

This document is important and requires your immediate attention. If you are in doubt as to the action you should take you should seek advice from your stockbroker, bank manager, solicitor, tax adviser, accountant or other independent financial adviser. If you have sold or transferred all of your shares in Elephant Capital PLC, please pass this document (including the form of proxy) at once to the stockbroker, bank or other agent through whom the sale or transfer was effected, for transmission to the purchaser or transferee as soon as possible. Neither the Isle of Man Financial Services Authority nor any other regulatory body has reviewed this document.

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## **ELEPHANT CAPITAL PLC**

*(Incorporated and registered in the Isle of Man under the Isle of Man Companies Acts 1931 to 2004  
with registered number 116518C)*

### **RECOMMENDED PROPOSAL TO RE-REGISTER THE COMPANY AS A COMPANY INCORPORATED UNDER THE COMPANIES ACT 2006**

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Notice of an Extraordinary General Meeting of the Company, to be held at Clinch's House, Lord Street, Douglas, Isle of Man IM99 1RZ, British Isles at 10.00 am on 11 May 2017 is set out at the end of this document. Whether or not you propose to attend this meeting, you are requested to complete and return the form of proxy in accordance with the instructions printed thereon as soon as possible.

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## **PART 1**

### **ELEPHANT CAPITAL PLC**

*(incorporated and registered in the Isle of Man under the Isle of Man Companies Acts 1931 to 2004 with registered number 116518C)*

#### *Directors*

Vincent Campbell (Chairman)  
Francis Anthony Hancock

#### *Registered Office*

PO Box 227  
Clinch's House  
Lord Street  
Douglas  
Isle of Man  
IM99 1RZ

To: holders of Ordinary Shares

13 April 2017

Dear Sir or Madam

### **Recommended proposal to re-register the Company as a company incorporated under the Companies Act 2006**

#### **Introduction**

On 1 April 2016 Shareholders approved the Company's proposals to cancel admission of the Ordinary Shares to trading on AIM in accordance with Rule 41 of the AIM Rules. The Delisting was proposed by the Directors with a view to reducing the costs attributable to the Company's operations and thereby increasing returns to Shareholders in due course. With a view to reducing the Company's running costs further, the Board has determined, in conjunction with its advisers, that it would be advantageous for the Company to re-register as a company incorporated under the Isle of Man Companies Act 2006 (the Company is currently incorporated under the Isle of Man Companies Acts 1931 to 2004).

#### **Matched Bargain Services**

On the 27 April 2016, the Directors of the Company advised Shareholders that it had arranged for a Matched Bargain Services ("MBS") to be provided through Capita Asset Services. To date, the MBS facility has not been used.

It is the intention of the Directors to terminate the MBS facility immediately after the EGM. It is anticipated that in doing so the Company will save a further £3,600 plus VAT.

#### **Corporate Structure**

The Directors have commenced the winding down of the underlying unnecessary investment structure in order to save further costs and ease any final winding-up and dissolution of the Company

#### **Return of capital**

Elephant Capital is proposing to return a maximum of £750,000 to its Shareholders at the latest available net asset value per share following the exit from Global Cricket Ventures Limited should Shareholders approve the Re-registration.

#### **The Re-registration**

The 2006 Act updated and modernised Isle of Man company law and, amongst other things, abolished a number of traditional company law formalities, including the requirement to maintain capital. Accordingly, subject to the Re-registration becoming effective, it should be easier for the Company to return capital to its Shareholders following the liquidation of the Company's remaining investments. This is because companies incorporated under the 2006 Act are, subject to any contrary

provision in their Articles of Association, able to distribute the entirety of their assets provided, following any such distribution, the relevant company is able to pay its debts as they fall due and will have positive net assets.

In addition to the 2006 Act providing a more streamlined corporate structure, such companies are generally more economical to administer; by way of example, companies subject to the 2006 Act are not required to appoint auditors unless, inter alia, their shares are listed or admitted to trading on a securities market or exchange. If the Proposal is implemented, it would be the Board's intention to dispense with the services of Grant Thornton Limited (Isle of Man) and thereby save approximately £5,000 per annum (based on the Company's audit costs for the previous financial year).

Shareholders should note that if the Proposal is approved at the EGM, the shares will continue to be capable of being transferred via CREST.

If the Re-registration proceeds the Company will require to adopt the New Articles, which the Board considers are appropriate for the Company. The proposed New Articles are substantially the same as, and indeed based upon, the Company's existing Articles of Association; those major changes which have been incorporated into the New Articles are listed in Part 3 of this document. In addition, Part 4 of this document contains a brief explanation of the key characteristics of companies incorporated under the 2006 Act.

Copies of the New Memorandum and the New Articles are available for review on the Company's website [www.elephantcapital.com](http://www.elephantcapital.com) and from the Company's registered office at any time before the EGM; in addition copies of the New Memorandum and the New Articles will be available at the EGM.

### **The Meeting and Resolution**

The Proposal is conditional upon the approval of the Shareholders at the EGM.

The EGM has accordingly been convened for the purpose of seeking Shareholder approval for the Proposal. Shareholders will find in Part 5 of this document a notice convening the EGM; a Form of Proxy for use at the Meeting accompanies this document. The EGM is convened for the date and time set out in the notice convening the EGM and will be held at Clinch's House, Lord Street, Douglas, Isle of Man IM99 1RZ.

At the EGM, a special resolution will be proposed which requires a majority of 75 per cent of the votes cast in favour to be passed. This resolution seeks Shareholder approval for the Re-registration, the adoption of the New Memorandum and New Articles and the termination of Grant Thornton Limited (Isle of Man)'s role as auditor of the Company.

### **Costs of the Proposal**

The costs and expenses relating to the Proposal to be incurred by the Company are estimated to amount to approximately £10,000 plus VAT.

### **Action to be taken**

If you are unable to attend the EGM but wish to exercise your vote, please complete the attached Form of Proxy and return it for the attention of Tina Hough SMP Fund Services Limited, Clinch's House, Lord Street, Douglas, Isle of Man IM99 1RZ (Fax No: +44 1624 691773).

To be valid the Form of Proxy must be received at the above address or fax number not later than 48 hours before the time fixed for the holding of the EGM.

### **Recommendation and voting intentions**

The Directors of the Company consider that the Proposal is in the best interest of the Company and the Shareholders as a whole. Accordingly, the Directors of the Company unanimously recommend all Shareholders to vote in favour of the special resolution at the EGM.

Yours faithfully

**Vincent Campbell**

Chairman  
For and on behalf of  
**ELEPHANT CAPITAL PLC**

## **PART 2**

### **DEFINITIONS**

The following definitions apply throughout this document unless the context otherwise requires:

<b>“2006 Act”</b>	the Isle of Man Companies Act 2006.
<b>“AIM”</b>	the market of that name, operated by the London Stock Exchange.
<b>“AIM Rules”</b>	the AIM Rules for Companies (including the AIM Note for Investment Companies) published by the London Stock Exchange from time to time.
<b>“Board”</b>	the Board of Directors, including any duly constituted committee thereof.
<b>“Company”</b>	Elephant Capital PLC.
<b>“Companies Acts”</b>	the Isle of Man Companies Acts 1931 to 2004.
<b>“CREST”</b>	the system for paperless settlement in trades in securities and the holding of uncertificated securities in accordance with the Uncertificated Securities Regulations 2006 of the Isle of Man.
<b>“Delisting”</b>	cancellation of admission of the Ordinary Shares to trading on AIM in accordance with Rule 41 of the AIM Rules.
<b>“Directors”</b>	the Directors of the Company whose names appear on page 3 of this document.
<b>“EGM”</b>	the extraordinary general meeting of the Company convened for 10.00 am on 11 May 2017, notice of which is set out in Part 5 of this document, or any adjournment of that meeting.
<b>“Existing Articles”</b>	the Company’s current Articles of Association.
<b>“Form of Proxy”</b>	the form of proxy for use by Shareholders in connection with the EGM.
<b>“London Stock Exchange”</b>	London Stock Exchange PLC
<b>“New Articles”</b>	the new Articles of Association which it is proposed the Company adopts upon Re-registration.
<b>“New Memorandum”</b>	the new Memorandum of Association which is it proposed the Company adopts upon Re-registration.
<b>“Ordinary Shares”</b>	ordinary shares of £0.01 each in the capital of the Company.
<b>“Proposal”</b>	the proposal that the Company re-registers as a company incorporated under the 2006 Act.
<b>“Re-registration”</b>	the re-registration of the Company as a company governed by the 2006 Act.
<b>“Shareholders”</b>	holders of Ordinary Shares.

### **PART 3**

#### **CHANGES WHICH HAVE BEEN INCORPORATED INTO THE NEW ARTICLES**

The following changes have been incorporated into the Company's Existing Articles in order to generate the New Articles. Other changes have also been made, but these are not considered material. You are strongly advised to consider the full text of the New Articles which are available for review on the Company's website [www.elephantcapital.com](http://www.elephantcapital.com) and from the Company's registered office at any time before the EGM.

1. References contained in the Existing Articles relating to the London Stock Exchange have not been replicated in the New Articles as the Delisting has occurred.
2. Article 4 of the Existing Articles (*Authorised Share Capital*) has been deleted as the 2006 Act does not recognise the concept of authorised share capital.
3. Article 11 of the Existing Articles (*Increase, consolidation, cancellation and sub division*) has been amended in the New Articles to reflect the fact that the 2006 Act permits the Board to approve consolidation, re-designation, conversion or sub-division of Ordinary Shares. It should be noted that the Board has no current intention of utilising this provision if the New Articles are adopted.
4. Article 13 (*Reduction of Capital*) of the New Articles enables the Board to effect reductions of the Company's share capital.
5. Article 14 (*Purchase of own shares*) of the Existing Articles has been amended to enable the Board to approve the purchase, redemption or other acquisition of Ordinary Shares for any consideration to the fullest extent permitted by the 2006 Act.
6. Article 48 (*Annual general meetings*) of the New Articles permits, but does not require the Board to hold annual general meetings.
7. Article 51 (*Notice of general meetings*). General meetings are permitted to be convened on not less the fourteen clear days' notice.
8. Article 53 (*Special business*). The concept of special business has been deleted from the New Articles.
9. Article 77 (*Members Interests*) of the Existing Articles have been deleted. This is because this regulation was designed to copy the impact of the Disclosure and Transparency Rules. As the Delisting is now complete this regulation is considered unnecessary.
10. Article 126 (*Application of Seal*) of the New Articles has been amended to make the adoption of a company seal by the Company optional; this is permitted in terms of the 2006 Act.
11. Article 129 (*Registered Agent*) of the New Articles caters for the appointment and remuneration of a registered agent. The appointment of a registered agent is a requirement of the 2006 Act for all companies incorporated under the 2006 Act. The provisions in the Existing Articles concerning the appointment of a company secretary have been deleted as the 2006 Act does not recognise such an office.
12. Article 132 (*Declaration of Dividends*) of the Existing Articles has been substantially amended and is now contained in Article 130 (*Declaration of Distributions*) et seq. The changes made are designed to make the New Articles consistent with the permissive distribution regime, in particular in relation to distributions in the nature of dividends, contained in the 2006 Act.
13. Article 142 (*Payment of scrip dividends*) in the Existing Articles has been deleted.

14. Article 141 (*Accounting records*). A 2006 Act company does not require an audit but is required to keep reliable accounting records which correctly explain the Company's transactions, enable the financial position of the Company to be determined with reasonable accuracy at any time and allow financial statements to be prepared. The Directors will provide Shareholders with annual and 6 monthly financial statements but do not intend to appoint an auditor after Re-registration as a 2006 Act company. It is noted that there is a statutory requirement to undertake an audit of the underlying Mauritian investment holding companies.

## **PART 4**

### **KEY CHARACTERISTICS OF COMPANIES INCORPORATED UNDER THE COMPANIES ACT 2006**

The following, though not exhaustive, are some of the key characteristics of companies incorporated under the 2006 Act.

#### **Share Capital**

Under the 2006 Act, there is no longer the concept of authorised share capital and shares may be issued with or without par value. It should be noted that post Re-registration the Company will continue to have shares of £0.01 par value.

#### **Dividends, Redemptions and Buy-backs of Shares**

Subject to compliance with its memorandum and articles of association, the 2006 Act allows a company to declare and pay a dividend or effect other sorts of distributions of the relevant company's assets, whether by way of purchase, redemption or other acquire of its own shares subject only to meeting a statutory solvency test.

#### **Capacity and Powers**

Companies incorporated under the 2006 Act have separate legal personality and perpetual existence. In addition, such companies have unlimited capacity to carry on or undertake any business or activity; this is so notwithstanding the matter of corporate benefit. The 2006 Act specifically states that no corporate act is beyond the capacity of a company incorporated under the 2006 Act by reason only of the fact that the relevant company has purported to restrict its capacity in any way in its memorandum or articles or otherwise. A person who deals in good faith with a company incorporated under the 2006 Act is entitled to assume that the directors of the company are acting without limitation.

#### **Other Points**

In addition to the foregoing, the following other points should be noted in relation to companies incorporated under the 2006 Act:

- there are no prohibitions in relation to the Company providing financial assistance for the purchase of its own shares;
- there is a requirement for a registered agent appropriately licensed in the Isle of Man (SMP Fund Services Limited will be the Company's first registered agent following Re-registration);
- there is no differentiation between public and private companies;
- there are simple share offering/prospectus requirements;
- there are reduced compulsory registry filings;
- there is no statutory requirement for a company incorporated under the 2006 Act to have an annual general meeting (although this requirement has been inserted into the New Articles the Board do not intend to convene annual general meetings if the Proposal is implemented, in order to reduce the Company's costs);
- the statutory accounting requirements are simplified; and
- the 2006 Act does not have the concept of members special resolutions (resolution requiring, in order to be passed, a majority of three-quarters of those voting) only resolutions requiring a simple majority of those voting in order to be passed.

## **PART 5**

### **ELEPHANT CAPITAL PLC**

*(incorporated and registered in the Isle of Man under the Isle of Man Companies Acts 1931 to 2004  
with registered number 116518c*

**NOTICE** is hereby given that an Extraordinary General Meeting of Elephant Capital PLC (the “**Company**”) will be held at Clinch’s House, Lord Street, Douglas, Isle of Man IM99 1RZ on 11 May 2017 at 10:00 am for the purpose of considering and, if thought fit, passing the following resolution as a Special Resolution:

That:

- (i) the Company be re-registered as a company incorporated under the Companies Act 2006 (the “**Act**”);
- (ii) the Company adopts the memorandum of association complying with s.149(2) of the Act, in the form initialled by the Chairman of the meeting;
- (iii) the Company adopts the articles of association in the form initialled by the Chairman of the Meeting; and
- (iv) the Company dispenses with the services of Grant Thornton Limited (Isle of Man) as its auditor.

By Order of the Board  
**ELEPHANT CAPITAL PLC**

Vincent Campbell

Secretary

Date: 13 April 2017

*Registered Office*  
PO Box 227  
Clinch’s House  
Lord Street  
Douglas  
Isle of Man  
IM99 1RZ

#### **NOTES:**

1. A member entitled to attend and vote is entitled to appoint a proxy or proxies to attend and, on a poll, to vote instead of him; a proxy need not be a member of the Company. In the case of joint holder, if more than one of such joint holders is present, only the person whose name stands first in the Register of Members in respect of the relevant joint holding will be entitled to vote, whether in person or by proxy.
2. A form of proxy accompanies this Notice. Completion and return of the form of proxy will not preclude a member for attending and voting at the Meeting if he so wishes. In the event that a member who has lodged a form of proxy attends the Meeting, his form of proxy will be deemed to have been revoked.
3. In order to be valid the form of proxy should be completed and deposited at SMP Fund Services Limited, Clinch’s House, Lord Street, Douglas, Isle of Man IM99 1RZ Attn: Tina Hough, Fax No: (+44 1624 691773) not later than 48 hours before the time fixed for the meeting together with the power of attorney or other authority (if any) under which it is signed, or a notorially certified copy of such power of authority.

**ELEPHANT CAPITAL PLC**  
(the "Company")

**FORM OF PROXY**

To be used for the Extraordinary General Meeting of the Company to be held at the offices of SMP Fund Services Limited, Clinch's House, Lord Street, Douglas, Isle of Man IM99 1RZ on 11 May 2017 at 10.00 am.

I/We	
of	being member(s) of
the Company, hereby appoint the Chairman of the Meeting or	
of	or
him,	or failing
as my/our proxy to vote on my/our behalf at the Extraordinary General Meeting of the Company to be held on 11 May 2017 and at any adjournment thereof.	

I/We direct my/our proxy to vote in respect of the Resolution to be proposed at the Extraordinary General Meeting in the following manner:

SPECIAL RESOLUTION	FOR	AGAINST	ABSTAIN
That:			
(i) the Company be re-registered as a company incorporated under the Companies Act 2006 (the "Act");			
(ii) the Company adopts the memorandum of association complying with s.149(2) of the Act, in the form initialled by the Chairman of the meeting;			
(iii) the Company adopts the articles of association in the form initialled by the Chairman of the Meeting; and			
(iv) the Company dispenses with the services of Grant Thornton Limited (Isle of Man) as auditor.			

Signed by: \_\_\_\_\_

Date: \_\_\_\_\_

**NOTES:**

1. Full name(s) and address(es) to be inserted in BLOCK CAPITALS. The name of the joint holders should be stated.
2. If you wish to appoint a person other than the Chairman of the Meeting as your proxy please delete the words "the Chairman of the Meeting" and print the name and address of the person you wish to appoint in the space provided.
3. Please indicate with an "X" in the appropriate space beside the resolution how you wish your proxy to vote on your behalf on a poll. Except as otherwise instructed, your proxy will exercise his or her discretion as to how he votes or whether he or she abstains from voting.
4. This form of proxy must be signed by the member or his attorney duly authorised in writing, or if the appointer is a corporation the form of proxy must be executed under its common seal or under the hand of an officer of the corporation duly authorised on their behalf.
5. A member entitled to attend and vote is entitled to appoint one or more parties to attend and, on a poll, to vote instead of him. A proxy need not also be a member. In the case of joint holder, if more than one such joint holder is present, only the person whose name stands first in the Register of Members in respect of the relevant joint holding will be entitled to vote, whether in person or by proxy.
6. This form of proxy should be completed and deposited at SMP Fund Services Limited, Clinch's House, Lord Street, Douglas, Isle of Man IM99 1RZ Attn: Tina Hough, Fax No: (+44 1624 691773). To be valid the form of proxy must be received at the above address or fax number, not later than 48 hours before the time fixed for the meeting together

with the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of such power or authority.