

# AQUA RESOURCES FUND LIMITED

(the “Company”)

(an authorised closed-ended investment company incorporated in Guernsey with registered number: 49038)

## NOTICE OF ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN THAT** an Annual General Meeting of the Company will be held at Arnold House, St. Julian’s Avenue, St. Peter Port, Guernsey, GY1 3NF on Friday 29<sup>th</sup> June 2012 at 10:30 a.m. for the purpose of considering and, if thought fit, passing the following resolutions, of which resolutions numbered 1 to 6 will be proposed as ordinary resolutions and resolutions numbered 7 to 9 will be proposed as special resolutions.

### ORDINARY BUSINESS

#### Ordinary Resolutions

1. That the financial statements of the Company for the year ended 31 December 2011 and the reports of the Directors and the auditors thereon be received and adopted.
2. That the re-appointment of PricewaterhouseCoopers CI LLP (the “**Auditors**”) of Royal Bank Place, 1 Glatigny Esplanade, St. Peter Port, Guernsey, GY1 4ND, as auditors of the Company for the year ended 31 December 2012, be duly approved and ratified.
3. That the Directors be, and are hereby, authorised to fix the remuneration of the Auditors for the year ended 31 December 2012.
4. That, in accordance with Article 23.3 of the Articles of Incorporation of the Company (the “**Articles**”), Mr Jonathan Hooley be re-elected as a Director of the Company.
5. That, in accordance with Article 23.3 of the Articles, Mr Fergus Dunlop be re-elected as a Director of the Company.
6. That, in accordance with Article 24.1 of the Articles which states " The Directors shall be paid out of the funds of the Company by way of fees such as the Directors shall determine, provided that the aggregate amount of such fees shall not exceed £250,000 per annum", the maximum remuneration of the Directors for the year ended 31 December 2012 will not exceed an aggregate amount of £120,000.

### SPECIAL BUSINESS

#### Special Resolutions

7. That, without prejudice to Articles 5.4 and 6 of the Articles, the Company generally be, and hereby is, authorised for the purposes of section 315 of The Companies (Guernsey) Law, 2008 (as amended) (the “**Law**”) to make market acquisitions of its Shares (as defined in the Articles) for all and any purposes, provided that:
  - (i) the maximum number of Shares hereby authorised to be acquired shall be 14.99 per cent. of the Shares in issue at the date of the passing of this resolution 7;
  - (ii) the minimum price (exclusive of expenses) which may be paid for a Share in issue shall be EURO 0.01;
  - (iii) the maximum price (exclusive of expenses) which may be paid for a Share in issue shall not be more than the higher of (i) 5 per cent. above the average mid-market values of the

Shares as derived from the Official List of the London Stock Exchange plc for the five business days immediately preceding the date of the purchase; and (ii) the higher of the last independent trade and the highest current independent bid for the Shares on the trading venue where the purchase is carried out;

- (iv) the authority hereby conferred shall expire at the conclusion of the next annual general meeting of the Company, unless such authority is varied, revoked or renewed by an ordinary resolution of the Company prior to such time save that the Company may, prior to such expiry, enter into a contract to purchase any Share in issue from time to time under such authority which will or may be executed wholly or partly after the expiration of such authority and may make a purchase of such Shares pursuant to any such contract; and
  - (v) any Shares bought back by the Company may be held in treasury in accordance with the Law or be subsequently cancelled by the Company.
8. That, without prejudice to resolution 7 above and Articles 5.4 and 6 of the Articles, the Company be, and hereby is, authorised in accordance with the Law to make market acquisitions of its Shares pursuant to a tender offer as referred to, and on such terms set out in, the Prospectus issued by the Company on 21 July 2008 provided that:
- (i) the maximum number of Shares hereby authorised to be purchased is up to 25 per cent. of the Shares in issue at the date of the passing of this resolution 8;
  - (ii) the maximum price (exclusive of expenses) which may be paid for a Share shall be not more than the then prevailing Net Asset Value per Share as at the last NAV Calculation Date (as defined in the Articles);
  - (iii) the minimum price (exclusive of expenses) which may be paid for a Share is EURO 0.01;
  - (iv) the authority hereby conferred shall expire at the conclusion of the next annual general meeting of the Company, unless such authority is varied, revoked or renewed by an ordinary resolution of the Company prior to such time save that the Company may, prior to such expiry, enter into a contract to purchase any Share in issue from time to time under such authority which will or may be executed wholly or partly after the expiration of such authority and may make a purchase of such Shares pursuant to any such contract; and
  - (v) any Shares bought back may be held in treasury in accordance with the Law or be subsequently cancelled by the Company.
9. That, the Directors be, and are hereby, empowered pursuant to Article 5.5(g) of the Articles to issue or allot equity securities (within the meaning of the Articles) for cash pursuant to Article 5.3 of the Articles or by way of a sale of treasury shares as if Article 5.5 (b)(i)(1) of the Articles did not apply to any such issue or allotment provided that this power shall be limited to:
- (i) the issue or allotment of equity securities in connection with an offer of equity securities in favour of the holders of Shares on the register of members of the Company at such record date as the Directors may determine where the equity securities respectively attributable to the interests of the shareholders are proportionate (as nearly as may be practicable) to the respective numbers of Shares held by them on any such record date, subject to such exclusions or other arrangements as the Directors may deem necessary or expedient to deal with treasury shares, fractional entitlements or legal or practical problems arising under the laws of any territory or the requirements of any regulatory

body or stock exchange or by virtue of shares being represented by depositary receipts or any other matter; and

- (ii) the issue or allotment (otherwise than pursuant to sub-paragraph (i) of this resolution 9) to any person or persons of up to 3,623,217 Shares,

and shall expire upon the date of the next annual general meeting of the Company, save that the Company shall be entitled to make offers or agreements before the expiry of such power which would or might require equity securities to be issued or allotted after such expiry and the Directors shall be entitled to issue or allot equity securities pursuant to any such offer or agreement as if the power conferred hereby had not expired.

Dated 17<sup>th</sup> May 2012

By order of the Board

**HSBC Securities Services (Guernsey) Limited**  
Company Secretary

## Notes

1. A shareholder of the Company (“**Shareholder**”) entitled to attend, speak and vote at the annual general meeting (“**AGM**”) is entitled to appoint one or more proxies to exercise all or any of his rights to attend, speak and vote at the AGM.
2. A form of appointment of proxy (the “**Proxy Appointment**”) is enclosed with this notice which, if required, should be completed in accordance with these instructions and the instructions thereon. You can only appoint a proxy using the procedures set out in these notes and the notes to the Proxy Appointment.
3. A proxy need not be a Shareholder, but must attend the AGM to represent you. Details of how to appoint the Chairman of the meeting or another person as your proxy using the Proxy Appointment are set out in the notes to the Proxy Appointment. If you wish your proxy to speak on your behalf at the AGM you will need to appoint your own choice of proxy (not the Chairman) and give your instructions directly to them. If you wish to appoint a person other than the Chairman of the AGM, please insert the name of your chosen proxy holder in the space provided on the enclosed Proxy Appointment.
4. In the case of joint holders such persons shall not have the right to vote individually in respect of an ordinary share in the capital of the Company (“**Share**”) but shall elect one person to represent them and vote in person or by proxy in their name. In default of such an election, the person first named in the register of members of the Company tendering a vote will be accepted to the exclusion of the votes of the other joint holders.

**If you do not intend to attend the AGM please complete a Proxy Appointment using the procedures set out in these notes and the notes to the Proxy Appointment as soon as possible.**

5. You may appoint more than one proxy provided each proxy is appointed to exercise the rights attached to different Shares. You may not appoint more than one proxy to exercise rights attached to any one Share. To appoint more than one proxy you may photocopy the enclosed Proxy Appointment. Please indicate the proxy holder’s name and the number of Shares in relation to which they are authorised to act as your proxy (which, in aggregate, should not exceed the number of Shares held by you). Please also indicate if the proxy instruction is one of multiple instructions being given. All hard copy Proxy Appointments must be signed and should be returned together in the same envelope.

6. The notes to the Proxy Appointment explain how to direct your proxy to vote on each resolution or abstain from voting.
7. In order to be valid a Proxy Appointment must be returned by one of the following methods:
  - (a) in hard copy form by post, by courier or by hand together with any power of attorney or other authority under which it is executed (or a notarially certified copy of such power of attorney or authority) to the Company's registrars, Capita Registrars, FREEPOST RSBH-UXKS-LRBC, PXS, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU;
  - (b) via [www.capitashareportal.com](http://www.capitashareportal.com); or
  - (c) in the case of CREST members, by utilising the CREST electronic proxy appointment service in accordance with the procedures set out below,

and in each case must be received by the Company no later than 10:30 a.m. on 27<sup>th</sup> June 2012. A Shareholder that appoints a person to act on its behalf under any power of attorney or other authority under which is executed (of a notarially certified copy of such power of attorney or authority) and wishes to use method (b) or (c) must return such power of attorney or other authority under which is executed (of a notarially certified copy of such power of attorney or authority) to the Company's registrars, Capita Registrars, Proxy Department, FREEPOST RSBH-UXKS-LRBC, PXS, 34 Beckenham Road, Beckenham, Kent BR3 4TU prior to using such method and in any event not less than 48 hours before the time of the AGM.

8. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the AGM and any adjournment thereof by using the procedures described in the CREST Manual. CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s) should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.
9. In order for a Proxy Appointment, or instruction, made by means of CREST to be valid, the appropriate CREST message (a "**CREST Proxy Instruction**") must be properly authenticated in accordance with Euroclear UK & Ireland Limited's ("**EUI**") specifications and must contain the information required for such instructions, as described in the CREST Manual. The message regardless of whether it relates to the Proxy Appointment or to an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by the issuer's agent (ID RA 10) not less than 48 hours before the time of the AGM. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5) of the Uncertificated Securities Regulations 2001. CREST members and where applicable, their CREST sponsors or voting service providers should note that EUI does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy instructions. It is therefore the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that his or her CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.
10. In the case of a Shareholder which is a company, a hard copy Proxy Appointment must be executed under its common seal or under the hand of an officer or attorney duly authorised.
11. Any corporation which is a Shareholder may by a resolution of its directors or other governing body authorise such person as it thinks fit to act as its representative at any meeting of the Company to approve a resolution submitted in writing and the person so authorised shall be entitled to exercise on behalf of the corporation which he represents the same powers (other than to appoint a proxy) as that corporation could exercise if it were an individual Shareholder of the Company.

12. Completion and return of the Proxy Appointment will not preclude a holder of Shares from subsequently attending, speaking and voting in person at the AGM should they wish. If a Shareholder attends the AGM in person, any Proxy Appointment will automatically be terminated.
13. By attending the AGM a holder of Shares expressly agrees they are requesting and willing to receive any communications made at the AGM.
14. To change your proxy instructions simply submit a new Proxy Appointment using the methods set out above and in the notes to the Proxy Appointment. Note that the cut-off date and time for receipt of a Proxy Appointment (see above) also apply in relation to amended instructions; any amended Proxy Appointment received after the relevant cut-off date and time will be disregarded. Where you have appointed a proxy using the hard-copy Proxy Appointment and would like to change the instructions using another hard-copy Proxy Appointment, please contact Capita Registrars on 0871 664 0300 (calls cost 10p per minute plus network extras) or if calling from overseas +44 (0) 208 639 3399. Lines are open from 9.00 a.m. to 5.30 p.m., Monday to Friday.
15. If you submit more than one valid Proxy Appointment, the Proxy Appointment received last before the latest time for the receipt of proxies will take precedence. If the Company is unable to determine which Proxy Appointment was last validly received, none of them shall be treated as valid in respect of the same.
16. In order to revoke a proxy instruction you will need to inform the Company by sending a signed hard copy notice clearly stating your intention to revoke your Proxy Appointment to Capita Registrars, FREEPOST RSBH-UXKS-LRBC, PXS, 34 Beckenham Road, Beckenham, Kent, BR3 4TU. In the case of a Shareholder which is an individual the revocation notice must be under the hand of the appointer or of his attorney duly authorised in writing or in the case of a Shareholder which is a company, the revocation notice must be executed under its common seal or under the hand of an officer of the company or an attorney duly authorised. Any power of attorney or any other authority under which the revocation notice is signed (or a notarially certified copy of such power or authority) must be included with the revocation notice. The revocation notice must be received by the Capita Registrars no later than 10:30 a.m. on 27<sup>th</sup> June 2012 or 48 hours before any adjourned meeting. If you attempt to revoke your proxy appointment but the revocation is received after the time specified then, subject to paragraph 12 above, your proxy appointment will remain valid.
17. To have the right to attend, speak and to vote at the AGM (and also for the purpose of how many votes a holder of Shares casts), a holder of Shares must first have his or her name entered in the register of holders of Shares by no later than 6.00 p.m. on 27<sup>th</sup> June 2012. Changes to entries on the register of holders of Shares after that time shall be disregarded in determining the right of any holder of Shares to attend and vote at the AGM.
18. A quorum consisting of two Shareholders holding 5 per cent. or more of the issued Shares being entitled to vote and attending in person or by proxy is required for the AGM. If within half an hour after the time appointed for the meeting a quorum is not present the AGM shall be adjourned for 14 clear days at the same time and place or to such other day and at such other time and place as the Board may determine and no notice of adjournment need be given at any such adjourned meeting. Those Shareholders present in person or by proxy shall constitute the quorum at any such adjourned meeting.
19. Resolutions numbered 7 to 9 to be proposed at the AGM will be each proposed as a special resolution which, to be passed, must receive the support of not less than seventy five per cent. of the total number of votes cast for or against the resolutions.
20. Except as provided above, Shareholders who have general queries about the AGM should contact Capita Registrars on 0871 664 0300 (calls cost 10p per minute plus network extras) or if calling from overseas +44 (0) 208 639 3399. Lines are open from 9.00 a.m. to 5.30 p.m. Monday to Friday. No other methods of communication will be accepted.

Upon completion please return the Proxy Appointment to the following address to arrive no later than 10:30 a.m. on 27<sup>th</sup> June 2012:-

**Capita Registrars, FREEPOST RSBH-UXKS-LRBC, PXS, 34 Beckenham Road, Beckenham, Kent, BR3 4TU**