

TETRAGON FINANCIAL GROUP LIMITED

OPTIONAL STOCK DIVIDEND PLAN

This document describes the Tetragon Financial Group Limited (“TFG”) Optional Stock Dividend Plan (the “Plan”). It provides a means for shareholders to elect to receive their dividends in shares rather than cash. If you wish to receive dividends in cash in the usual way you need take no action and may disregard this document.

If you are in any doubt about the action you should take, you should consult your professional adviser authorised under applicable legislation. Please read this brochure carefully and retain it in case you need to refer to it in the future.

The non-voting shares (the “New Shares”) issued pursuant to the Plan have not been and will not be registered under the Securities Act or any other applicable law of the United States. The New Shares are being offered outside the United States to holders of existing, issued, non-voting shares of TFG (such shares, “Existing Shares” and such holders “Shareholders”) who are non-U.S. persons in reliance on the exemption from registration provided by Regulation S of the Securities Act of 1933, as amended (the “Securities Act”). The New Shares are being offered within the United States, and to U.S. persons, only to Shareholders in TFG who are both (a) qualified purchasers, as defined by the U.S. Investment Company Act of 1940, as amended (the “Investment Company Act” and such purchasers, “Qualified Purchasers”) and (b) either (i) qualified institutional buyers, as defined by Rule 144A under the Securities Act (“Qualified Institutional Buyers”) or (ii) Accredited Investors, as defined by Rule 501 of Regulation D under the Securities Act (“Accredited Investors”). TFG will not be registered under the Investment Company Act, and investors will not be entitled to the benefits of such Act.

This document does not constitute, and may not be used for the purposes of, an offer or an invitation to apply for any New Shares by any person: (i) in any jurisdiction in which such offer or invitation is not authorized; or (ii) in any jurisdiction in which the person making such offer or invitation is not qualified to do so; or (iii) to any person to whom it is unlawful to make such offer or invitation. The distribution of this document and the offering of New Shares in certain jurisdictions may be restricted and accordingly persons into whose possession this prospectus comes are required to inform themselves about and observe such restrictions.

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1. WHAT IS THE TFG PLAN?

TFG offers the Plan to enable Shareholders to elect to receive dividends in the form of new non-voting shares in TFG (the “New Shares”) instead of cash dividends when, in connection with any dividend declaration, TFG announces that the Plan will be available for that dividend payment. The New Shares are of the same class and type and will rank equally with the Existing Shares in all respects. Shareholders who elect to participate in the Plan with respect to the receipt of dividends on any of their Existing Shares (“Participating Shareholders”) will receive cash in lieu of any fractional shares calculated under the Plan pursuant to paragraph (4) below.

The number of New Shares to be issued by TFG in relation to the Plan depends on (i) the total number of Existing Shares for which Participating Shareholders elect to receive dividends in the form of New Shares, (ii) the amount of the cash dividend declared on Existing Shares and (iii) the reference price used to determine the exchange ratio for converting such cash dividends into the number of New Shares to which Participating Shareholders are entitled under the Plan (a “New Share Entitlement”).

There can be no assurance as to the declaration of dividends on Existing Shares, which at all times remain subject to the discretion of TFG’s board of directors and voting shareholder.

For Shareholders who hold their Existing Shares in a securities account with a bank or financial institution (a “Custodian”) ultimately holding such Existing Shares through the settlement system operated by Euroclear Nederland (“Euroclear” and such Shareholders, “Euroclear Shareholders”), the Plan is administered by Kas Bank N.V. (“Kas Bank”). For Shareholders who hold their Existing Shares in registered form outside of Euroclear (“Registered Shareholders”), the Plan is administered by BNY Mellon.

2. WHO CAN JOIN THE PLAN?

Any Shareholder can join the Plan if:

- a) in the case of a Shareholder who is located in the U.S., such Shareholder is both (i) a Qualified Purchaser, and (ii) either an Accredited Investor or a Qualified Institutional Buyer;
- b) participation in the Plan would not be illegal under the applicable laws of the Shareholder’s jurisdiction; and
- c) the Shareholder is not in default of its obligations to provide certain disclosure of interests information to TFG, when served with a notice to do so by the directors of TFG.

It is each Shareholder's responsibility to satisfy full observance of the laws of the relevant jurisdiction that are applicable to receipt of this brochure or participation in the Plan, including complying with any regulatory or legal procedures and observing all other necessary formalities. Unless this condition is satisfied, a Shareholder may not participate in the Plan, give its Custodian instructions to participate in the Plan or sign the Mandate Form referred to below, as applicable.

TFG will be entitled to make all determinations of a Shareholder's eligibility to participate in the Plan, which will be final and binding. The Plan may be amended, suspended or terminated at any time for any reason at the discretion of TFG as to any particular class or type of Shareholder, as to all Shareholders in a particular jurisdiction or as to all Shareholders.

This brochure does not constitute an "offer" or an "invitation" to any person or in any jurisdiction where it would be contrary to the laws thereof to do so.

3. HOW DO I PARTICIPATE IN THE PLAN IF I AM A SHAREHOLDER?

If you want to continue to receive an ordinary cash dividend on all of your shares instead of joining the Plan, you do not need to take any action and you may disregard this document.

However, if you wish to join the Plan with respect to the receipt of dividends on any of your Existing Shares, and you are currently a Euroclear Shareholder, you must communicate with your Custodian sufficiently in advance of each date on which cash dividends which have been declared on Existing Shares are to be paid to Shareholders (each such date, a "Dividend Payment Date") in order to inform your Custodian that you wish to participate in the Plan and receive New Shares in lieu of cash dividends on all or some of your Existing Shares on that Dividend Payment Date. Your Custodian must then communicate these instructions to Kas Bank. Any and all communications of such instructions from your Custodian to Kas Bank must be received by Kas Bank at least seven business days before the Dividend Payment Date of the dividend to which you wish such instructions to apply. Therefore, you must provide new instructions to your Custodian, sufficiently in advance of each Dividend Payment Date to which you wish such instructions to apply in order to allow your Custodian to communicate such instructions to Kas Bank at least seven business days before the Dividend Payment Date to which you wish such instructions to apply. The means and details of communication of such instructions by you to your Custodian and by your Custodian to Kas Bank are your choice (in consultation with your Custodian) and your risk.

If you wish to join the Plan and you are currently a Registered Shareholder, you must complete the attached Mandate Form and return it to BNY Mellon at the address below:

BNY Mellon Shareowner Services
480 Washington Boulevard 29th Floor
Jersey City, NJ 07310
Fax: 201-680-4606

The means of your delivery of the Mandate Form to BNY Mellon at the address above is your choice and your risk. BNY Mellon may accept a fax of the Mandate Form, but is not required to do so. Any instructions provided by you on your Mandate Form with respect to Existing Shares held in registered form outside of Euroclear (your “Mandate”) will remain in force for all future Dividend Payment Dates until cancelled by you in writing. Mandate Forms must be received and accepted by BNY Mellon at least seven business days before the Dividend Payment Date to which you wish such Mandate to first apply. For a list of specific Mandate Form return deadlines for each future Dividend Payment Date please refer to TFG’s website (www.tetragoninv.com) or call Kerri Shenkin at BNY Mellon on 201-680-2464. If you are currently a Registered Shareholder, any Mandate you give with respect to any of your Existing Shares will remain in effect for any and all future Dividend Payment Dates for which TFG announces that the Plan will be available, until such Mandate is changed or revoked by the Shareholder by submission of a new Mandate Form.

All Shareholders should note that, regardless of how their Existing Shares are held, by indicating that you wish to participate in the Plan, you are deemed to represent, warrant and agree that you are eligible to participate in the Plan pursuant to one of the below qualifications:

- (a) You are both (i) a Qualified Purchaser, and (ii) either an Accredited Investor or a Qualified Institutional Buyer;
- (b) You are not a “U.S. person” as defined in Regulation S under the Securities Act; or
- (c) You are a Qualified Purchaser acquiring the New Shares pursuant to another available exemption from the registration requirements of the Securities Act, and, if requested by TFG, have previously provided or will provide to TFG an opinion of U.S. counsel to that effect that is satisfactory to TFG and have previously provided or will provide any other information to TFG that TFG has required or may require.

Each communication by a Custodian to Kas Bank of a Shareholder client’s instructions with respect to participation in the Plan will be understood to convey that the relevant Shareholder has made the foregoing representations.

4. HOW MANY NEW SHARES WILL I RECEIVE IF I ELECT TO PARTICIPATE IN THE PLAN?

The number of New Shares you will receive for each dividend will depend on:

- a) the amount of the cash dividend;
- b) the number of Existing Shares with respect to which you have instructed your Custodian or indicated on your Mandate Form, as applicable, that you would like to receive dividends thereon in the form of New Shares in lieu of cash; and
- c) the Reference Price used to determine the exchange ratio for converting any cash dividends declared on Existing Shares into your New Share Entitlement. This will be the volume-weighted average of the trading prices of Existing Shares, as reported by Bloomberg, for the five trading day period (treated as a single period) starting on the day the Existing Shares are first quoted ex-dividend (the “Ex-Dividend Date”); provided that, if fewer than 50,000 Existing Shares are traded during such five day trading period (the “Minimum Trading Volume”), such period will be extended to include the minimum number of trading days immediately prior to the Ex-Dividend Date necessary to exceed the Minimum Trading Volume. For the purpose of calculating the Reference Price, the value of Existing Shares traded prior to the Ex-Dividend date will be their traded value less the declared dividend amount.

Fractions of New Shares will not be issued and calculation of any New Share Entitlement will always be rounded down to the nearest whole New Share. As fractions of New Shares will not be issued, the value of any fractional interest will be calculated upon the determination of each New Share Entitlement, based upon the Reference Price, and paid to you in cash.

For example, assume:

- ❖ The cash dividend is \$0.20 per non-voting share.
- ❖ You hold 1,000 Existing Shares and elect to take New Shares instead of the cash dividend on all 1,000 Existing Shares.
- ❖ The Reference Price is \$10.05.

Value of your cash dividend (1,000 x \$.20) = \$200.00

Exchange ratio is $1/10.05 = .0995$

New Share Entitlement (\$200.00 multiplied by .0995) = 19.90

Rounded down to 19 New Shares

Value of New Shares (19 x \$ 10.05) = \$190.95

In this case a cash balance of \$9.05 would be paid to you.

5. HOW WILL I KNOW HOW MANY NEW SHARES I HAVE RECEIVED UNDER THE PLAN?

If you are currently a Euroclear Shareholder, your Custodian will provide you with information regarding the number of New Shares that are credited to your Euroclear account in lieu of any cash dividend declared on your Existing Shares and the amount of any cash paid to you in lieu of any fractional interest calculated pursuant to paragraph (4), above.

If you are currently a Registered Shareholder, you will receive a statement showing the number of New Shares you have received in lieu of any cash dividend declared on your Existing Shares and the amount of any cash balance mailed to you as payment for any fractional interest calculated pursuant to paragraph (4), above. If you wish to know the dividend Reference Price before you receive your statement, please contact BNY Mellon three business days after the record date of the particular dividend. Details will also be available on TFG's website. If on any occasion your cash dividend entitlement with respect to your Existing Shares is insufficient to acquire at least one New Share under the Plan, you will receive a statement explaining that no New Shares have been issued to you and showing how much cash will be paid to you as an ordinary cash dividend.

6. WHEN WILL I RECEIVE MY NEW SHARES UNDER THE PLAN?

Subject to the New Shares being admitted to trading on Euronext Amsterdam N.V.'s Eurolist by Euronext (i) if you are currently a Registered Shareholder, New Shares will be credited in your name on the TFG share registry on the Dividend Payment Date, and, if you are currently a Registered Shareholder holding your Existing Shares in certificated form, share certificates for your New Shares will be posted, at your risk, on or about the Dividend Payment Date, and (ii) if you are currently a Euroclear Shareholder, the relevant Euroclear account of your Custodian will be credited directly with the New Shares on the Dividend Payment Date. In the unlikely event that the New Shares are not admitted to listing on Eurolist by Euronext, any declared dividend for Shareholders who elected to participate in the Plan will be paid as an ordinary cash dividend instead of New Shares as soon as reasonably practicable.

When issued, the New Shares will rank equally in all respects with the Existing Shares and will themselves qualify for all dividends declared in the future.

7. DOES THE PLAN APPLY TO EXISTING SHARES HELD IN JOINT NAMES?

Yes. If you are currently a Euroclear Shareholder, you will need to arrange proper documentation with your Custodian. If you are currently a Registered Shareholder, all joint Shareholders must sign the Mandate Form.

8. CAN I ELECT PARTIAL PARTICIPATION IN THE PLAN?

You may elect to receive dividends on all of your Existing Shares in the form of New Shares (plus cash in lieu of any fractional interest calculated pursuant to paragraph (4), above) (“Full Plan Participation”), or you may instead elect to receive dividends on a specified number of your Existing Shares in the form of New Shares (plus cash in lieu of any fractional interest calculated pursuant to paragraph (4), above) and receive ordinary cash dividends on the rest of your Existing Shares (“Partial Plan Participation”).

If you are currently a Euroclear Shareholder and you wish to participate in the Plan, you may provide your Custodian with instructions on whether to elect Full Plan Participation or Partial Plan Participation on your behalf. The conditions which apply to instructions and communications between you and your Custodian may contain relevant rules and/or restrictions with respect to such elections. You should consult your Custodian directly with any questions in this regard.

If you are currently a Registered Shareholder and wish to participate in the Plan, you may elect Full Plan Participation or Partial Plan Participation when you submit the Mandate Form described in paragraph (3), above to BNY Mellon. On the Mandate Form, you may elect Partial Plan Participation by indicating a specific, limited number of your Existing Shares with respect to which you wish to receive any future dividends in the form of New Shares (your “Mandate Shares”). If you elect to participate in the Plan by submitting a Mandate Form, but do not indicate a specific number of Mandate Shares thereon, you will have been deemed to have elected Full Plan Participation, all of your Existing Shares will be Mandate Shares, and any dividends declared thereon will be paid in the form of New Shares. You may change the number of Mandate Shares you have specified at any time by submitting a newly executed Mandate Form to BNY Mellon. However, any change you wish to make with respect to your Plan participation, including to the number of Mandate Shares you have specified, must be made via a new Mandate Form which must be received by BNY Mellon at least seven business days before the Dividend Payment Date to which you wish such Mandate to first apply. The instructions you give regarding Plan participation on any Mandate Form will apply to all future dividends to which you are entitled until you either submit a new Mandate Form or the Plan is terminated by TFG.

9. WHAT HAPPENS IF I ACQUIRE MORE SHARES AFTER I HAVE ALREADY GIVEN INSTRUCTIONS TO MY CUSTODIAN (FOR SHARES HELD THROUGH EUROCLEAR) OR SUBMITTED A MANDATE FORM (FOR SHARES HELD IN REGISTERED FORM OUTSIDE OF EUROCLEAR)?

If you are currently a Euroclear Shareholder, the amount of any declared dividend you will receive, whether as an ordinary cash dividend or in New Shares under the Plan, will be based on the number of Existing Shares held by you on the record date for the particular dividend. The conditions which apply to instructions

and communications between you and your Custodian with respect to your participation in the Plan, including the details of electing Full Plan Participation or Partial Plan Participation, may contain relevant rules and/or restrictions with respect to how such elections apply to Existing Shares you acquire after previous instructions have been communicated by you to your Custodian and by your Custodian to Kas Bank. You should consult your Custodian directly with any questions in this regard. You will also need to communicate directly with your Custodian in relation to the mechanics of Plan participation with respect to Existing Shares acquired by you after the record date.

If you are currently a Registered Shareholder, and your current Mandate Form indicates Full Plan Participation, any additional Existing Shares which you acquire and which are registered in your name prior to the record date for any dividend will be covered by the Mandate Form you have completed and you will receive New Shares instead of cash dividends with respect to all of your Existing Shares. If your current Mandate Form indicates Partial Plan Participation, you will need to complete a new Mandate Form if you would like to designate as Mandate Shares any additional Existing Shares which you have acquired since submitting your last Mandate Form. All Mandate Forms must be received and accepted by BNY Mellon at least seven business days before the Dividend Payment Date to which you wish such Mandate to first apply.

10. WHAT HAPPENS IF I DISPOSE OF SHARES AFTER I HAVE ALREADY GIVEN INSTRUCTIONS TO MY CUSTODIAN OR SUBMITTED A MANDATE FORM?

If you are currently a Euroclear Shareholder, the amount of any declared dividend you will receive, whether as an ordinary cash dividend or in New Shares under the Plan, will be based on the number of Existing Shares held by you on the record date for the particular dividend. The conditions which apply to instructions and communications between you and your Custodian with respect to your participation in the Plan, including the details of electing Full Plan Participation or Partial Plan Participation, may contain relevant rules and/or restrictions with respect to how such elections apply to when you dispose of some of your Existing Shares after you have already communicated instructions to your Custodian and your Custodian has communicated such instructions to Kas Bank. You should consult your Custodian directly with any questions in this regard.

If you are currently a Registered Shareholder, and your current Mandate Form indicates Full Plan Participation, the Plan will continue to apply to any Existing Shares which continue to be registered in your name as of the record date unless you submit a New Mandate form making changes to your Plan participation at least seven business days before the Dividend Payment Date to which you wish such Mandate to first apply. If your current Mandate Form indicates Partial Plan Participation and, after a disposition of Existing Shares by you, there are fewer Existing Shares registered in your name as of the record date than you specified as Mandate Shares on your Mandate Form, the Plan will continue to apply to the

remaining Existing Shares which continue to be registered in your name as of the record date, unless you submit a New Mandate form making changes to your Plan participation at least seven business days before the Dividend Payment Date to which you wish such Mandate to first apply.

11. WHAT HAPPENS IF I HOLD MY EXISTING SHARES IN MULTIPLE ACCOUNTS?

If your Existing Shares are held through more than one account or registered in more than one Shareholder's name, you must make a separate election and communicate separate instructions, as outlined above, for each account or Shareholder name in which there are Existing Shares with respect to which you would like to receive New Shares in lieu of a cash dividend under the Plan. You must communicate your Plan elections and instructions to (each of) your Custodian(s) or complete a separate Mandate Form for each registered Shareholder name, as applicable.

12. WHAT ARE THE TAX EFFECTS?

The tax effects of taking New Shares will depend on each Shareholder's individual circumstances. Please see Annex A for a summary of certain tax considerations related to participation in the Plan.

Annex A contains a general summary only, and does not constitute tax advice. Each Shareholder should consult its own tax adviser before taking any action. The tax treatment of each Shareholder will depend on that Shareholder's individual circumstances.

13. CAN I CANCEL MY INSTRUCTIONS?

If you are currently a Euroclear Shareholder and have provided your Custodian with instructions for the payment of your dividends on any or all of your Existing Shares in New Shares for a given Dividend Payment Date, you may cancel your instructions for such Dividend Payment Date by communicating with your Custodian sufficiently in advance of that Dividend Payment Date in order to allow your Custodian to communicate such instructions to Kas Bank at least seven business days before that Dividend Payment Date. The conditions which apply to instructions and communications between you and your Custodian with respect to your participation in the Plan may contain rules on any such cancellation instructions. You should consult your Custodian directly with any questions in this regard.

If you are currently a Registered Shareholder and have previously submitted a Mandate Form regarding your participation in the Plan, you may cancel that Mandate at any time by writing to BNY Mellon at the below address:

BNY Mellon Shareowner Services
480 Washington Boulevard 29th Floor

Jersey City, NJ 07310
Fax: 201-680-4606

Any Mandate cancellation must be received by BNY Mellon at its address at least seven business days before the first Dividend Payment Date with respect to which you no longer wish to participate in the Plan. If a cancellation is received fewer than seven days before the next Dividend Payment Date, you will continue to receive your dividend on that Dividend Payment Date in accordance with the manner previously specified by you in your Mandate Form under the Plan, but your Mandate cancellation will apply to all subsequent dividends.

If you are a Registered Shareholder, all of your Mandates will be automatically cancelled for any Existing Shares that you sell or otherwise transfer to another person. These cancellations will take effect upon registration of any such share transfer. In addition, all of a Registered Shareholder's Mandates will be cancelled immediately upon notice of the death, bankruptcy or mental incapacity of the Registered Shareholder. If one joint Registered Shareholder dies, any current Mandate will continue in favour of the surviving joint Registered Shareholder.

If you are currently a Euroclear Shareholder, the conditions that apply to instructions and communications between you and your Custodian may contain relevant rules and/or restrictions with respect to any automatic cancellations of such instructions upon the happening of certain events. You should consult your Custodian directly with any questions in this regard.

As soon as practicable after cancellation, any cash balance due to a Shareholder previously participating in the Plan will be paid to the Shareholder, the Shareholder's estate, or the relevant trustee entitled thereto.

14. CAN TFG AMEND, SUSPEND OR CANCEL THE PLAN?

The Plan may be amended, suspended or terminated at any time at the discretion of TFG as to any particular class or type of Shareholder, as to all Shareholders in a particular jurisdiction or as to all Shareholders, in each case without notice to Shareholders individually, except that individual notification will be given if any change is made to the way in which the New Share Entitlement under the Plan is calculated. In the case of any amendment, your instructions will remain valid under the amended terms unless you cancel or change your instructions by communicating to your Custodian or BNY Mellon, as applicable, according to the guidelines outlined in paragraphs (3) and (13) relating to such communications.

The operation of the Plan is always subject to TFG's decision at the time of each dividend declaration to offer participation in the Plan for that particular dividend. TFG also has the power, after such an offer is made, to revoke the offer generally at any time prior to the allotment of the New Shares. If TFG revokes an offer to participate in the Plan, Shareholders will receive any dividends declared on their

Existing Shares in cash on or as soon as possible after the Dividend Payment Date.

Shareholders are reminded that there can be no assurance that a dividend will be declared on their Existing Shares, as all such dividend declarations are entirely at the discretion of TFG's board and voting shareholder.

15. CERTAIN SECURITIES LAW INFORMATION FOR SHAREHOLDERS RESIDENT IN THE EUROPEAN ECONOMIC AREA AND IN CONNECTION WITH THE ADMISSION TO TRADING OF THE NEW SHARES

The non-voting shares in TFG are admitted to and traded on Euronext Amsterdam.

As indicated above, the TFG may in connection with any dividend declaration announce that the Plan is available for that dividend payment.

For all of the New Shares to be issued in connection with the Plan, application will be made for admission to trading on Euronext Amsterdam (the "Admission"), as required by the Euronext Amsterdam rules. TFG refers to the Euronext Notice that Euronext Amsterdam is expected to publish in connection with the Admission. Furthermore, TFG will post on its website the total number of its Existing Shares outstanding (including, in its monthly updates), which shall reflect any increase in such Existing Shares attributable to New Shares issued pursuant to the Plan.

Pursuant to articles 4 (1) sub d. and 4(2) sub e. of Directive 2003/71/EC (the "Prospectus Directive"), implemented for the Netherlands in articles 5:3 (2) sub d. and 5:4 sub e. of the FMSA (*Wet op het financieel toezicht*), there is (in brief) no obligation to publish a prospectus in connection with an offer of dividends paid out in the form of shares on shares of the same class or the admission to trading of such shares, provided a document containing certain details is made available. This document describing the TFG Plan constitutes such a document (i) in respect of the Admission to trading of the New Shares and (ii) to the extent that the offer of the New Shares described above qualifies as an offer of securities to the public, in respect of such offer.

For further information on TFG's Existing Shares reference is made to the information available on TFG's website (including TFG's articles of incorporation which contain a description of the rights attached to the TFG's Existing Shares).

16. WHAT DO I DO IF I HAVE ANY QUESTIONS?

If you are currently a Euroclear Shareholder and you wish to know the Dividend Reference Price, details on communications of, changes to and cancellations of Plan participation instructions, or have any other questions concerning the Plan, please contact your Custodian. If you are currently a Registered Shareholder and you wish to know the Dividend Reference Price, to obtain a list of specific Mandate Form return deadlines for each future Dividend Payment Date, or you have any other questions concerning the Plan, please contact Kerri Shenkin at BNY Mellon on 201-680-2464.

If you want to continue to receive an ordinary cash dividend on all of your Existing Shares instead of joining the Plan, you do not need to take any action and you may disregard this document.

SUMMARY OF CERTAIN TAX CONSIDERATIONS

United States Taxation

TO ENSURE COMPLIANCE WITH TREASURY DEPARTMENT CIRCULAR 230, SHAREHOLDERS ARE HEREBY NOTIFIED THAT: (A) ANY DISCUSSION OF FEDERAL TAX ISSUES IN THIS PROSPECTUS IS NOT INTENDED OR WRITTEN TO BE RELIED UPON, AND CANNOT BE RELIED UPON, BY SHAREHOLDERS FOR THE PURPOSE OF AVOIDING PENALTIES THAT MAY BE IMPOSED ON SHAREHOLDERS UNDER THE U.S. INTERNAL REVENUE CODE; (B) SUCH DISCUSSION IS INCLUDED HEREIN BY TFG IN CONNECTION WITH THE PROMOTION OR MARKETING (WITHIN THE MEANING OF CIRCULAR 230) BY TFG OF THE TRANSACTIONS OR MATTERS ADDRESSED HEREIN; AND (C) SHAREHOLDERS SHOULD SEEK ADVICE BASED ON THEIR PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISER.

U.S. Holders

The following is a summary of the material U.S. federal income tax consequences of the receipt of New Shares in the Plan by a U.S. Holder (as defined below, and all such shares “TFG Shares”). This summary deals only with TFG Shares that will be held by U.S. Holders as capital assets. The discussion will not cover all aspects of U.S. federal income taxation that may be relevant to particular investors, and does not address state or local tax laws. In particular, this summary does not address tax considerations relevant to certain types of investors that are subject to special treatment under the U.S. federal income tax laws (such as financial institutions, insurance companies, investors liable for the alternative minimum tax, individual retirement accounts and other tax-deferred accounts, tax-exempt organizations, dealers in securities or currencies, regulated investment companies, U.S. expatriates or persons treated as residents of more than one country, investors that will hold TFG Shares as part of straddles, hedging transactions or conversion transactions for U.S. federal income tax purposes or investors whose functional currency is not the U.S. Dollar).

As used herein, the term “U.S. Holder” means a beneficial owner of TFG Shares that is, for U.S. federal income tax purposes, (i) an individual citizen or resident of the United States, (ii) a corporation created or organized under the laws of the United States, any State thereof or the District of Columbia, (iii) an estate the income of which is subject to U.S. federal income tax without regard to its source or (iv) a trust if a court within the United States is able to exercise primary supervision over the administration of the trust and one or more U.S. persons have the authority to control all substantial decisions of the trust, or the trust has elected to be treated as a domestic trust for U.S. federal income tax purposes.

The U.S. federal income tax treatment of a partner in a partnership that holds TFG Shares will depend on the status of the partner and the activities of the partnership. Prospective purchasers that are partnerships should consult their tax advisers concerning the U.S. federal income tax consequences to their partners of the acquisition, ownership and disposition of TFG Shares by the partnership.

THE SUMMARY OF U.S. FEDERAL INCOME TAX CONSEQUENCES SET OUT BELOW IS FOR GENERAL INFORMATION ONLY. ALL PROSPECTIVE PURCHASERS SHOULD CONSULT THEIR TAX ADVISERS AS TO THE PARTICULAR TAX CONSEQUENCES TO THEM OF OWNING OUR SHARES, INCLUDING THE APPLICABILITY AND EFFECT OF STATE, LOCAL, FOREIGN AND OTHER TAX LAWS AND POSSIBLE CHANGES IN TAX LAW.

Receipt of New Shares pursuant to the Plan

A U.S. Holder that receives New Shares pursuant to the Plan will be treated, for U.S. federal income tax purposes, as having received a distribution in an amount equal to the fair market value of the New Shares, determined as of the dividend payment date. The “fair market value” of New Shares will generally be the average of the high and low sales prices on that date, as reported by the exchange on which TFG’s Existing Shares are principally traded. The distribution will be includable in the U.S. Holder’s income as a taxable dividend in the manner described under “Dividends” below. The tax basis of a New Share will be equal to the fair market value of such New Share on the dividend payment date and the holding period for such New Share will begin on the day following the dividend payment date.

Dividends

Subject to the discussion of “passive foreign investment companies” (“PFICs”) below, dividends paid out of current or accumulated earnings and profits (as determined for U.S. federal income tax purposes) of TFG will generally be taxable to a U.S. Holder as foreign source dividend income and will generally be categorized as “passive category income” for U.S. foreign tax credit purposes. Dividends paid on TFG Shares will not be eligible for the dividends received deduction allowed to corporations or for the preferential 15% tax rate applicable to qualified dividend income of individuals and certain other non-corporate taxpayers. Dividends in excess of current and accumulated earnings and profits will be treated as a non-taxable return of capital to the extent of the U.S. Holder’s basis in its TFG Shares with respect to which such dividends were received and thereafter as capital gain. However, TFG does not maintain calculations of its earnings and profits in accordance with U.S. federal income tax accounting principles. U.S. Holders should therefore assume that any distribution by TFG with respect to its TFG Shares will constitute ordinary dividend income. Because TFG is a PFIC, dividends received by non-corporate U.S. Holders are not eligible for taxation at preferential tax rates. In addition, a portion of certain dividends may constitute “excess distributions” subject to the special rules described under “Passive Foreign Investment Company Considerations” below. U.S. Holders should consult their own tax advisers with respect to the appropriate U.S. federal income tax treatment of any distribution received from TFG.

Passive Foreign Investment Company Considerations

Because of the composition of its assets and nature of its income, TFG is a PFIC for U.S. federal income tax purposes. Under the PFIC regime, a U.S. Holder will generally be subject to special rules with respect to (i) any “excess distribution” (generally, any distributions received by the U.S. Holder on its TFG Shares in a taxable year that are greater than 125% of the average annual distributions received by the U.S. Holder in the three preceding taxable years or, if shorter, the U.S. Holder’s holding period for its TFG Shares), and (ii) any gain realized on the sale or other disposition of a U.S. Holder’s TFG Shares. Under these rules (a) the excess distribution or gain will be allocated ratably over the U.S. Holder’s holding period, (b) the amount allocated to the current taxable year and any taxable year prior to the first taxable year in which the issuer is a PFIC will be taxed as ordinary income, and (c) the amount allocated to each of the other taxable years will be subject to tax at the highest rate of tax in effect for the applicable class of taxpayer for that year and an interest charge for the deemed deferral benefit will be imposed with respect to the resulting tax attributable to each such other taxable year.

A QEF election and a mark-to-market election might be available to a U.S. Holder to mitigate the adverse PFIC consequences described above. Such elections apply both to TFG Shares owned at time of election and to any TFG Shares acquired thereafter. If a U.S. Holder has not made an election in the first taxable year in which the U.S. Holder owns shares in a PFIC, however, a subsequent election would result in certain adverse consequences. U.S. Holders should consult their tax advisers regarding the availability and desirability of a QEF or mark-to-market election.

A U.S. Holder that makes a valid QEF election must report for U.S. federal income tax purposes its pro rata share of a PFIC’s ordinary earnings and net capital gain, if any, for each taxable year for which the corporation is a PFIC, regardless of whether or not any distributions are made. No portion of any such inclusions of ordinary earnings will be eligible to be treated as “qualified dividend income.” For non-corporate U.S. Holders, any such net capital gain inclusions would be eligible for taxation at the preferential capital gains tax rates. A U.S. Holder’s adjusted tax basis in its TFG Shares would be increased to reflect any taxed but undistributed earnings and profits. Notwithstanding the discussion set forth above under “—Dividends,” any distribution of earnings and profits that previously had been taxed would not be taxed again when a U.S. Holder receives such distribution, but would result in a corresponding reduction in the adjusted tax basis in the U.S. Holder’s TFG Shares.

Alternatively, a U.S. Holder could make a mark-to-market election with respect to its TFG Shares if such TFG Shares are treated as “marketable” under the Internal Revenue Code. It is not clear whether TFG Shares are so treated, and U.S. Holders should consult their tax advisers regarding the availability of this election. A U.S. Holder that makes a mark-to-market election will be taxed on distribution of earnings and profits in the manner described above under “—Dividends,” but will not be subject to the adverse PFIC consequences that apply to “excess distributions”. An electing U.S. Holding must include in ordinary income for each taxable year an amount equal to the excess, if any, of the fair market value of its TFG Shares at the close of the taxable year over the U.S. Holder’s

adjusted basis in such TFG Shares. A U.S. Holder may also claim an ordinary loss deduction for the excess, if any, of the U.S. Holder's adjusted basis in its TFG Shares over the fair market value of such TFG Shares at the close of the taxable year, but this deduction is allowable only to the extent of any net mark-to-market gains for prior years. Gains from an actual sale or other disposition of a U.S. Holder's TFG Shares will be treated as ordinary income, and any losses incurred on a sale or other disposition of such TFG Shares will be treated as an ordinary loss to the extent of any net mark-to-market gains for prior years.

In addition, a U.S. Holder will be subject to the PFIC regime with respect to distributions to TFG by, and dispositions by TFG of, investments that are treated as equity interests in other PFICs. Many of TFG's investments will be treated as investments in equity interests in PFICs for U.S. federal income tax purposes. A QEF election or mark-to-market election with respect to TFG would not be effective with respect to such lower-tier PFICs that TFG owns. U.S. Holders should consult their tax advisors concerning the PFIC regime.

Backup Withholding and Information Reporting

Payments of dividends with respect to TFG Shares by a U.S. paying agent or other U.S. intermediary to a U.S. Holder may be reported to the U.S. Internal Revenue Service and to the U.S. Holder as may be required under applicable regulations. Backup withholding may apply to reportable payments if the U.S. Holder fails to provide an accurate taxpayer identification number or certification of exempt status or fails to report all dividends required to be shown on its U.S. federal income tax returns. The U.S. Holder may credit amounts withheld against its U.S. federal income tax liability and claim a refund for amounts in excess of its tax liability if the required information is provided to the U.S. Internal Revenue Service. Certain U.S. Holders (including, among others, corporations) are not subject to backup withholding. U.S. Holders should consult their tax advisers as to their qualification for exemption from backup withholding and the procedure for obtaining an exemption.

A U.S. Holder must file an annual return on Internal Revenue Service Form 8621, reporting distributions received and gains realized with respect to each PFIC in which it holds a direct or indirect interest. In addition, recently adopted legislation imposes, for taxable years beginning after March 18, 2010, new U.S. return disclosure obligations (and related penalties for failure to disclose) on U.S. individuals that hold certain specified foreign financial assets (which include stock in a foreign corporation). U.S. Holders should consult their tax advisers regarding the possible implications of this legislation on their investment in our shares.

Taxation of Non-U.S. Holders

For U.S. federal income tax purposes, a Shareholder of TFG who is a Non-U.S. Holder (as defined below) will not be subject to U.S. federal income taxation on the receipt of New Shares, provided that such New Shares not considered to be effectively connected with the conduct of a trade or business carried on by the Shareholder in the United States.

For these purposes, the term “Non-U.S. Holder” means any person that is not a U.S. Holder.

In the case of TFG Shares held in the United States by a Custodian or nominee for a non-U.S. person, U.S. “backup” withholding taxes may apply to distributions in respect of TFG Shares held by such Shareholder unless such Shareholder properly certifies as to its non-U.S. status or otherwise establishes an exemption from “backup” withholding.

UK Taxation

TFG has been advised that, under current United Kingdom legislation and HMRC practice, the taxation consequences for Shareholders electing to receive New Shares instead of a cash dividend will be, broadly, as follows. This summary only relates to the position of Shareholders resident in the United Kingdom for taxation purposes and does not cover the position of certain categories of shareholder, such as Shareholders who hold shares in TFG as securities to be realized in the course of a trade, collective investment schemes and insurance companies. The precise taxation consequences for a particular shareholder will depend on that shareholder’s individual circumstances.

This summary of the taxation treatment is not exhaustive. If you are in any doubt as to your tax position, you should consult your professional adviser before taking any action.

For the purposes of United Kingdom taxation on capital gains and corporation tax on chargeable gains (“CGT”):

1. The receipt of the New Shares will be treated as a reorganisation of the share capital of TFG. Accordingly, the New Shares will be treated as the same asset as, and as having been acquired at the same time as, the existing shareholding.
2. The receipt of any cash balance in respect of a fractional entitlement to New Shares should not constitute a part disposal of a shareholding, unless the amount received is both: (a) more than 5% of the value of the shareholding; and (b) more than £3,000. Instead the amount received will be deducted from the base cost of the shareholding for CGT purposes.

Tetragon Financial Group Limited (“TFG”)
Optional Stock Dividend Plan (“Plan”)
Mandate Form

Name: _____

Mailing Address: _____

Date of Birth _____/_____/_____

Social Security No./
Taxpayer I.D. No.: _____

Complete if shares are held jointly:

Name: _____

Mailing Address: _____

Date of Birth _____/_____/_____

Social Security No./
Taxpayer I.D. No.: _____

PARTICIPATION ELECTION

- Full Plan Participation (Reinvest all net cash dividends on all of the existing non-voting TFG shares that I hold at any time in order that I may receive new non-voting TFG shares in lieu of the cash dividends due on those existing shares.)
- Partial Plan Participation (Reinvest all net dividends on _____ of my existing non-voting TFG shares in order that I may receive new non-voting TFG shares in lieu of the cash dividends due on such existing shares.)

**If you would like to continue receiving ordinary cash dividends on all of your existing non-voting TFG shares with respect to which TFG declares dividends you do not need to take any action.*

ALL SIGNATURE(S) MUST BE EXACTLY AS NAME(S) APPEAR(S) AS INDICATED DATE

Complete if shares are held jointly:

ALL SIGNATURE(S) MUST BE EXACTLY AS NAME(S) APPEAR(S) AS INDICATED DATE

Please complete, sign and return form to:

BNY Mellon Shareholder Services
480 Washington Boulevard, 29th Floor
Jersey City, NJ 07310
United States of America
Facsimile: +1 (201)680 4606

REPRESENTATIONS

By signing this Mandate Form, I represent, warrant and agree that (check one of the below):

- I am either a “qualified institutional buyer,” as defined in Rule 144A (“Rule 144A”) under the Securities Act of 1933, as amended (the “Securities Act”) or an “accredited investor” as defined by Rule 501 of Regulation D under the Securities Act, and I am a “qualified purchaser” (“Qualified Purchaser”) within the meaning of Section 2(a)(51) and related rules of the U.S. Investment Company Act of 1940;
- I am not a “U.S. person” as defined in Regulation S under the Securities Act; or
- I am a Qualified Purchaser acquiring the New Shares pursuant to another available exemption from the registration requirements of the Securities Act, and, if requested by TFG, have previously provided or will provide to TFG an opinion of U.S. counsel to that effect that is satisfactory to TFG and have previously provided or will provide any other information to TFG that TFG has required or may require.

By signing this Mandate Form, I represent, warrant and agree that I am eligible to participate in the Plan under the applicable laws of my jurisdiction.

INSTRUCTIONS FOR COMPLETING THE MANDATE FORM

PLEASE COMPLETE THE FRONT:

- Complete form with name, address, Social Security number and date of birth.
- Sign and date the Mandate Form
- If you hold certificated shares, enclose your certificates for deposit in the Plan.

To help the U.S. government fight the funding of terrorism and money laundering activities, Federal law requires all financial institutions to obtain, verify, and record information that identifies each person who opens an account. What this means for you: When you complete a Mandate Form, we will ask for your name, address, date of birth and other information that will allow us to identify you. Please be aware that we will verify the information you provide and may also ask for copies of your driver's license or other identifying documents.

Please return all completed forms to:

BNY Mellon Shareholder Services
480 Washington Boulevard, 29th Floor
Jersey City, NJ 07310
United States of America
Facsimile: +1 (201)680-4606

AUTHORIZATION FOR ENROLLMENT

I/We hereby elect to participate in the Tetragon Financial Group Limited ("TFG") Optional Stock Dividend Plan (the "Plan"), as described in the brochure relating to the Plan that accompanied this Mandate Form. I/We hereby acknowledge that I/we have received and read the brochure relating to the Plan.

The Participant(s) appoint(s) The Bank of New York (the "Bank"), as agent under the Plan and, subject to the Terms and Conditions of the Plan, hereby authorizes:

- (i) The receipt by the Bank of all cash dividends due on all or part of the existing non-voting TFG shares, identified on this Mandate Form; and
- (ii) The Bank to reinvest or pay my dividends as instructed on this form in order that I may receive new non-voting TFG shares in lieu of the cash dividends due on all or some of my existing non-voting TFG shares, as indicated on this form.

This authorization and appointment is given with the understanding that either or both may be revoked or changed at any time, and participation in the Plan terminated, by notifying the Bank in the manner and according to the terms as provided in the brochure describing the Plan.

If you have any questions please call Kerri Shenkin at BNY Mellon +1(201) 680-2464.