

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, which shares may be (i) newly issued, non-voting shares of TFG (the “New Shares”) or (ii) existing, issued, non-voting shares of TFG that are being held by TFG as treasury shares (the “Treasury Shares” and, together with the New Shares, the “Dividend Shares”). 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 document carefully and retain it in case you need to refer to it in the future.

Any New Shares issued or Treasury Shares transferred, as applicable, 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 Dividend 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”). No public offering of Dividend Shares or Existing Shares is being, or has been made, in the United States. Direct or indirect beneficial ownership of securities issued by TFG by any U.S. person who is not a qualified purchaser, as defined by the U.S. Investment Company Act of 1940, as amended (the “Investment Company Act” and such purchasers, “Qualified Purchasers”), is prohibited. The Dividend Shares are being offered within the United States and to U.S. persons only to Shareholders in TFG who are both (a) 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”). Neither Existing Shares nor Dividend Shares may be held by any “benefit plan investor”, as defined by the United States Employee Retirement Income Security Act of 1974, as amended, and any benefit plan investor that fails to comply with this prohibition will be compelled to divest its shares and forfeit any dividends previously received with respect to such shares, as well as any gains from their disposition. 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 Dividend 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 Dividend Shares in certain jurisdictions may be restricted and accordingly persons into whose possession this document comes are required to inform themselves about and observe such restrictions.

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.

1. WHAT IS THE TFG PLAN?

In order to, among other things, allow Shareholders to efficiently reinvest the dividends declared on their Existing Shares, TFG offers the Plan to enable Shareholders to elect to receive dividends in the form of Dividend 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 Dividend Shares are (or will be, as applicable) 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 Dividend Shares to be issued or transferred, as applicable, by TFG in relation to the Plan depends on (i) the total number of Existing Shares as of the record date for which Participating Shareholders elect to receive dividends in the form of Dividend 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 Dividend Shares to which Participating Shareholders are entitled under the Plan (a “Dividend 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, financial institution or nominee (a “Custodian”) ultimately holding such Existing Shares through the CREST settlement system (which includes Existing Shares admitted for settlement through the Euroclear Nederland settlement system) (“CREST Shareholders”) and for Shareholders who hold their Existing Shares directly through the CREST system (“Direct CREST Shareholders”), the Plan is administered by Computershare. For Shareholders who hold their Existing Shares in registered form outside of the CREST system (“Registered Shareholders”), the Plan is also administered by Computershare.

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) the Shareholder is not a benefit plan investor;
- c) participation in the Plan would not be unlawful, or otherwise trigger a local licensing or registration requirement, under the applicable laws of the Shareholder’s jurisdiction; and
- d) 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 document 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 make an Election (as defined 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 document 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 CREST Shareholder, you must communicate with your Custodian sufficiently in advance of the 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") that you first wish your instruction to apply in order to inform your Custodian that you wish to participate in the Plan and receive Dividend 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 Euroclear Bank who will in turn take the actions required of a Direct CREST Shareholder (see below) through the CREST system. Any and all communications of such instructions from your Custodian to Euroclear Bank must be received by Euroclear Bank no later than 3 p.m. (U.K. time) on the date seven business days before the Dividend Payment Date to which you first wish such instructions to apply. Subject to paragraph (8), below, any instruction you provide will remain in effect for any and all future Dividend Payment Dates for which TFG announces that the Plan will be available, until you communicate with your Custodian that you wish to change your participation in the Plan. The means and details of communication of such instructions by you to your Custodian and by your Custodian to Euroclear Bank are your choice (in consultation with your Custodian) and your risk, and TFG assumes no responsibility for, and makes no representation or warranty as to the accuracy and completeness of, any such communication or instruction.

If you wish to join the Plan and you are currently a Direct CREST Shareholder, you should elect to participate in the Plan by way of an electronic election via the CREST system in accordance with the procedures for electronic elections set out in the CREST Manual. The election should be made no later than 3 p.m. (U.K. time) on the date seven business days before the Dividend Payment Date to which you wish such election to first apply. Subject to paragraph (8), below, any election you make will remain in effect for any and all future

Dividend Payment Dates for which TFG announces that the Plan will be available, until such election is changed or revoked. If you are a CREST Personal Member or other CREST Sponsored Member, you should consult your CREST Sponsor, who will be able to take appropriate action on your behalf. TFG assumes no responsibility for, and makes no representation or warranty as to the accuracy and completeness of, any such election.

If you wish to join the Plan and you are currently a Registered Shareholder, you must either register and make your Election via the Computershare Investor Centre (www.investorcentre.co.uk) or complete the attached Election Form and return it to Computershare at the address below:

Computershare Investor Services (Guernsey) Limited
C/O The Pavilions
Bridgwater Road
Bristol BS13 8AE
United Kingdom

If you make your Election via the attached Election Form, the means of your delivery of such Election Form to Computershare at the address above is your choice and your risk, and TFG assumes no responsibility for, and makes no representation or warranty as to the accuracy and completeness of, any Election. Subject to paragraph (8), below, any instructions provided by you with respect to Existing Shares held in registered form (your “Election”) will remain in force for future Dividend Payment Dates until canceled by you in writing or via the Computershare Investor Centre. You must make your Election via the Computershare Investor Centre, or Computershare must receive and accept your Election Form, no later than 3 p.m. (U.K. time) on the date seven business days before the Dividend Payment Date to which you wish such Election to first apply. For a list of specific Election deadlines for each future Dividend Payment Date please refer to TFG’s website (www.tetragoninv.com) or call Computershare Investor Services (Guernsey) Limited between the hours of 9:00 a.m. and 5:00 p.m. (U.K. time) on any U.K. business day on telephone number 0370 707 4040 or, if telephoning from outside the U.K., on telephone number +44 370 707 4040. If you are currently a Registered Shareholder, any Election you make 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 Election is changed or revoked by the Shareholder by submission of a new Election Form or via the Computershare Investor Centre.

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 benefit plan investor;
- c) You are not a “U.S. person” as defined in Regulation S under the Securities Act; or

- d) You are a Qualified Purchaser acquiring the Dividend 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 Euroclear Bank of a Shareholder client's instructions with respect to participation in the Plan and any electronic election via the CREST system will be understood to convey that the relevant Shareholder has made the foregoing representations.

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

The number of Dividend 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, made an election via the CREST system or specified in your Election, as applicable, that you would like to receive dividends thereon in the form of Dividend 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 Dividend 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 Dividend Shares will not be issued or transferred, as applicable, and calculation of any Dividend Share Entitlement will always be rounded down to the nearest whole Dividend Share. As fractions of Dividend Shares will not be issued or transferred, as applicable, the value of any fractional shares will be calculated upon the determination of each Dividend 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 Dividend 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 $1/10.05 = .0995$

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

Rounded down to 19 Dividend Shares

Value of Dividend 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 DIVIDEND SHARES I HAVE RECEIVED UNDER THE PLAN?

If you are currently a CREST Shareholder, your Custodian will provide you with information regarding the number of Dividend Shares that are credited to your 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 shares calculated pursuant to paragraph (4), above.

If you are a CREST Shareholder, Computershare will provide you with a statement showing the number of Dividend Shares that are credited to your 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 shares calculated pursuant to paragraph (4), above.

If you are currently a Registered Shareholder, you will receive a statement showing the number of Dividend 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 shares calculated pursuant to paragraph (4), above. If you wish to know the dividend Reference Price before you receive your statement, please contact Computershare 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 Dividend Share under the Plan, you will receive a statement explaining that no Dividend Shares have been issued or transferred, as applicable, to you and showing how much cash will be paid to you as an ordinary cash dividend.

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

If TFG, in its sole discretion, elects to issue New Shares to satisfy the Plan, subject to the New Shares being admitted to trading on Euronext Amsterdam and to trading on the Specialist Fund Segment of the London Stock Exchange, (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, (ii) if you are a Direct CREST Shareholder, New Shares will be credited to your CREST account on the Dividend Payment Date, and (iii) if you are currently a CREST Shareholder, your account held with 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 Euronext Amsterdam or to trading on the Specialist Fund Segment of the London Stock Exchange, 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.

If TFG, in its sole discretion, elects to transfer Treasury Shares to satisfy the Plan, (i) if you are currently a Registered Shareholder, Treasury 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 Treasury Shares will be posted, at your risk, on or about the Dividend Payment Date, (ii) if you are a Direct CREST Shareholder, Treasury Shares will be credited to your CREST account on the Dividend Payment Date, and (iii) if you are currently a CREST Shareholder, your account held with your Custodian will be credited directly with the Treasury Shares on the Dividend Payment Date.

When issued or transferred, as applicable, the Dividend 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 CREST Shareholder, you will need to arrange proper documentation with your Custodian. If you are currently a Direct CREST Shareholder, you will need to follow the instructions set out in the CREST Manual. If you are currently a Registered Shareholder, you will need to follow the instructions set out in the Computershare Investor Centre or, if you submit an Election Form, all joint Shareholders must sign such Election 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 Dividend Shares (plus cash in lieu of any fractional shares 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 Dividend Shares (plus cash in lieu of any fractional shares 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 CREST 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. Where an election is made via the CREST system for Partial Plan Participation, it will be valid only in respect of that Dividend Payment Date and not any future Dividend Payment Date. If you wish to elect for Partial Plan Participation in respect of more than one Dividend Payment Date, you must make valid elections for Partial Plan Participation in respect of each such Dividend Payment Date. Any and all communications of such instructions from your Custodian to Euroclear Bank must be received no later than 3 p.m. (U.K. time) on the date seven business days before the Dividend Payment Date of the dividend for which you elect Partial Plan Participation. 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 Direct CREST Shareholder and you wish to participate in the Plan, the Company will permit partial Plan Participation only if you are acting on behalf of more than one beneficial holder through CREST (i.e., where you are acting as nominee holder). Where an election is made via the CREST system for Partial Plan Participation, it will be valid only in respect of that Dividend Payment Date and not any future Dividend Payment Date. If you wish to elect for Partial Plan Participation in respect of more than one Dividend Payment Date, you must make valid elections for Partial Plan Participation in respect of each such Dividend Payment Date. Any election for Partial Plan Participation should be made no later than 3 p.m. (U.K. time) on the date seven business days before the Dividend Payment Date of the dividend for which you elect Partial Plan Participation.

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 make your Election, as described in paragraph (3), above to Computershare. Your Election may be for 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 Dividend Shares (your "Election Shares"). If you elect to participate in the Plan, but your Election does not indicate a specific number of Election Shares, you will have been deemed to have elected Full Plan Participation, all of your Existing Shares will be Election Shares, and any dividends declared thereon will be paid in the form of Dividend Shares. Any election for Partial Plan Participation will be valid only in respect of that Dividend Payment Date and not any future Dividend Payment Date. If you wish to elect for Partial Plan Participation in respect of more than one Dividend Payment Date, you must make valid Elections in respect of each such Dividend Payment Date. You must make your Election for Partial Participation via the Computershare Investor Centre, or Computershare must receive and accept your Election Form indicating Partial Participation, in each case indicating the number of Election Shares, no later than 3 p.m. (U.K. time) on the date seven business days before the Dividend Payment Date for the dividend for which you Elect Partial Plan Participation.

9. WHAT HAPPENS IF I ACQUIRE MORE SHARES AFTER I HAVE ALREADY GIVEN INSTRUCTIONS TO MY CUSTODIAN (FOR CREST SHAREHOLDERS) OR MADE AN ELECTRONIC ELECTION VIA THE CREST SYSTEM (FOR DIRECT CREST SHAREHOLDERS) OR MADE AN ELECTION (FOR REGISTERED SHAREHOLDERS)?

If you are currently a CREST Shareholder, the amount of any declared dividend you will receive, whether as an ordinary cash dividend or in Dividend 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 Euroclear 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 Direct CREST Shareholder, the amount of any declared dividend you will receive, whether as an ordinary cash dividend or in Dividend Shares under the Plan, will be based on the number of Existing Shares held by you on the record date for the particular dividend.

If you are currently a Registered Shareholder, the amount of any declared dividend you will receive, whether as an ordinary cash dividend or in Dividend Shares under the Plan, will be based on the number of Existing Shares held by you on the record date for the particular dividend.

10. WHAT HAPPENS IF I DISPOSE OF SHARES AFTER I HAVE ALREADY GIVEN INSTRUCTIONS TO MY CUSTODIAN OR MADE AN ELECTION?

If you are currently a CREST Shareholder, the amount of any declared dividend you will receive, whether as an ordinary cash dividend or in Dividend 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 Euroclear Bank. You should consult your Custodian directly with any questions in this regard.

If you are currently a Direct CREST Shareholder, the amount of any declared dividend you will receive, whether as an ordinary cash dividend or in Dividend Shares under the Plan, will be based on the number of Existing Shares held by you on the record date for the particular dividend.

If you are currently a Registered Shareholder, and your current Election 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 make a new Election making changes to your Plan participation no later than 3 p.m. (U.K. time) on the date seven business days before the Dividend Payment Date to which you wish such Election to first apply. If your current Election 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 Election Shares in your Election, 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 make a new Election changing your Plan participation. You must make such new Elections via the Computershare Investor Centre, or Computershare must receive and accept your new Election Form, no later than 3 p.m. (U.K. time) on the date seven business days before the Dividend Payment Date to which you wish such Election 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 Dividend 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 make a separate Election for each registered Shareholder name, as applicable.

12. WHAT ARE THE TAX EFFECTS?

The tax effects of taking Dividend 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 CREST Shareholder and have provided your Custodian with instructions for the payment of your dividends on any or all of your Existing Shares in Dividend 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 Euroclear Bank no later than 3 p.m. (U.K. time) on the date 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 Direct CREST Shareholder, and have made an election for the payment of your dividends on any or all of your Existing Shares in Dividend Shares for a given Dividend Payment Date, you may cancel your election for such Dividend Payment Date via the CREST system by cancelling your existing message and inputting a new one no later than 3 p.m. (U.K. time) on the date seven business days before that Dividend Payment Date.

If you are currently a Registered Shareholder and have previously made an Election regarding your participation in the Plan, you may cancel that Election at any time either via the Computershare Investor Centre or by writing to Computershare at the below address:

Computershare Investor Services (Guernsey) Limited
C/O The Pavilions
Bridgwater Road
Bristol BS13 8AE
United Kingdom

Any Election cancellation must be received by Computershare, whether in writing or via the Computershare Investor Centre, no later than 3 p.m. (U.K. time) on the date 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 such 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 Election under the Plan, but your Election cancellation will apply to all subsequent dividends. If you are a Registered Shareholder, all of your Elections 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 Elections 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 Election will continue in favour of the surviving joint Registered Shareholder.

If you are currently a CREST 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 Dividend 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 Computershare, 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 (i) to offer participation in the Plan for that particular dividend and (ii) if TFG decides to offer participation in the Plan, to issue New Shares or transfer Treasury Shares to satisfy its obligations under the Plan. 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 Dividend 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 and the Specialist Fund Segment of the London Stock Exchange.

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

For all of the New Shares that may be issued in connection with the Plan, application will be made for admission to trading on Euronext Amsterdam (as required by Euronext Amsterdam) and the Specialist Fund Segment of the London Stock Exchange (together, the “Admission”). TFG refers to notices that Euronext Amsterdam and the Specialist Fund Segment are 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 or Treasury Shares transferred 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 Dividend 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 (www.tetragoninv.com) (including TFG’s articles of incorporation which contain a description of the rights attached to TFG’s Existing Shares).

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

If you are currently a CREST 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 Direct CREST Shareholder or a Registered Shareholder and you wish to know the Dividend Reference Price, to obtain a list of specific Election deadlines for each future Dividend Payment Date, or you have any other questions concerning the Plan, please contact Computershare Investor Services (Guernsey) Limited between the hours of 9:00 a.m. and 5:00 p.m. (U.K. time) on any U.K. business day on telephone number 0370 707 4040 or, if telephoning from outside the U.K., on telephone number +44 370 707 4040.

SUMMARY OF CERTAIN TAX CONSIDERATIONS

United States Taxation

U.S. Holders

The following discussion is a summary of the material U.S. federal income tax consequences of the receipt of Dividend Shares in the Plan by a U.S. Holder (as defined below, and all such shares “TFG Shares”) under present U.S. federal income tax laws. This discussion is based upon the U.S. Internal Revenue Code of 1986, as amended (the “Code”), U.S. Treasury regulations promulgated under the Code, court decisions, and published positions of the U.S. Internal Revenue Service (“IRS”), all as in effect on October 27, 2016 and all of which are subject to change or differing interpretations, possibly with retroactive effect, that could affect the tax considerations described below. This summary deals only with TFG Shares that will be held by U.S. Holders as capital assets within the meaning of Section 1221 of the Code. The discussion will not cover all aspects of U.S. federal income taxation that may be relevant to particular investors, and does not address the Medicare Tax on Net Investment income, or any state, local or foreign tax laws or any U.S. federal tax consequences other than U.S. federal income tax consequences. 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, partnerships or other pass-through entities and any owners thereof, dealers in securities or currencies, regulated investment companies, real estate investment trusts, 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, investors that actually or constructively own 10% or more of our voting stock, 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 (or any other entity treated as a corporation for U.S. federal income tax purposes) 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. TFG HAS NO OBLIGATION TO UPDATE THIS SUMMARY TO REFLECT ANY SUBSEQUENT CHANGES IN U.S., STATE, LOCAL, FOREIGN OR OTHER TAX LAW.

Receipt of Dividend Shares pursuant to the Plan

A U.S. Holder that receives Dividend 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 Dividend Shares, determined as of the dividend payment date. The “fair market value” of Dividend 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 Dividend Share will be equal to the fair market value of such Dividend Share on the dividend payment date and the holding period for such Dividend 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 their 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 on ordinary income 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. The tax liability for amounts allocated to years prior to the year of disposition or "excess distribution" cannot be offset by any net operating losses for such years, and gains (but not losses) realized on the sale of the TFG Shares cannot be treated as capital gains, even if a U.S. Holder holds the TFG Shares as capital assets.

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." 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. A U.S. Holder would not, however, be entitled to a deduction for its pro rata share of any losses that we incurred with respect to any year. A U.S. Holder would generally recognize capital gains or loss on the sale, exchange or disposition of its 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 Code and applicable U.S. Treasury regulations. 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. Holder 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.

A U.S. Holder must file an annual return on IRS Form 8621, reporting distributions received and tax gains realized with respect to each PFIC in which it holds a direct or indirect interest.

Backup Withholding and Information Reporting

Payments of dividends with respect to TFG Shares to a U.S. Holder may be reported to the IRS and to the U.S. Holder as may be required under applicable U.S. Treasury 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. Backup withholding is not an additional tax. A 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 IRS. 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.

U.S. return disclosure obligations (and related penalties for failure to disclose) apply to certain U.S. individuals who hold specified foreign financial assets if the total value of all such assets is more than \$50,000 on the last day of the tax year or more than \$75,000 at any time during the tax year. The definition of specified foreign financial assets may include the TFG Shares. U.S. Holders should consult their own tax advisers regarding the application of these disclosure obligations.

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 Dividend Shares, provided that such Dividend 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

THE SUMMARY OF U.K. 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 LOCAL, FOREIGN AND OTHER TAX LAWS AND POSSIBLE CHANGES IN TAX LAW. TFG HAS NO OBLIGATION TO UPDATE THIS SUMMARY TO REFLECT ANY SUBSEQUENT CHANGES IN U.K., LOCAL, FOREIGN OR OTHER TAX LAW.

TFG has been advised that, under current United Kingdom legislation and HMRC practice, the taxation consequences for Shareholders electing to receive Dividend 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 Dividend Shares will be treated as a reorganisation of the share capital of TFG. Accordingly, the Dividend 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 Dividend 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.

Shareholder Reference Number (SRN)

Number of shares held

DO NOT COMPLETE THIS FORM IF YOU WISH TO RECEIVE YOUR DIVIDEND IN CASH

Election Form

If you wish to receive your dividend in newly-issued non-voting shares in the Company (the "Optional Stock Dividend Plan"), you should complete this Form and return this Form of Election, duly completed and signed, by post to Computershare Investor Services (Guernsey) Limited at c/o The Pavilions, Bridgwater Road, Bristol BS99 6ZZ.

If you hold Shares under different designations you should complete a separate Form in respect of each designation. You can obtain further Forms by contacting Computershare Investor Services (Guernsey) Limited between 9.00 a.m. and 5.00 p.m. on any UK business day on telephone number 0370 707 4040 or, if telephoning from outside the UK, on telephone number +44 370 707 4040.

The Company and the Registrar accept no liability if the incorrect Election Form is used or if the Shareholder alters such Election Form, the pre-printed identifying marks or the instructions on such Election Form in any way.

Please insert the number of shares in the box in respect of which you wish to receive the Optional Stock Dividend Plan on your holding as at the Record Date:-

If the box is not completed, but the remaining parts of the form are completed, then you are deemed to receive the Optional Stock Dividend Plan based on your entire holding of shares held or deemed to be held, on the Record Date.

Representations

By signing this Election 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 U.S. 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 "benefit plan investor," as defined by the United States Employee Retirement Income Security Act of 1974, as amended;
- 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 the Company, have previously provided or will provide to the Company an opinion of U.S. counsel to that effect that is satisfactory to the Company and have previously provided or will provide any other information to the Company that the Company has required or may require.

In the event that we need to contact you regarding the processing of this form, please supply one of the following:

Telephone Number

Email Address

Please note that these contact details will not be recorded by Computershare Investor Services (Guernsey) Limited for any future use.



Signature(s)

For details of who needs to sign this form, please see the 'how to complete' notes on the reverse of this form.

Date DD / MM / YY

If you are signing on behalf of a Corporate Body, please also state the capacity under which you are signing e.g. Company Director

Signature 1 (Please sign in the box below)

Capacity of Signatory 1

Signature 2 (Please sign in the box below)

Capacity of Signatory 2

Signature 3 (Please sign in the box below)

Signature 4 (Please sign in the box below)

Stamp of Corporate Body

A Corporate should affix its common seal or sign under the hand of a duly authorised official who should state his/her capacity.

Company Seal/Stamp

How to complete this form

Please use a **black pen**. Print in CAPITAL letters inside the boxes as shown in this example.

A	B	C
---	---	---

1	2	3
---	---	---

X

Signature(s)

You must sign this form as follows in the spaces provided:-

Joint Holding:

The signatures of all joint holders are required. If the holder is under 18, a parent or legal guardian must sign and state their capacity.

Power of Attorney:

To sign under Power of Attorney, you must have already lodged an original or certified copy of the Power of Attorney with the registrar. If you have not previously lodged this document for notation, please attach it to this form when you return it.

Please note that Computershare Investor Services (Guernsey) Limited requires a photocopy Power of Attorney to be certified under the Powers of Attorney Act 1971. It must be certified in ink on every page by the donor, or by a solicitor or stockbroker, to state that it is a true and complete copy of the original. Computershare Investor Services PLC cannot accept a photocopy that has not been certified in ink on every page.

Companies:

In the case of joint holders ALL must sign. In the case of a corporation this form should be signed by two authorised signatories (e.g. Director & Company Secretary) stating their capacity. Alternatively, this form can be signed by a director of the company in the presence of a witness who attests the signature or under its common seal.

Deceased Shareholder:

Where the shares are in the name of a deceased holder, instructions signed by the Executors or Administrators should indicate the name of the deceased.

Please return this form by post to:

Computershare Investor Services (Guernsey) Limited
c/o The Pavilions
Bridgwater Road
Bristol
BS99 6ZZ