Law or ceases to be eligible to be a director in accordance with the Law; or he has his affairs declared “en désastre”, becomes bankrupt or makes any arrangement or composition with his creditors generally or otherwise has any judgment executed on any of his assets; or he becomes of unsound mind or incapable or an order is made by a court having jurisdiction (whether in Guernsey or elsewhere) in matters concerning mental disorder for his detention or for the appointment of a receiver, curator or other person to exercise powers with respect to his property or affairs; or he shall have absented himself from meetings of the directors for a consecutive period of 12 months and the directors resolve that his office shall be vacated; or he dies; or he resigns his office by written notice to the Company; or the Company so resolves by ordinary resolution; or where there are more than two directors, all the other directors request him to resign in writing; if he becomes resident for tax purposes in the United Kingdom and, as a result, a majority of the directors are resident for tax purposes in the United Kingdom; or if he becomes resident for tax purposes in the United States and, as a result, a majority of the directors are resident for tax purposes in the United States.

(m) Dividends and Distributions

- (i) Subject to the provisions of the Companies Law, the Company may by ordinary resolution declare dividends and/or make distributions but no dividend or other distribution shall exceed the amount recommended by the directors.
- (ii) Subject to the provisions of the Companies Law, the directors may if they think fit from time to time pay interim dividends if it appears to them that they are justified by the assets of the Company.
- (iii) Except as otherwise provided by the rights attached to Shares, all dividends or other distributions shall be declared and paid according to the number of Shares in issue. All dividends or other distributions

shall be apportioned and paid proportionately to the number of Shares in issue during any portion or portions of the period in respect of which the dividend or other distribution is paid, but, if any Share is issued on terms providing that it shall rank for dividend or other distribution as from a particular date, that Share shall rank for dividend or other distribution accordingly.

- (iv) A general meeting declaring a dividend or other distribution may, upon the recommendation of the directors, direct that it shall be satisfied wholly or partly by the distribution of assets and, where any difficulty arises in regard to the distribution, the directors may settle the same and in particular may issue fractional certificates and fix the value for distribution of any assets and may determine that cash shall be paid to any member at the value so fixed in order to adjust the rights of members and may vest any assets in trustees.
 - (v) The directors may deduct from any dividend or other distribution, or other moneys, payable to any member on or in respect of, a Share, all sums of money (if any) presently payable by him to the Company on account of calls or otherwise in relation to the Shares of the Company.
 - (vi) All unclaimed dividends or other distributions may be invested or otherwise made use of by the directors for the benefit of the Company until claimed and the Company shall not be constituted a trustee thereof. Any dividend or other distribution unclaimed after a period of twelve years from the date when it became due for payment shall, if the directors so resolve, be forfeited and cease to remain owing by the Company. No dividend or other distribution or other moneys payable in respect of a Share shall bear interest against the Company unless otherwise provided by the rights attached to the Share.
 - (vii) The Directors are empowered to create reserves before recommending or declaring any dividend. The Directors may also carry forward any profits which they think prudent not to divide.
- (n) Winding-up**
- (i) If the Company shall be wound up, the Company may, with the sanction of a special resolution and any other sanction required by the Companies Law, divide the whole or any part of the assets of the Company among the members in specie, and the liquidator or, where there is no liquidator, the directors, may for that purpose value any assets and determine how the division shall be carried out as between the members or different classes of members and, with the like sanction, may vest the whole or any part of the assets in trustees upon such trusts for the benefit of the members as he or they may determine, but no member shall be compelled to accept any assets upon which there is a liability.
 - (ii) Where the Company is proposed to be or is in the course of being wound up and the whole or part of its business or property is proposed to be transferred or sold to another company the liquidator may, with the sanction of an ordinary resolution, receive in compensation shares, policies or other like interests for distribution or may enter into any other arrangements whereby the members may, in lieu of receiving cash, shares, policies or other like interests, participate in the profits of or receive any other benefit from the transferee.

(o) Borrowing Powers

The directors may exercise all the powers of the Company to borrow money and to give guarantees, mortgage, hypothecate, pledge or charge all or part of its undertaking, property (present or future) or assets or uncalled capital and to issue debentures and other securities whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party. No new borrowings by the Company may be incurred to the extent total borrowings would then exceed 50 per cent. of the Company's last announced NAV at the time of drawdown.

5. Interests of Directors and others

- 5.1 Save as disclosed in this paragraph 5, no Director has any interest in the share capital of the Company nor has any person connected with any Director (so far as is known, or who could with reasonable diligence be ascertained by, each Director) any interest in the share capital of the Company whether or not held through another party or any options in respect of such capital.

- 5.2 As at the date of this document and on Admission, the interests of the Directors, both beneficial and non-beneficial, and persons connected with the Directors in the Ordinary Shares are as follows:

<i>Name</i>	<i>Ordinary Shares</i>	
	<i>as at the date of this document</i>	<i>Ordinary Shares On Admission</i>
Sir Peter Middleton	0	30,000

- 5.3 Save as set out below, the Directors are not aware of any person who is, or will immediately following Admission be, interested directly or indirectly in 3 per cent. or more of the issued share capital of the Company. No such person has, or will have, different voting rights in relation to their shareholdings in the Company.

<i>Name</i>	<i>Ordinary Shares</i>		<i>Percentage of issued share capital on Admission</i>
	<i>as at the date of this document</i>	<i>Ordinary Shares On Admission</i>	
Invesco UK Ltd	0	36,000,000	45.00
Baillie Gifford & Co	0	8,503,400	10.63
Fidelity International Ltd	0	7,992,000	9.99
Eton Park International LLP	0	7,920,000	9.90
Scottish Widows Investment Partnership Ltd	0	4,500,000	5.63

- 5.4 As at the date of this document, the Company is not, directly or indirectly, owned or controlled by any controlling shareholder.
- 5.5 The names of the companies and partnerships of which the Directors have been directors or partners in the last five years or of which they continue to be directors or partners, are as follows:

Sir Peter Middleton

Current directorships and partnerships

Camelot Global Services Limited
 Camelot Group plc
 Centre for Effective Dispute Resolution Limited
 Marsh Limited
 Mercer Employee Benefits Limited
 Mercer Limited
 Creative Sheffield Limited
 Surefire 3 Film Production LLP
 Fenchurch Advisory Partners LLP
 Reyniers & Co Limited

Past directorships and partnerships

United Utilities plc
 National Institute of Economic and Social Research (Incorporated) (The)
 Sheffield City Centre Urban Regeneration Company Limited
 Mobile TeleSystems OJSC

Hugh Steven Wilson

Current directorships and partnerships

Alabama Aircraft Industries, Inc.

Past directorships and partnerships

Enterasys Networks, Inc.
 Elizabeth Glase Pediatric AIDS Foundation

David Lowe

Current directorships and partnerships

Islands Insurance (Holdings) Limited
 Commercial Company of the Channel Islands Limited
 Wheadon Holdings Limited
 Farmers Re

Past directorships and partnerships

International Energy Group Limited
 Cadic Holdings Limited
 Heritage Insurance Management Limited (as Risk Management Limited)
 Guernsey Butterfly Farm Ltd
 C.I. Traders Ltd

David Lowe (Continued)*Current directorships and partnerships*

Acromas Reinsurance Company Ltd (previously
A.A.Re.)
Papilio Limited
Bailiwick Investments Limited
Commerce Holdings Limited
Column Holdings Limited

Past directorships and partnerships

18 Queen Street Ltd
22 Quennevais Parade Ltd
A F Butcher & Company (W & S) Ltd
A.E. Smith & Son Ltd
A.S.B. (Longueville) Ltd
A.S.B.M. Ltd
A.S.B.O. Ltd
A.S.B.T. Ltd
A.S.B.W. Ltd
Alfred Shepherd Ltd
Anderley Investments Ltd
Ann Street Freetraders Ltd
Aurora Hotel Ltd
Aztec Vending Ltd
Bath Street Wine Cellar Ltd
BKF Holdings (Guernsey) Ltd
Blubeckers Holdings Ltd
Blubeckers Inns Ltd
Brasserie Du Centre Ltd
Brighton Properties (Jersey) Ltd
Britannia Hotel (Jersey) Ltd
Bucktrout & Co (Alderney) Ltd
Bucktrout & Co Ltd
Bucktrout Wines & Spirits Ltd
Bunches Ltd
Citann Ltd
C I Bakery Ltd
C.I.T. Estates Ltd
C.I. Traders Ltd
Caesarea Hotel (Jersey) Ltd
Cafe De Paris (Jersey) Ltd
Casa Corner Ltd
Channel Bottlers Ltd
Channel Island Caterers Ltd
Channel Islands Finance Co Ltd – Guernsey
Channel Islands Finance Co Ltd – Jersey
Channel Wines & Spirits (Jersey) Ltd
Checkers (Guernsey) Limited
Cosy Corner (Jersey) Ltd
CP (Jersey) Ltd
CP (LRG) Ltd
Craig Street Brewing Company Ltd
Don Inn (Jersey) Ltd
Easy Rent-A-Car Autolink Intl Ltd
Elytra Ltd
Evenstar Ltd
Exeter Hotel (Jersey) Ltd
Fallford Warehouse & Packing Co Ltd
Falongue Property Company Ltd
Fanners Inn Ltd
Finsbury Hotel (Jersey) Ltd
First Tower Hotel (Jersey) Ltd

David Lowe (Continued)*Current directorships and partnerships**Past directorships and partnerships*

Five Oaks Hotel Ltd
Fly CI Ltd
Foresters Arms (Jersey) Ltd
Four Gables Ltd
G Orange & Co Ltd
G Orange (Guernsey) Limited
Gaudins Ltd
Gimbels (Jersey) Ltd
Gloster Vaults Ltd
Great Union Hotel (Holdings) Ltd
Great Western Hotel Ltd
Greenacres Hotel Ltd
Guernsey Brewery Co (1920) Ltd
Guernsey Tobacco Co Ltd
Guppys Holdings Ltd
Guppys of Guernsey Ltd
Harvest Barn Ltd
Horse & Hound (Jersey) Ltd
Hotel & Commercial Laundries Ltd
Island Motor Company Properties Ltd
John Tregear Ltd
Korpheos Enterprises Ltd
L S Warry & Sons Limited
La Cave Des Vins Ltd
La Rocque Inn (Jersey) Ltd
Lagrat Property Ltd
Lancelot Ltd
Landes Du Marche (Jersey) Ltd
LDM Properties Ltd
LDM Properties (Guernsey) Limited
Le Hocq Hotel Ltd
Lentar Ltd
Lindbergh Limited
Longueville Distributors Ltd
Mackay & Co (Alderney) Ltd
Mackay & Co Ltd
Marais Hall Ltd
Martin & Phillips Ltd
Martin O'Meara Ltd
Mary Ann Products (Jersey) Ltd
Millbrook Enterprises Ltd
Mitre Hotel (Jersey) Ltd
New Island Wide Ltd
New Island Wide Properties Ltd
24SE7EN Limited
Oxford Hotel Ltd
Parade Hotel (Jersey) Ltd
Pedley Bailhache Ltd
Peirson (1971) Ltd
Perelle (2003) Limited
Playzone Limited
Pommier Limited

David Lowe (Continued)*Current directorships and partnerships**Past directorships and partnerships*

Priory Inn (Jersey) Ltd
Red Holdings Ltd
Red Lamp Hotel Ltd
Red Lion Ltd
Robin Hood (Jersey) Ltd
Rufford Ltd
Russell Meats Ltd
S D H Holdings Ltd
S L Ltd
Sandy Hook Stores Ltd
SC One Ltd
Seaforth Hotel Ltd
Select Dry Cleaning Ltd
SHG (2) Ltd
Southampton Hotel (Jersey) Ltd
Square Ltd
St Clement Holdings Ltd
St John's Hotel Ltd
St Lukes Property Ltd
St Peter's Windmill Ltd
St Pierre Park Hotel Ltd
Stag Hotel (Jersey) Ltd
Stampers Limited
Sussex Hotel Ltd
The Bristol Hotel Co Ltd
The Commercial Hotel Ltd
The Dunes Hotel Ltd
The Independent Brewing Company Ltd
The Post Horn Ltd
The Wine Warehouse Limited
Thomas Hotels Ltd
Trade Savers C.I. Limited
Trafalgar Hotel (Jersey) Ltd
Union Inn (Jersey) Ltd
Victor Hugo Wines Ltd
Victoria (Valley) Ltd
Victoria Hotel (Jersey) Ltd
Victoria House (2001) Ltd
Wellington Hotel Ltd
West End Hotel (St. Helier) Ltd
West's Cinemas Ltd
White Hart Ltd

Charles Parkinson*Current directorships and partnerships**Past directorships and partnerships*

Cabernet Ltd
Dexion Equity Alternative Limited
Eastern European Property Fund Limited
Mapeley Limited

Broadway Management (Guernsey) Limited
Cap Kerguelen Aps
Cooper Holdings Limited
Credit Lyonnais Finance (Guernsey) Limited
Credit Lyonnais Financial Products (Guernsey) Limited
Global High Yield Bond Trust Limited

Charles Parkinson (Continued)

Current directorships and partnerships

Past directorships and partnerships

Hale Investments Limited
Lesing One Limited
Lesing Two Limited
Lesing Three Limited
Lesing Four Limited
Lesing Five Limited
Lesing Six Limited
Lesing Seven Limited
Lesing Venco Limited
M&G Income Investment Company Limited
PKF (Guernsey) Limited
Praxis Holdings Limited
Praxis Fiduciaries Limited
Strawberry Investments Limited
The Advantage Property Income Trust Limited
Thistle Company Limited
Universal Insurances PCC Limited

6. Additional information on the Directors

- 6.1 No loan has been granted to, nor any guarantee provided for the benefit of, any Director by the Company.
- 6.2 No Director has any interest in any transactions which are or were unusual in their nature or conditions or significant to the business of the Company and which have been effected by the Company since incorporation or have been effected by the Company since incorporation and remain in any way outstanding or unperformed.
- 6.3 As at the date of this document no Director:
- (a) has any unspent convictions in relation to any indictable offences;
 - (b) has been a director of any company or a partner of any firm which, at the time of or within 12 months after his ceasing to be a director or a partner (as the case may be), had any receiver appointed or went into compulsory liquidation, or creditors voluntary liquidation or went into administration, or entered into company or partnership voluntary arrangements, or made any composition or arrangement with its creditors generally or any class of the creditors of such company;
 - (c) has become bankrupt or had any bankruptcy order served upon him or entered into any individual voluntary arrangement;
 - (d) has had his assets the subject of any receivership or has been a partner of a partnership at the time of, or within the twelve months preceding, any assets of that partnership being the subject of a receivership; or
 - (e) has had any public criticism against him by any statutory or regulatory authority (including recognised professional bodies) or has been disqualified by a court from acting as a director of a company or from acting in the management or conduct of the affairs of any company.

7. Directors' Remuneration and Employees

- 7.1 The aggregate of the remuneration to be paid to the Directors by the Company for the financial period ending 31 December 2010 is not expected to exceed £250,000 (excluding any applicable VAT).

7.2 The following is a summary of the Directors' letters of appointment:

- (a) Appointments are made subject to the Articles. Directors are subject to retirement by rotation and removal from office in accordance with the Articles without payment of compensation;
- (b) The Articles provide for the Company to indemnify Directors, so far as Guernsey law allows, for liabilities incurred in the execution of office, except where such liabilities are incurred by such Director's wilful act, neglect or default; and
- (c) Directors' fees are paid quarterly in arrears with effect from Admission at the following annual rates: Sir Peter Middleton £75,000, H. S. Wilson \$100,000, C. N. K. Parkinson £25,000 and D. C. Lowe £25,000, with Mr. Parkinson and Mr. Lowe entitled to a further £500 for each meeting of the Investment Committee, subject to a £5,000 minimum per annum. Mr. Parkinson will also receive £2,000 per annum for serving as Chairman of the Audit Committee. Fees are subject to an annual review by the Board.

7.3 As at the date of this document, the Company has, and since incorporation the Company has had, no employees.

8. Working Capital

The Directors are of the opinion, having made due and careful enquiry, that the working capital available to the Company following completion of the Placing will be sufficient for its present requirements, that is for at least twelve months from the date of Admission.

9. Litigation

There are no governmental, legal or arbitration proceedings in which the Company is involved or of which the Company is aware, which are pending or threatened by or against the Company, which may have or have had in the twelve months preceding the date of this document a significant effect on the Company's financial position or profitability.

10. Material Contracts

Set out below is a summary of each material contract entered into by the Company other than those entered into in the ordinary course of business, or those entered into within the two years immediately preceding the date of this document:

10.1 *Placing Agreement*

Under the Placing Agreement dated 16 October 2009 between the Company, the Principals, each Director, the Investment Adviser, FPK and Execution Ltd:

- (a) FPK has agreed to act as the Company's sole bookrunner, nominated adviser and broker for the purposes of the AIM Rules for Companies and the AIM Rules for Nominated Advisers in relation to Admission and the Placing ("the AIM Flotation");
- (b) Execution Ltd has agreed to act as the Company's co-lead manager in relation to the AIM Flotation;
- (c) FPK and Execution Ltd have agreed to use their respective reasonable endeavours to procure persons to subscribe the Placing Shares and if any Placing Shares are not otherwise subscribed, themselves subscribe such shares;
- (d) the Company has agreed, subject to the Placing Agreement becoming unconditional, to allot and issue the Placing Shares to the persons procured by FPK and Execution Ltd to subscribe them under the Placing and to pay FPK and Execution Ltd a commission of 3 per cent.;

- (e) the Investment Adviser has given certain warranties to FPK and Execution Ltd and an indemnity to FPK and Execution Ltd and their affiliates in respect of certain liabilities and claims that may arise or be made against them in connection with the AIM Flotation;
- (f) each Principal and each Director has given certain warranties to FPK and Execution Ltd relating to the Company and the Investment Adviser (as appropriate) and himself;
- (g) the Investment Adviser and each Principal and each Director have given a “lock-in” undertaking not to dispose of Ordinary Shares before the first anniversary of Admission, and an “orderly marketing” undertaking not to dispose of Ordinary Shares between the first and second anniversaries of Admission or at any time afterwards for so long as FPK remains nominated adviser or broker to the Company for the purposes of the AIM Rules for Companies and the AIM Rules for Nominated Advisers, other than through FPK and subject to various other exceptions;
- (h) exceptions to the lock-in and orderly marketing undertakings referred to above apply:
 - (i) where the disposal of Ordinary Shares is to be made pursuant to an acceptance of a takeover offer for the Company or of any offer by the Company to purchase its own shares which is made on identical terms to all its shareholders or pursuant to a scheme of arrangement or liquidation (or equivalent) under the Law; and
 - (ii) to a sale of Ordinary Shares arising on the exercise of a right to subscribe such shares under an open offer or rights issue by the Company, provided the exercise is made in respect of a larger number of shares than those so sold, and the number sold is no more than is necessary to make such exercise (taking into account such sale) a self-financing transaction, to a disposal by a Principal and/or a Director to his spouse or to a family trust or by his personal representatives to whomever the shares concerned are specifically bequeathed or to a member of his close family, to a disposal to any company or fund controlled by the Investment Adviser and/or Principal and/or Director concerned that has agreed to be bound by the same orderly marketing provisions;
- (i) references to “Ordinary Share” in relation to the lock-in and orderly marketing undertakings referred to above include (i) interests in Ordinary Shares and (ii) derivatives and other financial products whose value is wholly or mainly determined by reference to the market value of an Ordinary Share;
- (j) the warranties and indemnity given by the Company or (as the case may be) the Investment Adviser and the warranties, lock-in and orderly marketing undertakings given by the Investment Adviser and each Principal and each Director referred to above are all of a customary nature for this type of agreement;
- (k) FPK’s and Execution Ltd’s obligations are conditional on Admission occurring by 9.00 a.m. on 21 October 2009 (or such later date as the Company and FPK may agree, being not later than 30 October 2009) and on the fulfilment, or waiver by FPK, of certain procedural and other customary conditions; and
- (l) FPK (for itself and Execution Ltd) has the right to terminate the Placing Agreement prior to Admission in the event of any breach by the Company or the Investment Adviser or any Principal or any Director of any of their respective obligations or warranties which FPK considers to be material and in certain force majeure circumstances. If the Placing Agreement is terminated, the Placing will not proceed and no shares will be issued under the Placing.

10.2 *Investment Adviser Agreement*

Under the Investment Adviser Agreement dated 16 October 2009 between the Company and the Investment Adviser:

- (a) The Investment Adviser has been appointed by the Company to, amongst other things (i) seek out and evaluate claims in which the Company can participate and opportunities for investment

- by the Company (ii) provide advice and assistance in negotiation in relation to acquiring and disposing investments and the terms and structure of participation in such investments (iii) monitor and analyse the performance of investments and make recommendations as to the conduct of claims and (iv) prepare proposals and reports for the Board and/or Investment Committee;
- (b) The Investment Adviser has agreed to the provisions in relation to conflicts management and devotion of efforts to the Company as described above in paragraph 11 of Part 2 of this document and that it will devote such time and have all necessary personnel and equipment as may be required to enable it to carry out its obligations under the Investment Adviser Agreement;
 - (c) The Investment Adviser may delegate the performance of its obligations under the agreement (subject to its obligations described at (b) above) to an associate or third party, provided that the Investment Adviser is satisfied that the delegate is competent, and has the appropriate licences, consents and authorisations, to carry out the functions in question;
 - (d) The Investment Adviser will receive the fees described above in paragraph 3 of Part 3 of this document;
 - (e) The Investment Adviser is not liable for any loss of value or profit in relation to the Company's investments or the failure to obtain any projected rate of return unless the loss results from gross negligence, wilful default or fraud of the Investment Adviser and the Investment Adviser shall not be liable for any loss to the Company arising from any investment recommendation made within the Company's investment objective and policy and the investment restrictions set out in the agreement or from any service provided except to the extent such loss is due to the gross negligence, wilful default or fraud of the Investment Adviser or any breach of the agreement by the Investment Adviser;
 - (f) The Company agrees to indemnify the Investment Adviser against all liabilities in connection with the performance of the agreement except to the extent such liabilities arise due to the gross negligence, wilful default or fraud of the Investment Adviser or any breach of the agreement by the Investment Advisor;
 - (g) The Agreement expires on the date of the annual general meeting of the Company to be held in 2016 and the agreement shall be automatically renewed for a period of 3 years thereafter unless either party gives notice no later than 31 May 2015. Such automatic renewal applies at every third annual general meeting thereafter unless either party gives notice no later than 31 May in the preceding year; and
 - (h) The agreement may otherwise be terminated (i) by either party by notice within one month after the terminating party becomes aware that the other party has committed a material breach of its obligations which breach is not remedied (if capable of remedy) within 30 days of receipt of notice from the terminating party requiring remedy (ii) by either party by notice within one month of the terminating party becoming aware that the other party has suffered certain winding-up or insolvency events (iii) by the Company with immediate effect if the Investment Adviser is not, or ceases to be, licensed under the Protection of Investors (Bailiwick of Guernsey) Law, 1987, where compliance with law requires such licensing (provided that such termination shall not take effect for a period of 12 months to allow the Investment Adviser to restore its licence, during which period, those of the Investment Adviser's duties requiring licensing shall be suspended) and (iv) by the Company with immediate effect if both Selvyn Seidel and Christopher Bogart cease to devote a substantial majority of their business time to the affairs of the Investment Adviser or sufficient time to the affairs of the Company for the Investment Adviser properly to perform its duties unless, in either case, a substitute acceptable to the Company has been appointed.

10.3 *Administration Agreement*

Under the Administration Agreement dated 16 October 2009 between the Company and the Administrator:

- (a) The Administrator has agreed to provide administration, accounting and secretarial services to the Company and has (subject to the overall policy and supervision of the Company's directors) full power, authority and right to carry on the general administration of the Company;
- (b) In consideration for the services provided, the Administrator receives (i) an annual fee of £100,000 payable quarterly in advance and (ii) a fee of £35,000 payable on Admission (or such other fees as may be agreed in writing between the parties);
- (c) The Company has indemnified the Administrator against liabilities arising in connection with the performance or non-performance of the agreement by the Administrator other than liabilities arising as a result of the Administrator's negligence, fraud, wilful default, breach of the agreement, or breach of certain specified laws, rules and regulations; and
- (d) Termination may be effected in a number of ways including by the Administrator or the Company (i) on ninety days' notice (ii) at any time (and in the case of termination by the Administrator only, by notice) if the other party commits a material breach not remedied (if capable of remedy) within thirty days of receipt of a notice requiring it to do so and (iii) at any time if certain insolvency or winding-up events occur to the other party and further, the Company alone may terminate on 90 days' notice if agreement cannot be reached regarding the Administrator's remuneration.

11. **Mandatory Offers and Squeeze-out**

Mandatory Offers

The City Code on Takeovers and Mergers (the "**City Code**") will apply to the Company from Admission. Under the City Code, if any person acquires an interest in the Ordinary Shares which (taken together with Ordinary Shares in which persons acting in concert with him are interested) carry 30 per cent. or more of the voting rights of the Company, the acquirer and, depending on the circumstances, its concert parties, would be required (except with the consent of the Panel on Takeovers and Mergers) to make a cash offer for the outstanding Ordinary Shares in the Company at a price not less than the highest price paid for the Ordinary Shares by the acquirer or its concert parties during the previous 12 months. This requirement would also be triggered by any acquisition of Ordinary Shares by a person holding (together with its concert parties) Ordinary Shares carrying between 30 per cent. and 50 per cent. of the voting rights in the Company if the person (or any concert party), acquires an interest in any other Ordinary Shares which increases the percentage of Ordinary Shares carrying voting rights in which he is interested.

Details regarding certain circumstances where the Executive of the Takeover Panel has agreed to waive the requirement to make a mandatory offer under Rule 9 of the City Code are set out in paragraph 16 of Part 2 of this document.

Squeeze-out

Under the Law, if a person makes an offer for the Ordinary Shares and within 4 months after the date of the making of the offer it is approved by shareholders comprising 90 per cent. or more in value of the Ordinary Shares affected, that person may compulsorily acquire the remaining Ordinary Shares that were subject to the offer. It would do so by giving notice to the dissenting Shareholders, within two months of the expiry of that four month period referred to above, that it desires to acquire their Ordinary Shares. On the expiration of one month from giving the notice to acquire the offeror would need to give a copy of the notice to the Company and pay or transfer to the Company the consideration required in respect of the Ordinary Shares it is entitled to acquire and the Company shall thereupon register the offeror as the holder of the Ordinary Shares. The offeror in effecting the squeeze-out provisions, subject to compliance with the Law, is bound to acquire the Ordinary Shares of the dissenting shareholders on the terms on which the Ordinary Shares of the approving shareholders are to be transferred. The Company shall hold the sums received on trust for the

dissenting shareholders. The Law provides for dissenting shareholders to be able to apply to Court for the cancellation of a notice to compulsorily acquire.

12. General

- 12.1 The principal intended activities of the Company and the markets in which it competes are described in Part 2 of this document. There are no exceptional factors which have influenced the Company's activities or markets.
- 12.2 Other than as discussed within Part 2 of this document there has been no significant change in the trading or financial position of the Company since 11 September 2009, being the date of incorporation and the date to which the historical financial information on the Company set out in section B of Part 5 of this document has been prepared.
- 12.3 It is estimated that the total expenses payable by the Company in connection with the establishment of the Company and the Placing and Admission will amount to approximately £3.7 million (excluding VAT).
- 12.4 Save as set out in this document, the Company has no investments in progress which are significant.
- 12.5 The Company's assets will not be held by a separate custodian and will be held in the Company's name under the supervision of the Administrator.
- 12.6 The register of members of the Company is kept at the office of the Registrar and will be made available for inspection at the Company's registered office by members in accordance with the provisions of the Law.
- 12.7 As at the date of this document, other than the funds to settle fees and expenses which have been incurred in connection with the Placing and Admission or otherwise on behalf of the Company prior to Admission, the Company has no guaranteed, secured, unguaranteed or unsecured debt, no indirect or contingent indebtedness and there is no mortgage, charge or security interest over or attaching to any of the assets of the Company.
- 12.8 The Company's accounting reference date is 31 December, with its first set of audited statutory financial statements made up to 31 December 2010.
- 12.9 PricewaterhouseCoopers CI LLP whose address is PO Box 321, National Westminster House, Le Truchot, St Peter Port, Guernsey GY1 4ND is a member firm of the Institute of Chartered Accountants in England and Wales and has given and has not withdrawn its written consent to the inclusion in this document of its accountants' report in Part 5 of this document in the form and context in which such report appears. PricewaterhouseCoopers CI LLP has authorised the contents of those parts of this document which comprise its accountants' report for the purposes of Schedule Two of the AIM Rules for Companies.
- 12.10 FPK has given and not withdrawn its written consent to the references in this document to its name in the form and context in which they appear.
- 12.11 All of the Ordinary Shares will be in registered form and, subject to the Ordinary Shares being admitted to and accordingly enabled for settlement in CREST, the Ordinary Shares will be capable of being held in uncertificated form. No temporary documents of title will be issued.
- 12.12 The Directors are not aware of any environmental issues that may affect the Company's utilisation of the tangible fixed assets.
- 12.13 In the opinion of the Directors the minimum amount which must be raised by the allotment of Ordinary Shares pursuant to the Placing is £80 million, and their intention is to use the proceeds as follows:
 - (a) £76.3 million for investments and on-going working capital; and

- (b) £3.7 million of expenses relating to the transaction.
- 12.14 The Placing Shares have no par value and accordingly are not being issued at a premium.
- 12.15 The Placing Shares will be created and allotted under the laws of Guernsey and the currency of denomination of the Placing Shares will be sterling.
- 12.16 There are no mandatory takeover bids outstanding in respect of the Company and none has been made since the incorporation of the Company.
- 12.17 No public takeover bids have been made by third parties in respect of the Company's issued share capital since the incorporation of the Company.
- 12.18 Save as disclosed in this document, no person (other than professional advisers referred to in this document) has received, directly or indirectly, from the Company within one year preceding the date of this document or entered into contractual arrangements (not otherwise disclosed in this document) to receive, directly or indirectly, from the Company on or after Admission fees totaling £10,000 or more or securities in the Company with a value of £10,000 or more calculated by reference to the Placing Price, or any other benefit with a value of £10,000 or more at the date of Admission.
- 12.19 Save for the accountants' report set out in Part 5 of this document, there are no other reports of a specialist nature by any person who could be described as an expert on any aspect of the business of the Company.
- 12.20 The Directors have taken all reasonable care to ensure that the facts stated in this document are true and accurate in all material respects, and that there are no other facts the omission of which would make misleading any statement in the document, whether of facts or of opinion. All the Directors accept responsibility accordingly.
- 12.21 Where information in this document has been sourced from a third party, the Company confirms that it has been accurately reproduced and, as far as the Company is aware and is able to ascertain from the information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.
- 12.22 The Company expects a typical investor in the Company will be an institutional investor or high net worth individual with a large portfolio of investments.
- 12.23 If the Company were to take a controlling stake in an investment it would ensure that there exists sufficient separation between the Company and the investment to ensure that the Company does not become a trading company.

13. Availability of documents

Copies of this document will be available free of charge to the public at the offices of Latham & Watkins (London) LLP at 99 Bishopsgate, London EC2M 3XF during normal business hours on any week day (Saturdays, Sundays and public holidays excepted) for a period of one month from Admission.

The date of this document is 16 October 2009.

DEFINITIONS

“Adjusted Net Asset Value”	the Net Asset Value of the Company at the relevant time, after accruing for the annual management fee but not taking into account any liability of the Company for accrued performance fees and after (i) deducting any unrealised gains on investments and (ii) adding the amount of any write downs with respect to investments which have not been written off
“Administration Agreement”	the agreement dated 16 October 2009 between the Company and the Administrator, details of which are set out in paragraph 10 of Part 7 of this document
“Administrator”	International Administration (Guernsey) Limited
“Admission”	the admission of the Ordinary Shares to trading on AIM becoming effective in accordance with the AIM Rules for Companies
“AIM”	AIM, a market operated by the London Stock Exchange
“AIM Rules for Companies”	the rules for AIM companies published by the London Stock Exchange
“AIM Rules for Nominated Advisers”	the rules for nominated advisers to AIM companies published by the London Stock Exchange
“Articles”	the articles of incorporation of the Company in force from time to time
“Audit Committee”	the audit committee of the Board
“Board” or “Directors”	the directors of the Company (whose names are set out on page 5 of this document) including any duly appointed committee thereof
“Cash Net Asset Value”	on any date an amount equal to the sum of: (a) the Net Proceeds; plus (b) the cash amount of any gains and other income received by the Company; less (c) the cash amount invested in investments written off; less (d) all cash costs and expenses incurred by the Company (which, for the avoidance of doubt, shall not include any dividends paid to Shareholders)
“City Code”	the City Code on Takeovers and Mergers
“Combined Code”	the code of best practice including the principles of good governance published in June 2006 by the Financial Reporting Council
“Company”	Burford Capital Limited
“CREST”	the relevant system (as defined in the Uncertificated Securities Regulations 2001) in respect of which CRESTCo is the operator (as defined in the Uncertificated Securities Regulations 2001)
“CRESTCo”	Euroclear UK & Ireland Limited, the operator of CREST
“dollars” or “\$”	the lawful currency of the US
“Execution Ltd”	Execution Limited
“FPK”	Fox-Pitt, Kelton Limited
“FSMA”	the Financial Services and Markets Act 2000
“GFSC”	Guernsey Financial Services Commission

“Guernsey Prospectus Rules”	the Prospectus Rules 2008 issued by the GFSC
“IFRS”	International Financial Reporting Standards as adopted in the European Union
“Investment Adviser”	Burford Group Limited
“Investment Adviser Agreement”	the agreement dated 16 October 2009 between the Company and the Investment Adviser, details of which are set out in paragraph 10 of Part 7 of this document
“Investment Committee”	the investment committee of the Board
“Latham & Watkins”	Latham & Watkins LLP and/or Latham & Watkins (London) LLP
“Law”	The Companies (Guernsey) Law, 2008, as amended
“London Stock Exchange”	London Stock Exchange plc
“Net Asset Value” and “Net Asset Value per Ordinary Share”	respectively the net asset value of the Company and the net asset value of an Ordinary Share, calculated in accordance with the accounting policies of the Company from time to time
“Net Proceeds”	the proceeds of the Placing less the cost of the formation of the Company, the Placing and Admission
“Official List”	the Official List of the UK Listing Authority
“Ordinary Shares”	ordinary shares of no par value each in the share capital of the Company
“Placing”	the conditional placing of the Placing Shares by FPK and Execution Ltd, at the Placing Price pursuant to the Placing Agreement
“Placing Agreement”	the conditional agreement dated 16 October 2009 between the Company, the Principals, the Directors, the Investment Adviser, FPK and Execution Ltd relating to the Placing, summary details of which are set out in paragraph 10 of Part 7 of this document
“Placing Price”	100p per Placing Share
“Placing Shares”	the 80,000,000 new Ordinary Shares to be allotted and sold pursuant to the Placing
“Principals”	Christopher Bogart and Selvyn Seidel
“Prospectus Rules”	the prospectus rules of the Financial Services Authority made under Part VI of the FSMA
“Registrar”	Capita Registrars (Guernsey) Limited
“Regulation S”	Regulation S of the Securities Act
“Securities Act”	the Securities Act of 1933, as amended, of the United States and the regulations promulgated thereunder
“Shareholders”	holders of Ordinary Shares
“sterling”	the lawful currency of the UK
“UK” or “United Kingdom”	the United Kingdom of Great Britain and Northern Ireland
“UK Listing Authority” or “FSA”	the Financial Services Authority acting in its capacity as the competent authority for the purposes of Part VI of the FSMA and in the exercise of its functions in respect of admission to the Official List
“United States” or “US”	the United States of America, its territories and possessions, any state of the United States and the District of Columbia
“U.S. Tax Code”	the U.S. Internal Revenue Code of 1986, as amended