

TETRAGON

TETRAGON FINANCIAL GROUP LIMITED

OPTIONAL STOCK DIVIDEND PLAN

This document describes the Tetragon Financial Group Limited Optional Stock Dividend 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 Optional Stock Dividend Plan have not been and will not be registered under the Securities Act or any other applicable law of the United States. The Shares are being offered in non-certificated form outside the United States to non-U.S. persons in reliance on the exemption from registration provided by Regulation S of the Securities Act. The Shares are being offered within the United States, and to U.S. persons, only to persons who are both (a) Qualified Purchasers ("QPs") as defined by the U.S. Investment Company Act of 1940, as amended (the "Investment Company Act") and (b) either (i) Qualified Institutional Buyers ("QIBs") as defined by Rule 144A ("Rule 144A") under the Securities Act or (ii) Accredited Investors ("AIs") as defined by Rule 501 of Regulation D ("Regulation D") under the Securities Act that are existing investors in Tetragon Financial Group Limited. Tetragon Financial Group Limited 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.

August 2008

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I. WHAT IS THE TETRAGON FINANCIAL GROUP LIMITED OPTIONAL STOCK DIVIDEND PLAN?

Tetragon Financial Group Limited (the “Company”) offers an Optional Stock Dividend Plan which enables you to elect to receive dividends in the form of new non-voting shares in the Company (the “New Shares”) instead of cash dividends when, in connection with any dividend declaration, the Company announces that the Optional Stock Dividend 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 issued non-voting shares in all respects. Participating holders will receive cash in lieu of fractional shares.

The number of New Shares to be issued by the Company in relation to the Dividend Reinvestment Plan depends on (i) the total number of non-voting shares for which participating Shareholders elect to receive dividends in the form of New Shares, (ii) the amount of the cash dividend and (iii) the reference price used to determine the exchange ratio for converting your cash dividends into your New Share entitlement.

There can be no assurance as to the declaration of dividends, which at all times remain subject to the discretion of the Company's board of directors and voting shareholder.

The Optional Stock Dividend Plan is administered by Kas Bank N.V. and, in the case of shares held outside of the Euroclear system, BNY Mellon.

2. WHO CAN JOIN THE OPTIONAL STOCK DIVIDEND PLAN?

All existing Shareholders can join the Optional Stock Dividend Plan if they satisfy the following eligibility criteria:

- ❖ Shareholders in the US must be both "Qualified Institutional Buyers" and "Qualified Purchasers". See the Glossary at the end of this brochure for the definitions of these terms.
- ❖ Shareholders are not eligible to participate in the Optional Stock Dividend Plan if it would be illegal to participate under the applicable laws of their jurisdiction.
- ❖ Shareholders must not be in default of their obligations to provide certain disclosure of interests information to the Company, when served with a notice to do so by the directors of the Company.

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 Optional Stock Dividend Plan, including complying with any regulatory or legal procedures and observing all other necessary formalities. Unless this condition is satisfied you may not participate in the Optional Stock Dividend Plan, give your custodian instructions to participate in the Optional Stock Dividend Plan (if you hold your shares through the Euroclear system) or sign the Mandate Form (if you hold your shares in registered form outside of the Euroclear system).

The Company will be entitled to make all determinations of eligibility, which will be final and binding. The Optional Stock Dividend Plan may be amended, suspended or terminated at any time for any reason at the discretion of the Company as to any

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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 "invitation" to any person or in any jurisdiction where it would be contrary to law to do so.

3. HOW DO I JOIN THE OPTIONAL STOCK DIVIDEND PLAN?

If you want to continue to receive a cash dividend on all your shares instead of joining the Optional Stock Dividend Plan, you need to take no action. If you wish to join the Optional Stock Dividend Plan and hold your shares through the Euroclear system, please communicate with your custodian sufficiently in advance of each dividend payment date to provide instructions for the payment of your entire dividend or part of your dividend in New Shares. Instructions from all custodians must be received by Kas Bank N.V. at least seven business days before the dividend payment date. The means of communication to the relevant custodian and by the relevant custodian to Kas Bank N.V. is the choice and risk of each Shareholder. In the case of shares held through the Euroclear system, a new election must be made by each Shareholder in respect of each dividend payment date to which the Optional Stock Dividend Plan applies.

If you wish to join the Optional Stock Dividend Plan and hold your shares in registered form outside of the Euroclear system, please complete the Mandate Form and return it to BNY Mellon at the below address:

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

The means of delivery of the Mandate Form is the choice and risk of each Shareholder. BNY Mellon may accept a fax of the Mandate Form, but is not required to do so. Your Mandate shares held in registered form outside of the Euroclear system will remain in force for all future dividends 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 be eligible for that dividend. For details of Mandate Form return deadlines for each future dividend please refer to the Company's website (www.tetragoninv.com) or call Kerri Shenkin at BNY Mellon on 201-680-2464. In the case of shares held in registered form outside of the Euroclear system, each Shareholder's Mandate Form will remain in effect for future dividend payments to which the Optional Stock Dividend Plan applies, until changed or revoked by the Shareholder.

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

(a) You are a "qualified institutional buyer" (a "QIB") as defined in Rule 144A ("Rule 144A") under the Securities Act of 1933, as amended (the "Securities Act") or are acquiring shares only for the account of another entity that is a QIB, and you are a

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“qualified purchaser” (a “Qualified Purchaser”) within the meaning of Section 2(a)(51) and related rules of the U.S. Investment Company Act of 1940 (the “Investment Company Act”);

(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 shares pursuant to another available exemption from the registration requirements of the Securities Act, and, if requested by the Company, have provided an opinion of U.S. counsel to that effect that is satisfactory to the Company and have provided any other information that the Company may require.

Each communication by a custodian will be understood to convey that the relevant Shareholder has made the foregoing representations.

4. HOW MANY NEW SHARES WILL I RECEIVE?

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

- ❖ the amount of the cash dividend;
- ❖ the number of non-voting shares specified to the relevant custodian (if you hold shares through the Euroclear system) or on your Mandate Form (if you hold your shares in registered form outside of the Euroclear system) for reinvestment; and
- ❖ the Reference Price used to determine the exchange ratio for converting your cash dividends into your New Share entitlement. This will be the volume-weighted average of the trading prices of a non-voting share, as reported by Bloomberg, for the five trading day period (treated as a single period) starting on the day the non-voting shares are first quoted ex-dividend; provided that, if fewer than 50,000 shares are traded during such five day trading period, such period will be extended to include the minimum number of days immediately prior to the ex-dividend date necessary to exceed 50,000 shares traded. For the purpose of calculating the Reference Price, the value of shares traded prior to the ex-dividend date will be their traded value less the declared dividend amount.

Fractions of New Shares cannot be issued and calculation of entitlement to New Shares 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 non-voting shares and take New Shares instead of the cash dividend.
- ❖ The Reference Price is \$10.05.

Value of your cash dividend (1,000 × \$.20) = \$200.00 Exchange ratio is $1/10.05 = .0995$

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Number of New Shares ($\$200.00$ multiplied by $.0995$) = 19.90

Rounded down to 19 New Shares

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

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?

If you hold your shares through the Euroclear system, your custodian will provide you with information regarding the number of New Shares that were credited to your Euroclear account instead of the cash dividend and the amount of any cash paid to you in lieu of any fractional interest.

If you hold your shares in registered form outside of the Euroclear system, you will receive a statement with your share certificate showing the number of New Shares you have received instead of the cash dividend and the amount of any cash balance mailed to you as payment for any fractional interest. Your New Shares will remain in uncertificated form until you request share certificates. 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 the Company's website. If on any occasion your cash dividend entitlement is insufficient to acquire at least one New Share, 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.

6. WHEN WILL I RECEIVE MY NEW SHARES?

Subject to the New Shares being admitted to trading on Euronext Amsterdam N.V.'s Eurolist by Euronext (i) if you hold your shares in registered form outside of the Euroclear system, share certificates for your New Shares will be posted, at your risk, on or about the same day as cash dividends are sent to Shareholders who are taking the dividend in cash, and (ii) if you hold your shares through the Euroclear system, your Euroclear account will be credited directly with the New Shares on the same day the cash dividend is paid. In the unlikely event that the New Shares are not admitted to listing on Eurolist by Euronext, the dividend for Shareholders who have chosen to receive New Shares will be paid in cash as soon as reasonably practicable.

When issued, the New Shares will rank equally in all respects with the existing non-voting shares and will qualify for all dividends declared in the future.

7. DOES THE OPTIONAL STOCK DIVIDEND PLAN APPLY TO NON-VOTING SHARES HELD IN JOINT NAMES?

Yes. If you hold your shares through the Euroclear system, you will need to arrange proper documentation with your custodian. If you hold your shares in registered form outside of the Euroclear system, all joint Shareholders must sign the Mandate Form.

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8. CAN I PARTICIPATE IN THE OPTIONAL STOCK DIVIDEND PLAN FOR PART OF MY HOLDING?

You may elect to receive dividends on all your shares in the form of New Shares (plus cash in lieu of fractional interests), or you may instead elect “partial dividend reinvestment”.

If you hold your shares through the Euroclear system, you may provide your custodian with instructions to receive dividends on all or some of your shares in the form of New Shares (plus cash in lieu of fractional interests). The conditions which apply between you and your custodian may contain relevant rules and/or restrictions.

If you hold your shares in registered form outside of the Euroclear system, you may change the dividend reinvestment option at any time by submitting a newly executed Mandate Form to BNY Mellon. If you do not make an election on your enrollment form, BNY Mellon will reinvest all dividends paid on your shares. Any change in the number of shares with respect to which BNY Mellon is authorized to reinvest dividends must be received by BNY Mellon prior to the record date for a dividend to permit the new number of shares to apply to that dividend. For each method of dividend reinvestment, cash dividends will be reinvested on all shares other than those designated for payment of cash dividends in the manner specified above until you specify otherwise or withdraw from the Dividend Reinvestment Program altogether, or until the Optional Stock Dividend Plan is terminated.

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

If you hold your shares through the Euroclear system, the amount of dividend you will receive will be based on the number of non-voting shares held by you on the record date for the particular dividend. You will need to communicate with your custodian in relation to non-voting shares acquired by you after this record date.

If you hold your shares in registered form outside of the Euroclear system, and your Mandate Form directs BNY Mellon to reinvest cash dividends on all shares registered in your name at any time, any additional non-voting shares which you buy, 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 for your entire holding. If you have elected “partial dividend reinvestment,” you will need to complete a new Mandate Form if you would like any additional non-voting shares which you buy to be included in the Dividend Reinvestment Program. Mandate Forms must be received and accepted by BNY Mellon at least seven business days before the dividend payment date to be eligible for that dividend.

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10. WHAT HAPPENS IF I SELL PART OF MY HOLDING?

If you hold your shares through the Euroclear system, the amount of dividend you will receive will be based on the number of non-voting shares held by you on the record date for the particular dividend. You will need to communicate with your custodian in relation to any non-voting shares sold by you after this record date.

If you hold your shares in registered form outside of the Euroclear system, the Optional Stock Dividend Plan will continue to apply to your remaining non-voting shares to the extent there are at least as many shares remaining after the sale as you indicated for participation in the Dividend Reinvestment Program on your Mandate Form. If, after a sale, there are fewer shares remaining than you specified for participation in the Dividend Reinvestment Program on your Mandate Form (if you hold your shares in registered form outside of the Euroclear system), the Dividend Reinvestment Program will terminate as to the non-voting shares sold.

11. WHAT HAPPENS IF I HAVE MORE THAN ONE HOLDING?

If your non-voting shares are registered in more than one holding and you want to receive New Shares instead of cash dividends in respect of each holding, you must communicate this to (each of) your custodian(s) (if you hold your shares through the Euroclear system) or complete a separate Mandate Form for each holding (if you hold your shares in registered form outside of the Euroclear system).

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 Optional Stock Dividend 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 hold your shares through the Euroclear system and have provided instructions for the payment of your dividend in New Shares for a dividend payment date, you may cancel your instructions for such dividend payment date by communicating with your custodian sufficiently in advance of a dividend payment date. The conditions which apply between you and your custodian may contain rules on cancellation and instructions.

If you hold your shares in registered form outside of the Euroclear system, you may cancel your instructions at any time by writing to BNY Mellon at the below address:

BNY Mellon Shareowner Services
480 Washington Boulevard 29th Floor

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

In the case of shares held in registered form outside of Euroclear, for a cancellation to be effective for a particular dividend, it must be received by BNY Mellon at its address at least seven business days before the payment date for that dividend. If a cancellation is received after that date, it will apply to all subsequent dividends.

Instructions will be regarded as cancelled for any non-voting shares which a Shareholder sells or otherwise transfers to another person. This will take effect from registration of the share transfer.

Instructions will be cancelled immediately on notice of death, bankruptcy or mental incapacity of a Shareholder. If a joint Shareholder dies, the Mandate Form will continue in favour of the surviving joint Shareholder. As soon as practicable after cancellation, any cash balance held will be paid to you, your estate, or the trustee entitled.

14. CAN THE COMPANY AMEND, SUSPEND OR CANCEL THE OPTIONAL STOCK DIVIDEND PLAN?

The Optional Stock Dividend Plan may be amended, suspended or terminated at any time at the discretion of the Company 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 entitlement of a Shareholder to New Shares is calculated. In the case of an amendment, your instructions will remain valid under the amended terms unless you communicate otherwise to your custodian (if you hold your shares through the Euroclear system) or notify the BNY Mellon in writing to the contrary (if you hold your shares in registered form outside of the Euroclear system).

The operation of the Optional Stock Dividend Plan is always subject to the Company's decision at the time of each dividend declaration to make the Optional Stock Dividend Plan available in respect of that particular dividend. The Company 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 the Company revokes an offer, Shareholders will receive their dividend in cash on or as soon as possible after the dividend payment date.

Shareholders are reminded that there can be no assurance as to the declaration of dividends, which are at the discretion of the Company's board and voting shareholder.

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

If you wish to know the dividend reference price or have any other questions concerning the Optional Stock Dividend Plan please contact your custodian (if you hold your shares

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through the Euroclear system) or Kerri Shenkin at BNY Mellon on 201-680-2464 (if you hold your shares in registered form outside of the Euroclear system).

If you wish to receive dividends in cash in the usual way you need take no action and may disregard this document.

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Glossary of Terms

“Company”	Tetragon Financial Group Limited
“Custodian”	the Euroclear Nederland admitted institution through which a shareholder holds non-voting shares in the Euroclear system.
“Euroclear system”	the settlement system operated by Euroclear Nederland.
“Mandate”	for holders of shares in registered form outside of the Euroclear system, the instructions of a Shareholder as set out in a valid Mandate Form.
“Mandate Form”	for holders of shares in registered form outside of the Euroclear system, a mandate (in a form provided by the Company) from a Shareholder to the Company to allot New Shares under the terms of the Optional Stock Dividend Plan in lieu of cash dividends to which they may become entitled from time to time.
“New Shares”	new non-voting shares issued under the Optional Stock Dividend Plan.
“Optional Stock Dividend Plan”	the Tetragon Financial Group Limited Optional Stock Dividend Plan comprised in the terms and conditions contained in this document as amended from time to time. Please note that the terminology for such plans differs across jurisdiction. In other jurisdictions this plan would be equivalent to a “scrip dividend scheme” or “dividend reinvestment plan”.
“Optional Stock Dividend Plan Brochure”	this document.
“Shareholder”	a holder of non-voting shares of the Company.
“Qualified Institutional Buyer”	has the meaning specified in Rule 144A under the U.S. Securities Act of 1933.
“Qualified Purchaser”	has the meaning specified in Section 2(a)(51) under the U.S. Investment Company Act of 1940.

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ANNEX A

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 THE ISSUER IN CONNECTION WITH THE PROMOTION OR MARKETING (WITHIN THE MEANING OF CIRCULAR 230) BY THE ISSUER 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 Shares in the Optional Stock Dividend Plan by a U.S. Holder (as defined below). This summary deals only with 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 the 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 the 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 the 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

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consequences to their partners of the acquisition, ownership and disposition of the 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 Shares pursuant to the Optional Stock Dividend Plan

A U.S. Holder that receives New Shares pursuant to the Optional Stock Dividend 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 the 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

Dividends paid out of current or accumulated earnings and profits (as determined for U.S. federal income tax purposes) of the Issuer 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 the 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 the Shares and thereafter as capital gain. However, the Issuer 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 the Issuer with respect to the Shares will constitute ordinary dividend income. Because the Issuer 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 the Issuer.

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Passive Foreign Investment Company Considerations

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 the 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 the Shares), and (ii) any gain realized on the sale or other disposition of the 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.

Certain elections are available to a U.S. Holder to avoid or mitigate the adverse PFIC consequences described above. U.S. Holders should consult their tax advisors concerning the PFIC regime.

Backup Withholding and Information Reporting

Payments of dividends with respect to the 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 advisors as to their qualification for exemption from backup withholding and the procedure for obtaining an exemption.

Taxation of Non-U.S. Holders

For U.S. federal income tax purposes, a Shareholder of the Issuer 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 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 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.

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UK Taxation

The Company 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 the Company as securities to be realised 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 the Company. 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.

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Tetragon Financial Group Limited
Optional Stock Dividend 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

- Reinvest all net dividends on all non-voting shares I hold at any time.
- Reinvest all net dividends on _____ of my non-voting shares (partial dividend reinvestment).

**If you elect to receive cash you do not need to take any action.*

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

DATE

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 a "qualified institutional buyer" (a "QIB") as defined in Rule 144A ("Rule 144A") under the Securities Act of 1933, as amended (the "Securities Act") or am acquiring shares only for the account of another entity that is a QIB, and I am a "qualified purchaser" (a "Qualified Purchaser") within the meaning of Section 2(a)(51) and related rules of the U.S. Investment Company Act of 1940 (the "Investment Company Act");
- I am not a "U.S. person" as defined in Regulation S under the Securities Act; or
- I am a Qualified Purchaser acquiring the shares pursuant to another available exemption from the registration requirements of the Securities Act, and, if requested by Tetragon Financial Group Limited, have attached hereto an opinion of U.S. counsel to that effect that is satisfactory to Tetragon Financial Group Limited and has provided any other information that Tetragon Financial Group Limited may require.

By signing this Mandate Form, I represent, warrant and agree that I am eligible to participate in the Dividend Reinvestment Program 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 an 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 Dividend Reinvestment 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 dividends on all or part of the non-voting shares indicated; and
- (ii) The Bank to reinvest or pay dividends as instructed 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 as provided in the brochure describing the Plan.

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