NOTICE TO THE PUBLIC

Exchange Control Act 1972 ('the Act')
Exchange Control Regulations 1973 ('the Regulations')

As the public is aware, specific permission from the Bermuda Monetary Authority ('the Authority') is required for all issues and transfers of securities of Bermuda companies, both local and exempted, involving persons who are non-resident, other than in cases where general permission has been given when the company's Equity Securities are listed on an Appointed Stock Exchange or the company is classified under the Bermuda Monetary Authority (Collective Investment Scheme Classification) Regulations 1998 or successor provisions. The following new general permissions are given by the Authority under the Act and Regulations in order to streamline the present arrangements for the issue and transfer of securities.

PART I

The following general permissions apply to a Bermuda company other than a Bermuda company which is registered under the Insurance Act 1978:

1. Where any Equity Securities of a Bermuda company are listed on an Appointed Stock Exchange, general permission is hereby given for the issue and subsequent transfer of any securities of the company from and/or to a non-resident, for as long as any Equity Securities of the company remain so listed.

2. In the case of a Bermuda company which does not have any Equity Securities listed on an Appointed Stock Exchange, or whose Equity Securities become delisted from such an Exchange, general permission is hereby given for the issue and subsequent transfer of any securities, other than an Equity Security, from and/or to a non-resident.

3. Where a Bermuda company falling within paragraph 2 above intends to issue or transfer an Equity Security from and/or to a non-resident, application must be made to the Authority for prior approval, except that general permission is hereby given for any Equity Security:

(i) to be transferred into the name of a nominee or other registered holder where the transfer involves no change in the ultimate beneficial ownership of the Equity Security in question;

(ii) to be issued or transferred to or among any persons who are holders of Equity Securities of the subject company, provided that

a) no existing holder (other than an existing holder that has, or whose ultimate beneficial owner has, any of its own Equity Securities listed on an Appointed Stock Exchange) of less than 5% of the Equity Securities in the company will, as a result of any such issue or transfer, hold 5% or more of the Equity Securities in the company;

b) no existing holder (other than an existing holder that has, or whose ultimate beneficial owner has, any of its own Equity Securities listed on an Appointed Stock Exchange) of between 5% and 50% of the Equity Securities in the company will, as a result of any such issue or transfer, hold more than 50% of the Equity Securities in the company;

(iii) to be issued to or transferred between companies which are affiliated companies within the meaning of section 86(3) of the Companies Act 1981

4. General permission is hereby given for the granting of any charge or other security interest over securities of a Bermuda exempted company (and for the subsequent transfer of any such securities upon subsequent enforcement of such charge or other security interest) to a licensed bank or other licensed lending institution in an Approved Jurisdiction.

PART II

The following general permissions apply to a company registered under the Insurance Act 1978:

5. Where any Equity Securities of a Bermuda company are listed on an Appointed Stock Exchange, general permission is hereby given for the issue and subsequent transfer of any securities of the company from and/or to a non-resident, for as long as any Equity Securities of the company remain so listed.

6. In the case of a Bermuda company which does not have any Equity Securities listed on an Appointed Stock Exchange, or whose Equity Securities become delisted from such an Exchange, general permission is hereby given for the issue and subsequent transfer of any securities, other than an Equity Security, from and/or to a non-resident.

7. Where a Bermuda company does not have any Equity Securities listed on an Appointed Stock Exchange, application must be made to the Authority for prior approval for the issue or transfer of any Equity Security to a non-resident, except that general permission is hereby given for any issue or transfer of any Equity Security:

i) to an existing holder of less than 5% in the Equity Securities of a company providing such issue or transfer does not result in such person holding 5% or more of the Equity Securities in the company;

ii) to an existing holder of 5% or greater but less than 20% of the Equity Securities in a company providing such issue or transfer does not result in such person holding 20% or more of the Equity Securities in the company.

PART III

The general permissions outlined above in Part I and Part II are subject to the following conditions:

A. In the case of all issues or transfers covered by the general permissions given in paragraphs 3 and 7 or occurring in direct consequence of the exercise or enforcement of a charge or other security interest contemplated by paragraph 4, permission is conditional upon the Authority being notified in writing prior to or as soon as practicable after all such issues and transfers. In the event of breaches of this condition, the Authority may, by notice, exclude a company from the application of the general permission.

B. Wherever, in relation to a local company, an issue or transfer of Equity Securities involves non-Bermudians, companies must ensure that, except as permitted pursuant to section 114B of the Companies Act 1981, the provisions to be complied with by a local company carrying on business in Bermuda as set out in the Third Schedule to the Companies Act continue to be met at all times – in particular that the percentage of shares beneficially owned by Bermudians is at least 60%.

C. The permissions in this notice have no effect whatsoever on the application of any other legislation or policy directive and do not derogate in any way from the statutory requirements or obligations of any person under any other legislation or policy directive, including but not limited to, i) policy directives of the Ministry of Finance pertaining to the ownership of shares of exempted companies by Bermudians, or, ii) legislative provisions with respect to controller or shareholder controller approval and/or notification requirements as set out in the Trusts (Regulation of Trust Business) Act 2001, the Investment Business Act 2003 and the Banks and Deposit Companies Act 1999.

D. The permissions in this notice are subject to change at any time.

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For the purpose of this Notice:

(1) "Approved Jurisdiction" means any of the following Jurisdictions:
Canada;
United States of America;
Australia;
All the member countries of the European Union;
Bermuda;
Hong Kong;
Singapore;
Norway;
Switzerland;
Japan.

(2) "Appointed Stock Exchange" means any stock exchange appointed by the Minister of Finance under section 2(9) of the Companies Act 1981;

(3) "Equity Security" means a share issued by a Bermuda company which entitles the holder to vote for or appoint one or more directors or a security which by its terms is convertible into a share which entitles the holder to vote for or appoint one or more directors;

(4) "securities" has the meaning set out in section 1 of The Exchange Control Act 1972 and includes "secondary securities" described in regulation 24 of The Exchange Control Regulations 1973;

(5) Where any reference in this notice is made to a percentage of Equity Securities such percentage shall be the percentage of the total votes for the election or appointment of one or more directors attaching to the Equity Securities in issue.

Bermuda Monetary Authority
1 June 2005