

IN THE GRAND COURT OF THE CAYMAN ISLANDS

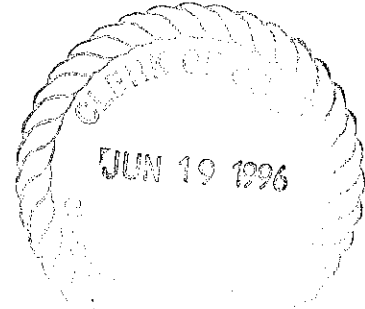
CAUSE NO: 314 OF 1996

In the Matter of Lazard North American Fund Limited (In Voluntary Liquidation)

And In the Matter of the Companies Law (1995 Revision)



PETITION



To the Grand Court

The Petition of Clive Norman Simon and William John Perchard of Coopers & Lybrand, P.O. Box 626, Le Truchot, St Peter Port, Guernsey, Channel Islands, Joint Voluntary Liquidators of Lazard North American Fund Limited (hereinafter referred to as "the Liquidators" and "the Company" respectively) shows that:-

- (1) The Company was incorporated with limited liability and registered (No. 10691) as an exempted company under the Companies Law Cap. 22 on the 29th April, 1983.
- (2) The Company carries on business as an open ended mutual fund within the meaning of Section 3 of the Mutual Funds Law 1993. It has Class B status in Guernsey under the Protection of Investors (Bailiwick of Guernsey) Law 1987. It is not a recognised scheme pursuant to Section 87 of the Financial Services Act 1986 of the United Kingdom.
- (3) At an extraordinary general meeting of the Company held on the 14th June, 1996 it was resolved, inter alia, that the Company be wound up in accordance with the provisions of the Companies Law (1995 Revision) and that the Liquidators be appointed liquidators of the Company with power to act jointly and severally. Notice of the Liquidators appointment was filed with the Registrar of Companies immediately preceding the presentation of this Petition.
- (4) It was further resolved at the said extraordinary general meeting that the Liquidators implement, subject to obtaining approval of this Court pursuant to Section 164 of the Companies Law (1995 Revision), a scheme of liquidation in the form of that filed herewith, whereby the whole of the Company's business and property shall be acquired by the Lazard Brothers Global Equity Fund Plc ("the Dublin Fund") in consideration for the Dublin Fund issuing to the participating shareholders of the Company participating shares in the North American Class of the Dublin Fund.
- (5) The Liquidators have resolved to implement the said Scheme of Liquidation.

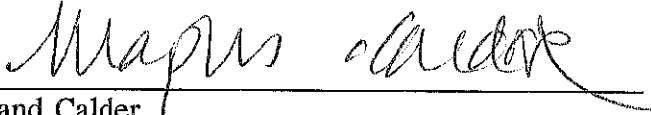
- (6) The Scheme of Liquidation is in the interests of the Company's shareholders generally and will not prejudice the interests of its creditors.

Your Petitioners therefore humbly pray that:-

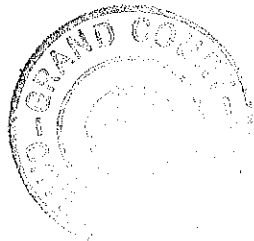
7. The Scheme of Liquidation be sanctioned.  
8. That such other orders and directions be given as the Court thinks fit.

AND your Petitioners will ever pray etc.

DATED the 19th day of June, 1996

  
\_\_\_\_\_  
Maples and Calder

NOTE: This Petition is not intended to be served.



This Petition is presented by Maples and Calder, Attorneys for the Petitioners, whose address for service is Uglan House, P.O. Box 309, George Town, Grand Cayman.

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.**

**If you are in any doubt about the contents of this document, you should consult your independent financial adviser immediately.**

If you sell or have sold all your participating redeemable preference shares ("Participating Shares") in Lazard North American Fund Limited ("North American Fund") you should at once hand this document and the documents accompanying it to the purchaser or the bank, stockbroker or other agent through whom a sale was or is effected for onward transmission to the purchaser.

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# Lazard North American Fund Limited

*(Registered in the Cayman Islands)*

## Proposed Merger Arrangements with

Lazard Brothers Global Equity Fund  
public limited company

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This Circular has been issued by Lazard Brothers Asset Management Limited, a member of the Investment Management Regulatory Organisation Limited and the Board of Directors of North American Fund. Lazard Brothers Asset Management Limited is an associate of Lazard Fund Managers (Channel Islands) Limited, the manager of North American Fund and Lazard Brothers Investment Funds Limited, the manager of Lazard Brothers Global Equity Fund public limited company ("the Dublin Fund").

**You should note that, if the Special Resolution set out in the accompanying Notice of Extraordinary General Meeting is duly passed, this will result in the cancellation of your Participating Shares in North American Fund and the issue and allotment to you of participating shares ("Shares") in the Dublin Fund without any further notice to you or any action on your part and irrespective of whether you vote in favour of or against, or do not vote in relation to, that Special Resolution.**

Notice of the Extraordinary General Meeting to be held at 10.30 a.m. on Friday, 14th June 1996 is set out in Appendix III. You are requested to complete and return the enclosed Form of Proxy in accordance with the instructions printed thereon.

# Lazard North American Fund Limited

(Registered in the Cayman Islands)

## Directors:

Rupert Arthur Rees Evans  
Peter Timothy Hart  
Christopher Brunton Mellowish  
Deryck Keith Misselbrook  
Russel Andrew Peter Michel

## Registered Office:

The Aall Building  
North Church Street  
Grand Cayman  
Cayman Islands  
British West Indies

Monday, 20th May 1996

To: All holders of participating redeemable preference shares ("Participating Shares") in Lazard North American Fund Limited ("North American Fund")

Dear Shareholder

## Proposed Scheme of Liquidation

I am writing on behalf of the Board of Directors of North American Fund ("the Directors") to all holders of Participating Shares in North American Fund ("Participating Shareholders") to set out a scheme of liquidation ("the Scheme") under which your existing Participating Shares in North American Fund would be replaced by participating shares ("Shares") in Lazard Brothers Global Equity Fund public limited company ("the Dublin Fund"), an open-ended investment company with variable capital incorporated in Ireland.

The purpose of this Circular is to set out the terms of the Scheme, its effect, and to give you information on the Dublin Fund.

Details of the Dublin Fund are contained in the prospectus and supplement (together "the Prospectus") sent with this Circular and also in Appendix II which contains an outline of the principal details of, and differences between, North American Fund and the Dublin Fund.

### 1. The Proposal

#### *Background to the Proposal*

Due to limitations on access to European investors for Cayman Islands funds, the Directors believe that a fund established in Dublin, which is within the European Union, will grow more rapidly than one situated outside the European Union.

The Directors believe that participating in an "umbrella" fund centred in Dublin will be more cost effective for investors than being invested in a single fund established in the Cayman Islands.

The International Financial Services Centre in Dublin ("IFSC") is a tax neutral zone for certain types of investment funds, such as the Dublin Fund. The Dublin Fund has been established in the IFSC as an undertaking for collective investment in transferable securities ("UCITS") pursuant to the European Union Directive governing UCITS investment funds, which provide high standards of investor protection.

#### *Terms of the Scheme*

If the Scheme is approved, Participating Shareholders will receive in exchange for their holdings of Participating Shares in North American Fund, Shares in the Dublin Fund of equivalent aggregate value in the relevant sub-fund of the Dublin Fund as at 28th June 1996 (or such other date as the Directors may determine) ("the Effective Date"), mirroring as closely as possible your investment in North American Fund. **Your existing Participating Shares in North American Fund will then cease to be of any value and North American Fund will be wound up. You are referred to Appendix I on pages 9**

and 10 which sets out the terms of the Scheme and in particular how the costs of the liquidation are to be borne.

## 2. The Dublin Fund

The Dublin Fund is an open-ended investment company with variable capital incorporated in Ireland on 10th April 1996, qualifying as a UCITS and is authorised by the Central Bank of Ireland under the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 1989 (S.I. No. 78 of 1989) ("the Regulations"). This improves its marketability within the European Union (including the United Kingdom), which we believe to be of advantage to investors as it enables the Dublin Fund to market to a wider potential investor base, thereby assisting the expansion of monies under management. It is managed in Dublin by Lazard Brothers Investment Funds Limited ("the Dublin Manager"). Investment advice and investment management are provided by Lazard Brothers Asset Management Limited, which also provides investment advice to North American Fund. The Custodian is BT Trustee Company (Ireland) Limited.

The Dublin Fund has been incorporated with eight sub-funds, each of which is linked to a separate class of Share in the Dublin Fund, Lazard European Fund, Lazard Pan European Fund, Lazard Japan Fund, Lazard Asia Pacific Fund, Lazard Latin American Fund, Lazard North American Fund, Lazard International Equity Fund and Lazard UK Equity Fund, and with the power to create additional sub-funds. Application has been made for the Shares in the Dublin Fund to be listed on The Irish Stock Exchange. The class of Share in the Dublin Fund of interest to Participating Shareholders is the North American Fund class of Share in the Dublin Fund ("the North American Class") which has a similar investment objective to North American Fund. In the event that the proposed Scheme takes effect, Participating Shareholders will be issued with Shares in the North American Class. Full details of the investment objective of the North American Class are set out in Appendix II.

## 3. Taxation

### *North American Fund*

North American Fund is incorporated in the Cayman Islands but resident in Guernsey. The transfer of its assets to the Dublin Fund will not be a taxable disposal by North American Fund for the purposes of United Kingdom capital gains tax. There is no capital gains tax in the Cayman Islands. Taxes and duties (if any) payable on the transfer of investments from North American Fund to the North American Class will be borne by Lazard Fund Managers (Channel Islands) Limited ("the Guernsey Manager").

North American Fund has been accepted by the Guernsey Income Tax Authority as resident in Guernsey but exempt from Guernsey income tax pursuant to the provisions of the Income Tax (Guernsey) Law 1975 as amended by the Income Tax (Amendment) (Guernsey) Law 1989 and the Income Tax (Exempt Bodies) (Guernsey) Ordinance 1989. The liability of North American Fund to Guernsey taxation is limited to an annual fee payable to the Tax Authority and currently fixed at £500.

Currently, no taxes are imposed in the Cayman Islands on the income or capital profits of North American Fund. An undertaking has been received from the Governor-in-Council of the Cayman Islands agreeing that North American Fund will not be chargeable to tax in the Cayman Islands on its income or its capital gains arising in the Cayman Islands or elsewhere for a period of twenty years from 2nd August 1983.

Dividends of North American Fund are payable to Participating Shareholders without deduction of Cayman Islands tax. No stamp duty is levied in the Cayman Islands on the issue, transfer or redemption of Participating Shares in North American Fund. The only tax currently chargeable to North American Fund in the Cayman Islands is an annual charge calculated on the nominal amount of the authorised share capital of North American Fund. At present rates this charge will not exceed approximately US\$700 in any year.

### *The Dublin Fund*

The Dublin Fund presently qualifies as a specified collective investment undertaking within the meaning of the Irish Finance Act 1989. On this basis the Dublin Fund is exempt from liability to Irish tax on its income and capital gains and distributions made by the Dublin Fund to holders of Shares in the Dublin Fund ("Shareholders") not resident in Ireland for tax purposes will not be liable to any Irish withholding tax.

### *Participating Shareholders*

The effect of the Scheme on Participating Shareholders will depend upon their own circumstances. North American Fund has been certified as a distributing fund for the purposes of United Kingdom taxation for each of its accounting periods up to 28th March 1995 and the Directors have no reason to believe that North American Fund will not be so certified for the periods subsequent thereto. The investment and distribution policies of the Dublin Fund are designed so as to enable it to qualify as a distributing fund, and it is intended to apply for certification each year. If both North American Fund and the Dublin Fund are so certified for periods up to and including that in which the Scheme is implemented, the Directors have been advised that under current law and practice:

- (a) the implementation of the Scheme should not itself give rise to any liability to United Kingdom income tax on Participating Shareholders;
- (b) any Participating Shareholder resident in the United Kingdom for United Kingdom tax purposes who, with any persons connected with him for taxation purposes, holds not more than 5 per cent. of the outstanding Participating Shares in North American Fund will not be treated as having disposed of Participating Shares in North American Fund for United Kingdom capital gains tax purposes by reason of the Scheme.

For holders of more than 5 per cent. of the outstanding Participating Shares in North American Fund, application has been made to the Inland Revenue of the United Kingdom for clearance under section 138 of the Taxation of Chargeable Gains Act 1992 and the Inland Revenue of the United Kingdom has confirmed in writing its satisfaction that the provisions of section 137(1) of that Act should not have effect in respect of the Scheme, with the result that section 136 of that Act will not be prevented from applying. This means that the Scheme should not constitute a disposal of Participating Shares in North American Fund by Participating Shareholders so as to give rise to any liability to United Kingdom tax on capital gains;

- (c) where Participating Shares in North American Fund are held as dealing stock, section 473(5) of the Income and Corporation Taxes Act 1988 should apply to prevent the Scheme constituting a disposal of Participating Shares in North American Fund so as to give rise to any liability for United Kingdom tax on trading profits.

In the event that North American Fund is not so certified, United Kingdom resident Participating Shareholders will be deemed to have disposed of their Participating Shares in North American Fund at their market value at the Effective Date. Any gain realised by a Participating Shareholder will normally be subject to tax as income and not capital gains tax unless the Participating Shareholder first acquired his interest before 1st January 1984, in which case the gain accruing prior to 1st January 1984 will not be subject to tax as income but may be liable to capital gains tax. Gains realised by non-United Kingdom resident Participating Shareholders who trade in the United Kingdom through a branch or agency with which the Participating Shares are connected will also be subject to tax as income.

Clearance has also been given under section 707 of the Income and Corporation Taxes Act 1988 to the effect that no notice under section 703(3) of that Act ought to be given in respect of the Scheme which means that the Inland Revenue of the United Kingdom will not seek to cancel any resulting tax advantage under those provisions.

The attention of individuals ordinarily resident in the United Kingdom is drawn to sections 739 and 740 of the Income and Corporation Taxes Act 1988 which contain provisions for preventing avoidance of income tax by transactions resulting in the transfer of income to persons (including companies) abroad.

It is not anticipated that any cash distribution will be made. If, however, a cash distribution should be payable to holders of Participating Shares in North American Fund by the liquidators of North American Fund ("the Liquidators") in the event that the Scheme is implemented and after discharging the liabilities of North American Fund, it will constitute a part disposal of those Participating Shares in North American Fund. Provided that it represents not more than 5 per cent. of the value of each Participating Shareholder's Participating Shareholding in North American Fund on the Effective Date, it will under published United Kingdom Inland Revenue practice be treated as a reduction in base cost of each Participating Shareholder's Participating Shares in North American Fund for the purpose of United Kingdom taxation on capital gains in accordance with section 122(2) of the Taxation of Chargeable Gains Act 1992, unless the Participating Shareholder opts for it to be treated as a part disposal.

The Directors have been advised that under current law and practice, there will not be any Cayman Islands or Guernsey tax payable by Participating Shareholders as a result of the Scheme.

Any Participating Shareholders who choose to redeem their Participating Shares in North American Fund when it is in liquidation, instead of receiving Shares in the Dublin Fund, will be treated for tax purposes as disposing of their Participating Shares in return for the cash or assets which they receive.

#### *The Dublin Fund*

Tax considerations relating to the Dublin Fund and to holders of Shares in the Dublin Fund are set out in the enclosed Prospectus.

The Dublin Fund presently qualifies as a specified collective investment undertaking. On this basis Shareholders not resident in Ireland for tax purposes will not be liable to Irish tax on income received or on gains made on the disposal of Shares in the Dublin Fund. In order to retain this status, no Shareholders may (apart from certain exceptions specified in the enclosed Prospectus) be persons resident for tax purposes in Ireland. It is the policy of the Dublin Fund to require applicants for Shares in the Dublin Fund to confirm at the time of application that they are not Irish residents and are not acquiring the Shares in the Dublin Fund as a nominee for an Irish resident. If the Dublin Fund ceased to qualify as a specified collective investment scheme the tax exemption referred to in this section "Taxation" would cease to apply and both the income and capital gains of the Dublin Fund would be liable to Irish tax.

**If you are an Irish resident investing in North American Fund you should contact the Guernsey Manager for details of steps to take.**

#### *General*

The effect of the Scheme will vary depending on the individual circumstances of the investor and this section "Taxation" can in any event only constitute a general guide. All references to taxation relate to current law and practice which is subject to change. Participating Shareholders who are in doubt as to their individual tax position should consult their professional adviser as to the taxation implications of the Scheme under the laws of the countries of their nationality, residence and domicile and in relation to their individual circumstances.

#### 4. Procedure

The Directors propose that North American Fund should be put into liquidation. This requires the passing of a Special Resolution by Participating Shareholders as set out in the Notice of Meeting in Appendix III.

The Liquidators will be authorised to transfer to the North American Class the undertaking and net assets of North American Fund (after providing for its outstanding claims and liabilities including the rights of holders of the Management Shares in North American Fund and holders of the Nominal Shares in North American Fund as defined in the Articles of Association of North American Fund). This will be in exchange for the issue by the Dublin Fund to each Participating Shareholder on the Register of Members at the Effective Date of the number of Shares in the North American Class which is of equivalent aggregate value to that of Participating Shares in North American Fund, registered in the name of that Participating Shareholder at the Effective Date. Each such value shall be determined in the same way, namely on an Offer Price basis, being the Offer Price calculation for Participating Shares in North American Fund (excluding dealing costs and any initial charge) and the initial Offer Price of Shares in the North American Class, excluding any preliminary charge. The value of the underlying assets of North American Fund for the above purpose will be calculated as at 9.00 a.m. Guernsey time on the Effective Date. The value of each Share in the Dublin Fund to be acquired will be the initial Offer Price of US\$1, excluding any preliminary charge. The number of Participating Shares in North American Fund in issue and deemed to be in issue at the Effective Date will be determined at 9.00 a.m. Guernsey time on the Effective Date.

The Guernsey Manager will bear all the costs of implementing the Scheme, including the costs of sending this Circular and other documentation to Participating Shareholders, the Liquidators' fees, legal costs, the cost of transfer (including taxes and duties, if any) and changing custody of securities pursuant to the Scheme and the cost of convening and holding the Extraordinary General Meeting and any adjournment thereof. The Scheme will become effective and binding on Participating Shareholders only if it is approved by the Grand Court of the Cayman Islands at a hearing intended to take place on 26th June 1996.

The Scheme, if approved, will take place on the Effective Date. Shortly thereafter, a confirmation will be sent to each Participating Shareholder setting out the valuation of the assets in North American Fund

transferred to the Dublin Fund on the Effective Date and the number of Shares in the North American Class allotted to him pursuant to the Scheme. Shares in the North American Class are usually issued as registered shares in non-certificated form. Share certificates must be specifically requested from the Dublin Manager. If the Special Resolution is passed, the Scheme will be binding on all Participating Shareholders in North American Fund.

Please note that if the Scheme is implemented, you will become a Shareholder in an Irish UCITS investment company as opposed to a Cayman Islands incorporated, Guernsey managed, Class B investment company (as explained in Appendix II). The Dublin Fund will be required to comply with the requirements applicable to it under the relevant laws in Ireland. The Dublin Fund is authorised as a UCITS under the Regulations and qualifies as a UCITS for the purposes of the EC Directive on Undertakings for Collective Investment in Transferable Securities. Application has been made to the Securities and Investments Board of the United Kingdom for recognition of the Dublin Fund pursuant to section 86 of the Financial Services Act 1986 of the United Kingdom which is expected to be granted prior to the Effective Date. Participating Shareholders should note that the Financial Services (Cancellation Rules) 1989 as amended of the United Kingdom, which in certain circumstances give persons the right to cancel the contract to purchase shares, will not apply to Shares in the Dublin Fund to be issued under the Scheme.

**Existing share certificates of Participating Shares in North American Fund will cease to be of any value from the Effective Date.**

**Any Participating Shareholder who has not voted in favour of the Special Resolution and does not wish to exchange his Participating Shares for Shares in the North American Class may redeem his Participating Shares in the usual way.**

**The Guernsey Manager's obligation to repurchase Participating Shares in North American Fund will remain until 9.00 a.m. in Guernsey on Monday, 24th June 1996. Applications for redemption at this point must be received and accepted by the Guernsey Manager by 3.30 p.m. on Friday, 21st June 1996. Dealings in Participating Shares in North American Fund by the Guernsey Manager will be suspended from 9.00 a.m. on Monday, 24th June 1996.**

Dealing in Shares in the North American Class will commence on the first Business Day (being any day normally treated as a business day in both Dublin and London) after the Effective Date. The procedure for buying and selling Shares in the North American Class is set out in the enclosed Prospectus. Prior to receipt of a confirmation of the number of Shares allotted and issued in the North American Class, Participating Shareholders may redeem or transfer their Shares in the North American Class on completion of a redemption request and delivery of their share certificates or other documents evidencing title to their existing Participating Shares in North American Fund.

## 5. Distributions

In order to facilitate the implementation of the Scheme, the Directors have resolved to make an interim dividend payment of all North American Fund's estimated income (if any) to 11th June 1996 to holders of Participating Shares in North American Fund on the Register of Members on that date. This dividend will be declared on 11th June 1996 and paid as soon thereafter as is practicable and in any event no later than 13th June 1996. Such distribution will be paid or reinvested in accordance with Participating Shareholders' standing instructions. If such distribution is reinvested in subscribing for additional Participating Shares in North American Fund on behalf of North American Fund Participating Shareholders, the additional Participating Shares in North American Fund so issued will participate in the Scheme arrangements.

Dividend mandates in force for any purpose in relation to Participating Shares in North American Fund will, unless and until revoked, be treated as effective mandates to the Dublin Manager in relation to Shares in the Dublin Fund issued in consequence of the Scheme contained in this Circular. Dividends of less than Stg£50 or its foreign currency equivalent will not be distributed to Shareholders but will be reinvested in the purchase of further Shares in the Dublin Fund at the prevailing Offer Price, excluding any preliminary charge.

Unclaimed dividends on Participating Shares in North American Fund will be held on trust by Lazard Brothers & Co., (Guernsey) Limited, the custodian of North American Fund ("the Guernsey Custodian"), for the persons on the Register of Members at the relevant time for a period of two years and thereafter

will be paid to the Financial Secretary of the Cayman Islands who will hold the money for a further period of twenty years. If, following advertisements, at that time it remains unclaimed, it will become part of the general revenues of the Cayman Islands Government.

#### 6. Extraordinary General Meeting

The passing of a Special Resolution by Participating Shareholders at the Extraordinary General Meeting of North American Fund, convened for 10.30 a.m. on 14th June 1996, is required before the Scheme can be implemented.

Appendix III contains a Notice convening for 10.30 a.m. on 14th June 1996 an Extraordinary General Meeting of North American Fund at which the Special Resolution will be proposed. To be passed at the Extraordinary General Meeting, the Special Resolution must be carried by a majority of not less than seventy-five per cent. of the votes cast at that Meeting.

The quorum for the Extraordinary General Meeting is at least two members of North American Fund present in person or by proxy. Neither the Guernsey Manager nor a connected person is entitled to vote nor are Participating Shares held by them deemed to be in issue for the purposes of the quorum requirements. **If within half an hour from the time appointed for the Meeting a quorum is not present, the Meeting will be adjourned to the same day in the next week, at the same time and place or to such other day and at such other time and place as the Directors may determine.**

#### 7. Action to be taken

You will find enclosed a Form of Proxy coloured Maize. Whether or not you intend to be present at the Meeting or any adjourned Meeting, you are strongly urged to complete and return the Form of Proxy in accordance with the instructions printed thereon as soon as possible and in any event so that it is received at Lazard House, 1 St. Julian's Avenue, St. Peter Port, Guernsey, Channel Islands no later than 10.30 a.m. on 12th June 1996. Completion and return of the Form of Proxy will not preclude you from attending the Meeting and/or any adjourned Meeting and voting in person should you so wish.

#### 8. Confirmations

Coopers & Lybrand, Guernsey, Chartered Accountants and Coopers & Lybrand, Dublin, Chartered Accountants, auditors to North American Fund and the Dublin Fund respectively, whilst not otherwise expressing any view on the merits of the Scheme, have informed the Directors of North American Fund and the Dublin Fund, as appropriate, by letter that, in their opinion, the basis on which the number of Shares in the North American Class to be issued to Participating Shareholders is to be calculated is fair and reasonable so far as Participating Shareholders and Shareholders of the North American Class are concerned.

The Inland Revenue of the United Kingdom has confirmed by letter that section 137 of the Taxation of Chargeable Gains Act 1992 should not apply to the Scheme and consequently section 136 of that Act may apply. Accordingly, the Scheme should not involve a disposal of Participating Shares in North American Fund for the purpose of tax on capital gains. The Shares in the North American Class will have the same acquisition cost and acquisition date for capital gains tax purposes as Participating Shareholders' existing Participating Shares in North American Fund.

The Inland Revenue of the United Kingdom has given clearance by letter under section 707 of the Income and Corporation Taxes Act 1988 that the Scheme does not create a tax advantage which should be cancelled.

#### 9. Responsibility

The Directors recommend the Scheme.

The Directors of North American Fund whose names are set out on page (2) of this Circular are the persons responsible for the information contained in this Circular (other than that relating to the Dublin Fund). To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this Circular for which they are responsible is in accordance with the facts and does not omit



## Appendix I

# Terms of the Scheme

### 1. Meetings and Resolutions

The Scheme is conditional on the passing at an Extraordinary General Meeting of North American Fund by a majority of not less than seventy-five per cent. of the votes cast at the Meeting of a Special Resolution as follows:

1. the Company shall be wound up in accordance with the provisions of the Companies Law (1995 Revision) of the Cayman Islands;
2. Clive Norman Simon and William John Perchard of Coopers & Lybrand, c/o National Westminster House, P.O. Box 626, Le Truchot, St. Peter Port, Guernsey, Channel Islands be appointed liquidators of the Company with power to act jointly and severally ("the Liquidators");
3. the Liquidators be and are hereby instructed to implement, subject to obtaining approval of the Grand Court of the Cayman Islands pursuant to section 164 of the Companies Law (1995 Revision) of the Cayman Islands, a Scheme of Liquidation substantially in the form of the annexed draft, whereby the whole of the Company's business and property shall be acquired by Lazard Brothers Global Equity Fund public limited company ("the Dublin Fund") in consideration for the Dublin Fund issuing to Participating Shareholders of the Company, participating shares in the North American Class of the Dublin Fund;
4. notwithstanding the appointment of the Liquidators, the Directors of the Company be and are hereby authorised to exercise all their powers until the Effective Date (as defined in the Scheme of Liquidation).

### 2. Scheme of Liquidation

The Liquidators shall instruct the Guernsey Custodian to, and the Guernsey Custodian shall, transfer the undertaking and net assets of North American Fund after providing for its outstanding claims and liabilities (excluding the costs to be borne by the Guernsey Manager referred to in (3) below) to the North American Class. In exchange for the transfer of the undertaking and net assets of North American Fund, the Dublin Fund will issue to each Participating Shareholder, Shares in the North American Class of equivalent aggregate value to the value held by such Participating Shareholder in North American Fund on the Effective Date. Each such value shall be determined in the same way, namely on an Offer Price basis, being the Offer Price calculation for Participating Shares in North American Class (excluding dealing costs and any initial charge) and the initial Offer Price of Shares in the North American Class (excluding any preliminary charge). The value of the underlying assets of North American Fund will be calculated for the above purpose as at 9.00 a.m. Guernsey time on the Effective Date. The value of each Share in the Dublin Fund to be acquired will be the initial Offer Price of US\$1, excluding any preliminary charge. The number of Participating Shares in issue and deemed to be in issue at the Effective Date will be determined at 9.00 a.m. Guernsey time on the Effective Date. The Liquidators shall retain out of the assets of North American Fund sufficient amounts to enable them to satisfy the outstanding claims and liabilities of North American Fund (including the rights of holders of the Management Shares in North American Fund and the Nominal Shares in North American Fund on a winding up).

On the Effective Date, the Liquidators, acting on information supplied by the Registrar of North American Fund shall instruct the Guernsey Manager to, and the Guernsey Manager shall, supply the Dublin Fund with the registered names and addresses of holders of Participating Shares in North American Fund, the number and value of Participating Shares they hold in North American Fund and such other information as the Dublin Fund may reasonably require to enable it to issue Shares in the North American Class pursuant to the Scheme, such Shares being registered shares in non-certificated form, unless otherwise requested.

### 3. Costs, Charges and Expenses

All costs of implementing the Scheme will be borne by the Guernsey Manager, including the costs of sending the Circular and other documentation to Participating Shareholders, the Liquidators' fees, legal costs and the cost of transfer (including taxes and duties, if any) and changing custody of securities pursuant to the Scheme and the cost of convening and holding the Extraordinary General Meeting and any adjournment thereof.

The establishment expenses of the Dublin Fund will be charged as between the sub-funds (and, at the discretion of the Directors of the Dublin Fund, subsequent sub-funds established by the Dublin Fund) within the amortisation period (being the first five financial years of the Dublin Fund or such other period as the Directors of the Dublin Fund shall determine) on such terms and in such manner as the Directors of the Dublin Fund (with the consent of the Dublin Custodian) deem fair and equitable and provided that each sub-fund will bear its own direct establishment costs and costs of listing its Shares on The Irish Stock Exchange.

### 4. Dividends

Any instructions to the Guernsey Manager in force immediately prior to the liquidation relating to dividends on Participating Shares in North American Fund shall be deemed to be instructions in respect of dividends on Shares in the North American Class to be issued under the Scheme. Consequently, dividends in the North American Class will be paid in accordance with your present instructions unless the Dublin Manager is otherwise instructed. **If no instructions are in force, dividends will be reinvested in the purchase of further Shares in the North American Class.** Dividends of less than Stg£50 or its foreign currency equivalent will not be distributed to Shareholders but will be reinvested in the purchase of further Shares in the North American Class at the prevailing Offer Price, excluding any preliminary charge.

### 5. Winding up

Under the terms of the Special Resolution referred to in paragraph (1) above, North American Fund will be placed in liquidation and the assets will be dealt with in accordance with the Scheme as summarised in paragraph (2) above.

*Note:* Definitions contained in the letter to Participating Shareholders apply to this Appendix 1.

Appendix III

Lazard North American Fund Limited  
("the Company")

**NOTICE OF EXTRAORDINARY GENERAL MEETING**

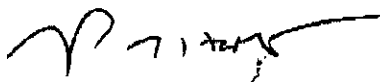
Notice is hereby given that an Extraordinary General Meeting of the Company will be held on Friday, 14th June 1996, at 10.30 a.m. at Lazard House, 1 St. Julian's Avenue, St. Peter Port, Guernsey, Channel Islands to consider and, if thought fit, pass the following resolution as a Special Resolution of the Company:

Special Resolution

"THAT:

1. the Company shall be wound up in accordance with the provisions of the Companies Law (1995 Revision) of the Cayman Islands;
2. Clive Norman Simon and William John Perchard of Coopers & Lybrand, c/o National Westminster House, P.O. Box 626, Le Truchot, St. Peter Port, Guernsey, Channel Islands be appointed liquidators of the Company with power to act jointly and severally ("the Liquidators");
3. the Liquidators be and are hereby instructed to implement, subject to obtaining approval of the Grand Court of the Cayman Islands pursuant to section 164 of the Companies Law (1995 Revision) of the Cayman Islands, a Scheme of Liquidation substantially in the form of the annexed draft, whereby the whole of the Company's business and property shall be acquired by Lazard Brothers Global Equity Fund public limited company ("the Dublin Fund") in consideration for the Dublin Fund issuing to Participating Shareholders of the Company, participating shares in the North American Class of the Dublin Fund;
4. notwithstanding the appointment of the Liquidators, the directors of the Company be and are hereby authorised to exercise all their powers until the Effective Date (as defined in the Scheme of Liquidation)."

By Order of the Board



Lazard Fund Managers (Channel Islands) Limited  
Secretary

DATED the 20th day of May 1996

**NOTES:**

1. Any Member entitled to attend and vote at the Meeting may appoint a proxy or proxies who may vote on a show of hands or on a poll instead of him or her. A proxy need not be a Member of the Company.
2. The instrument appointing a proxy must be completed and delivered together with the power of attorney or other authority (if any) under which it is signed (or a notarially certified copy of such power of authority) to Lazard Fund Managers (Channel Islands) Limited, Lazard House, 1 St. Julian's Avenue, St. Peter Port, Guernsey, Channel Islands not less than 48 hours before the time appointed for the Meeting.

cent. per annum of the Net Asset Value of the Dublin Fund calculated on a mid-market basis, payable monthly. This fee may be increased to up to 0.1 per cent. per annum of the Net Asset Value of the Dublin Fund calculated on a mid-market basis on one month's notice to Shareholders. The Dublin Custodian is also entitled to reasonable, properly vouched, out-of-pocket expenses, including the costs of any sub-custodian appointed.

There are a number of other costs, charges and expenses payable out of each of North American Fund and the Dublin Fund and those for the Dublin Fund are set out in the enclosed Prospectus.

### 12. Investment and Borrowing Powers and Investment Safeguards

The principal documents of North American Fund specify the maximum extent to which North American Fund may invest its assets in certain classes of investments. No investment may be acquired which would result in:

- (a) the value of North American Fund's interest in any one company exceeding 10 per cent. of the total value of investments held by North American Fund; or
- (b) the nominal value of North American Fund's holding of any one class of shares or securities in any company exceeding 10 per cent. of the total nominal value of all issued shares or securities of that class; or
- (c) which would result in the value of North American Fund's total holding of investments exceeding 10 per cent. of the total value of all investments.

North American Fund may enter into hedging transactions without limitation. Where such transactions are effected, it is the Guernsey Manager's intention that the total value of all such transactions should not exceed 25 per cent. of the total value of investments held by North American Fund.

The Dublin Fund is a UCITS fund and is restricted generally to investing in transferable securities. Details of the investment restrictions of the Dublin Fund are set out in the enclosed Prospectus.

### 13. Winding up

#### *North American Fund*

North American Fund may be wound up *inter alia* on the passing of a Special Resolution by Participating Shareholders to determine that North American Fund should be wound up.

On a winding up, the assets available for distribution among shareholders of North American Fund will be applied first in payment to Participating Shareholders in proportion to their respective shareholdings, second in payment to holders of the Nominal Shares in North American Fund in proportion to their respective shareholdings and thereafter in payment to holders of the Management Shares in North American Fund in proportion to their respective shareholdings as provided in the Articles of Association. Any surplus then remaining will be distributed *pari passu* among the holders of Participating Shares.

#### *Dublin Fund*

Shareholders may resolve in general meeting by a simple majority to wind up the Dublin Fund if by reason of its liabilities it cannot continue in business. Otherwise, Shareholders may resolve in general meeting by Special Resolution to wind up the Dublin Fund, when a majority of not less than seventy-five per cent. of the votes cast is required.

In the event of a winding up of the Dublin Fund and the appointment of a liquidator, the liquidator shall first apply the assets of the Dublin Fund in satisfaction of creditors' claims in such manner and order as he thinks fit.

The assets then remaining available for distribution shall be applied first in the payment to the holders of Shares in the Dublin Fund relating to the relevant portfolio of assets attributable to each class in proportion to the number of Shares in the Dublin Fund relating to each such class in issue; secondly, in the payment to the holders of Subscriber Shares of the nominal amount paid thereon; thirdly, in the payment to holders of Shares in the Dublin Fund of any balance then remaining in the relevant class; and fourthly, the payment to the holders of Shares in the Dublin Fund of any balance then remaining and not comprised in any of the other classes, such balance being apportioned as between the classes pro rata to the Net Asset Value of the portfolio of the assets of each class immediately prior to any distribution to Shareholders and of the amounts so apportioned to the holders of Shares in the Dublin Fund relating to each class pro rata to the number of Shares in the Dublin Fund in that class held by them.

Note: Definitions contained in the letter to Participating Shareholders and in the enclosed Prospectus apply to this Appendix II.

## Appendix II

# Outline of Principal Details of, and Differences Between, North American Fund and the Dublin Fund

### 1. Constitution

North American Fund is an open-ended investment company incorporated in the Cayman Islands and managed in Guernsey. It has Class B status in Guernsey under the Protection of Investors (Bailiwick of Guernsey) Law 1987. It is not a recognised scheme pursuant to section 87 of the Financial Services Act 1986 of the United Kingdom.

The Dublin Fund is an open-ended investment company with variable capital, qualifying as an undertaking for collective investment in transferable securities and is authorised by the Central Bank under the Regulations. Application has been made for the Shares in the Dublin Fund to be listed on The Irish Stock Exchange. Application has been made to the Securities and Investments Board in the United Kingdom for recognition of the Dublin Fund pursuant to section 86 of the Financial Services Act 1986 of the United Kingdom, which is expected to be granted prior to the Effective Date.

The Dublin Fund is an umbrella fund with power to create a number of classes of Share. Shares relating to one class may be converted into Shares relating to any other class on any day which is a dealing day in all relevant classes.

Although each class of Share in the Dublin Fund will be treated as bearing its own liabilities, the Dublin Fund as a whole will remain liable to third parties. Assets may be transferred to and from classes of Share if it is necessary to do so to satisfy any creditor proceeding against certain of the assets of the Dublin Fund or otherwise. In the event that any assets are so transferred the Directors of the Dublin Fund shall advise Shareholders of any such transfer in the next succeeding annual or half-yearly report to Shareholders.

### 2. Investment Objective

The investment objective and policy of North American Fund and the North American Class are broadly similar.

The objective of North American Fund is to provide investors with a professionally managed portfolio of shares, or securities convertible into shares, of companies in the United States of America and Canada. These shares and securities will generally be quoted on recognised stock exchanges. North American Fund seeks to achieve capital growth rather than a high income return.

It is the policy of North American Fund to identify and invest in North American and Canadian companies with strong balance sheets, positive free cash flow generation and superior profitability. The Lazard Brothers & Co., Limited group ("the Lazard group") has traditionally had strong connections throughout North America and is well placed to identify appropriate stocks. Uninvested cash is held in US dollars, this being the accounting currency of the North American Fund. From time to time, a significant proportion of North American Fund's assets may be held in cash on deposit or in short term financial instruments if this seems desirable.

The North American Class aims to achieve consistent capital growth through investment in a diversified portfolio of North American equities quoted or traded on the Regulated Markets (designated for the North American Class as set out in Appendix I of the enclosed Prospectus). The North American Class is actively managed and will aim to out-perform the Standards & Poors Composite Index, as measured in US\$ terms. The Standard & Poors Composite Index is a broadly based index comprising about 500 companies in the United States. Portfolio construction for the North American Class will be founded on an analysis of industry sectors and individual equities in order to determine the optimum portfolio mix. Significant positions in an industry sector or on individual stock will therefore depend upon the prevailing economic climate and stock specific issues.

There is no assurance that the investment objective of the North American Class will actually be achieved.

It should be remembered that the prices of Shares in the Dublin Fund and the income from them may fall as well as rise. Changes in the exchange rates between currencies may cause the value of the investment to fluctuate.



The Offer Price of Shares in the Dublin Fund is calculated in accordance with its Articles of Association on a forward pricing basis. Shares in the North American Class may be issued on Dealing Days at a price determined by assessing the value of the net assets of the portfolio of the North American Class on a mid-market basis at the relevant Valuation Point normally being 12 noon (Dublin time) on the relevant Dealing Day and adding thereto such sum as the Directors of the Dublin Fund may consider represents an appropriate figure for Duties and Charges (as defined in the enclosed Prospectus). The amount so calculated is divided by the number of Shares in the North American Class in issue and deemed to be in issue and to that figure may be added such amount as may be necessary to round the resulting amount to the nearest US\$0.01. The Dublin Manager may charge a preliminary charge, currently set at 5 per cent. of the Subscription Price so calculated, to arrive at the Offer Price. This may be increased up to 7 per cent. of the Subscription Price. The current preliminary charge is 5 per cent. of the Subscription Price.

As the Offer Price includes a preliminary charge, charges and expenses of the investment are not borne uniformly throughout the life of the investment.

Where Participating Shares in North American Fund or Shares in the Dublin Fund are sold by the Guernsey Manager or the Dublin Manager respectively, the price is not greater than the relevant Offer Price.

Neither North American Fund nor the Dublin Fund presently operates an equalisation account.

(b) *Sales*

The Redemption Price of Participating Shares in North American Fund is calculated in accordance with its Articles of Association on a forward pricing basis. In summary, this is determined by assessing the value of the net assets of North American Fund on a mid-market basis on the relevant Subscription Day, deducting paid up capital on the Management Shares in North American Fund and the Nominal Shares in North American Fund in issue, deducting a provision for duties and charges payable on a deemed realisation of the whole of North American Fund's portfolio, and dividing the amount so ascertained by the number of Participating Shares in issue and deemed to be in issue. The resulting figure is adjusted downwards to the nearest whole cent (the amount necessary to effect such downward adjustment being payable to the Guernsey Manager for its absolute use and benefit). The Redemption Price is calculated to four significant figures.

The Redemption Price of Shares in the North American Class is a price calculated in accordance with the Articles of Association of the Dublin Fund on a forward pricing basis. It is calculated by assessing the value of the net assets of the portfolio of the North American Class on a mid-market basis at the relevant Valuation Point normally being 12 noon (Dublin time) on the relevant Dealing Day and deducting therefrom an appropriate provision for Duties and Charges (as defined in the enclosed Prospectus). The amount so calculated is divided by the number of Shares in the North American Class in issue and deemed to be in issue and from that figure may be deducted such amount as may be necessary to round the resulting sum down to the nearest US\$0.01. The Directors of the Dublin Fund have the right to levy a redemption charge which would be deducted from the Redemption Price but at present there is no intention to do so.

(c) *Basis*

For the purpose of calculating the Offer Price and Redemption Price of Participating Shares in North American Fund, the assets of North American Fund are valued on a mid-market basis.

For the purpose of calculating the Offer Price and Redemption Price of Shares in the Dublin Fund, the assets of the North American Class are valued on a mid-market basis.

The Net Asset Value of the North American Class may vary in value within a short period of time because of variations in value of the underlying assets of the North American Class and the income derived therefrom.

(d) *Spreads*

The bid to offer spread in the price of Participating Shares in North American Fund and Shares in the Dublin Fund reflects the charges and expenses incurred by the relevant Fund which would be incurred if all the assets held were acquired or disposed of, and rounding.

In North American Fund the maximum permitted initial charge is 5 per cent. of the Subscription Price and it is currently at this level. As at 8th May 1996, the actual Redemption Price to Offer Price spread in North American Fund was 5.65 per cent.

In the North American Class the maximum permitted initial charge is 7 per cent. of the Subscription Price although it is currently 5 per cent. As at the first Dealing Day after the Effective Date the actual Redemption Price to Offer Price spread in the North American Class will be 5 per cent.

Given the differences in the Offer Prices and Redemption Prices investment in the North American Class should be viewed as a long term investment.

## 9. Dividends

The Directors have recommended, and the Directors of the Dublin Fund expect to recommend, distribution of substantially the whole of the net investment income of each of North American Fund and the North American Class (as appropriate) in each financial year. Dividends in North American Fund are paid annually in May. Dividends in the North American Class (if any) are normally paid in July. It is not anticipated that there will be any dividends paid in the North American Class as the estimated gross yield for the North American Class as at the launch date is 1.2 per cent., which is lower than the estimated charges and expenses. In the event that any dividends are paid they will be reinvested in further Shares in the Dublin Fund, unless a contrary instruction is given to the Dublin Manager. The instruction given to the Guernsey Manager will remain in force in the event that the Scheme is effected, unless otherwise instructed. Dividends in the North American Class will normally be paid in US\$ but may be paid in any of the freely convertible major currencies at the risk and expense of the investor. Dividends of less than Stg.£50 or its foreign currency equivalent will not be distributed to Shareholders but will be reinvested in the purchase of further Shares in the North American Class at the prevailing Offer Price, excluding any preliminary charge.

## 10. Management

The Manager of North American Fund is Lazard Fund Managers (Channel Islands) Limited. The Manager of the Dublin Fund is Lazard Brothers Investment Funds Limited. The Manager of each of North American Fund and the Dublin Fund is responsible for managing investments in their respective Fund, subject to the overall supervision of the relevant board of directors. The Manager of North American Fund is also Secretary to North American Fund. The Secretary of the Dublin Fund is William Fry Limited, the secretarial company of the Irish lawyers to the Dublin Fund. The Administrator and Registrar of the Dublin Fund is Lazard Brothers Investment Funds Limited. The Investment Adviser to Lazard Fund Managers (Channel Islands) Limited is Lazard Brothers Asset Management Limited. Lazard Brothers Asset Management Limited is also the Investment Manager to the Dublin Fund. Lazard Brothers Asset Management Limited is also an associate of Lazard Brothers & Co., (Guernsey) Limited. The Custodian of North American Fund is Lazard Brothers & Co., (Guernsey) Limited. The Custodian of the Dublin Fund is BT Trustee Company (Ireland) Limited, a subsidiary of Bankers Trust New York Corporation.

## 11. Costs, Charges and Expenses

The initial charge payable on the issue of Participating Shares in North American Fund is up to 5 per cent. of the relevant Subscription Price. The preliminary charge payable on the issue of Shares in the North American Class of the Dublin Fund is up to 7 per cent. of the relevant Subscription Price. At present, the initial charge on the issue of Participating Shares in North American Fund is 5 per cent. of the Subscription Price. The preliminary charge on the issue of Shares in the North American Class is 5 per cent. of the Subscription Price. However, there will be no preliminary charge on the issue of Shares in the North American Class issued under the Scheme.

The Guernsey Manager is entitled to a management fee of up to 2 per cent. per annum of the Net Asset Value of North American Fund calculated on a mid-market basis, payable monthly. At present the Guernsey Manager's management fee is 1.5 per cent. of the Net Asset Value of North American Fund calculated on a mid-market basis. This management fee may be increased within the maximum on 1st January in each year by agreement between the Guernsey Manager, North American Fund and the Guernsey Custodian provided that such increase shall not take effect until 90 days' written notice has been given to Participating Shareholders. The Dublin Manager is entitled to a management fee of up to 2 per cent. per annum of the Net Asset Value of the Dublin Fund calculated on a mid-market basis, payable monthly. At present the Dublin Manager's management fee is 1.5 per cent. of the Net Asset Value of the Dublin Fund calculated on a mid-market basis. This fee may be increased up to 2 per cent. on one month's notice to Shareholders.

The Guernsey Custodian receives a fee of 0.1 per cent. per annum of the Net Asset Value of North American Fund calculated on a mid-market basis, payable monthly. Where securities are held by sub-custodians, nominees and agents outside Guernsey, any fees or expenses incurred on behalf of North American Fund are charged to North American Fund. The Dublin Custodian will receive a fee of 0.03 per

# SCHEME OF LIQUIDATION

IN THE GRAND COURT OF THE CAYMAN ISLANDS  
CAUSE NUMBER (     •     •     ) OF 1996

IN THE MATTER OF THE COMPANIES LAW (1995 REVISION)  
*(Under Section 164 of the Companies Law (1995 Revision))*

BETWEEN

**Lazard North American Fund Limited**

*(in voluntary liquidation), an Exempted Company  
incorporated with Limited Liability and Registered under the laws of  
the Cayman Islands, Registration Number 10691*

AND

THE HOLDERS OF

The Issued Management Shares of US\$1.00 each and  
The Nominal Shares of US\$0.01 each and  
; The Participating Shares of US\$0.01 each in

**Lazard North American Fund Limited**

*(in Voluntary Liquidation)*

FREERE CHOLMELEY BISCHOFF

4 John Carpenter Street  
London EC4Y 0NH

Tel: 0171 615 8000  
Fax: 0171 615 8080

- (A) In this Scheme unless the context otherwise requires, the following words and expressions shall have the following meanings:

**"Asset Fund"** means the undertaking and net assets of North American Fund not appropriated to the Liquidation Fund details of which are to be annexed hereto as at the Effective Date in a Schedule to be initialled by the Liquidators and such annexure shall be deemed to form part of this Scheme;

**"Dublin Custodian"** means BT Trustee Company (Ireland) Limited, whose registered office is at 80, Harcourt Street, Dublin 2, Ireland;

**"Dublin Fund"** means Lazard Brothers Global Equity Fund public limited company, whose registered office is at 20/22 Lower Hatch Street, Dublin 2, Ireland;

**"Dublin Fund Shares"** means participating shares in the North American Class;

**"Dublin Manager"** means Lazard Brothers Investment Funds Limited, whose registered office is at 20/22 Lower Hatch Street, Dublin 2, Ireland;

**"Effective Date"** means 28th June 1996 or such other date as the Directors of North American Fund shall determine;

**"Guernsey Custodian"** means Lazard Brothers & Co., (Guernsey) Limited, whose registered office is at Lazard House, 1 St. Julian's Avenue, St. Peter Port, Guernsey, Channel Islands;

**"Guernsey Manager"** means Lazard Fund Managers (Channel Islands) Limited, whose registered office is at Lazard House, 1 St. Julian's Avenue, St. Peter Port, Guernsey, Channel Islands;

**"Liquidation Fund"** means cash and other assets of North American Fund, which the Liquidators may retain as they consider necessary, of a value estimated by the Liquidators to be sufficient to meet the outstanding claims and liabilities of North American Fund including (without prejudice to the generality of the foregoing) the satisfaction of the rights of the holders of the Management Shares in North American Fund and the Nominal Shares in North American Fund on a winding up;

**"Liquidators"** means Clive Norman Simon and William John Perchard of Coopers & Lybrand, c/o National Westminster House, P.O. Box 626, Le Truchot, St. Peter Port, Guernsey, Channel Islands;

**"North American Class"** means the participating shares in the Dublin Fund allocated to the North American Fund class thereof;

**"North American Fund"** or **"Company"** means Lazard North American Fund Limited (in voluntary liquidation), whose registered office is at The Aall Building, North Church Street, Grand Cayman, Cayman Islands, British West Indies;

**"North American Fund Shares"** or **"Participating Shares"** means participating redeemable preference shares in North American Fund;

**"North American Fund Shareholders"** or **"Participating Shareholders"** means holders of North American Fund Shares on the Register of Members of North American Fund at 9.00 a.m. Guernsey time on the Effective Date.

- (B) North American Fund is an open-ended investment company incorporated in the Cayman Islands. It has Class B status in Guernsey. It is managed in Guernsey by the Guernsey Manager which is the manager of its assets.

- (C) By a Special Resolution of North American Fund passed at an Extraordinary General Meeting held on 14th June 1996 it was resolved that:

- (1) the Company shall be wound up in accordance with the provisions of the Companies Law (1995 Revision) of the Cayman Islands;
- (2) Clive Norman Simon and William John Perchard of Coopers & Lybrand, c/o National Westminster House, P.O. Box 626, Le Truchot, St. Peter Port, Guernsey, Channel Islands be appointed liquidators of the Company with power to act jointly and severally ("the Liquidators");

- (3) the Liquidators be and are hereby instructed to implement, subject to obtaining approval of the Grand Court of the Cayman Islands pursuant to section 164 of the Companies Law (1995 Revision) of the Cayman Islands, a Scheme of Liquidation substantially in the form of the annexed draft, whereby the whole of the Company's business and property shall be acquired by Lazard Brothers Global Equity Fund public limited company ("the Dublin Fund") in consideration for the Dublin Fund issuing to Participating Shareholders of the Company participating shares in the North American Class of the Dublin Fund.
- (4) notwithstanding the appointment of the Liquidators, the directors of the Company be and are hereby authorised to exercise all their powers until the Effective Date (as defined in the Scheme of Liquidation).
- (D) The Dublin Fund is an open-ended investment company with variable capital incorporated as an umbrella fund in Ireland qualifying as an undertaking for collective investment in transferable securities and is authorised under the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 1989 (S.I. No. 78 of 1989) by the Central Bank of Ireland and the Dublin Custodian is custodian of its assets and the Dublin Manager is the manager of its assets.
- (E) The Liquidators shall appropriate certain of the undertaking and assets of North American Fund to the Asset Fund.
- (F) By paragraph 3 of the Special Resolution the Liquidators were instructed to make application to the Grand Court of the Cayman Islands to approve this Scheme of Liquidation.
- (G) The authorised share capital of the Company as at the date of this Scheme of Liquidation is US\$100,000 divided into 10,000 Management Shares of US\$1.00 each of which • have been issued and are fully paid and 9,000,000 Unclassified Shares of US\$0.01 each of which • have been issued as Nominal Shares and • have been issued as Participating Shares as of the commencement of the liquidation and are fully paid.
- (H) The purpose of this Scheme of Liquidation is to provide for the whole of the Company's business and property to be acquired by the Dublin Fund in consideration for the issue to North American Fund Shareholders of Shares in the North American Class of the Dublin Fund.
- (I) The Dublin Fund has agreed to appear by Counsel on the hearing of the petition to approve this Scheme of Liquidation and to undertake to the Grand Court of the Cayman Islands to be bound thereby and to execute and do or procure to be executed and done all such documents, acts and things as may be necessary or desirable to be executed or done for the purpose of giving effect to the Scheme of Liquidation.
- (J) The Guernsey Manager has agreed to appear by Counsel on the hearing of the petition to approve this Scheme of Liquidation and to undertake to the Grand Court of the Cayman Islands to be bound thereby and to pay the costs and expenses of the liquidation.

## The Scheme

1. On the Effective Date the Liquidators shall instruct the Guernsey Custodian to, and the Guernsey Custodian shall, deliver to the Dublin Custodian and the Dublin Manager particulars of the assets comprised in the Asset Fund and shall instruct the Guernsey Manager to, and the Guernsey Manager shall, deliver to the Dublin Custodian and the Dublin Manager a list of the names and addresses of, and the number of, North American Fund Shares held by each North American Fund Shareholder together with details of any relevant instructions relating to North American Fund Shares in force at that time.
2. The Asset Fund shall vest in the North American Class on the Effective Date and from and after the Effective Date the Asset Fund and any accretions thereto (in so far as they or any part thereof shall not have been transferred to the Dublin Custodian on the Effective Date), shall be held to the order of the Dublin Fund and the Dublin Custodian.
3. On the Effective Date, the Liquidators shall instruct the Guernsey Custodian to and the Guernsey Custodian shall, transfer the Asset Fund to the Dublin Custodian (or its nominee) free from any encumbrance, lien, mortgage, charge or other security and together with all rights and privileges at the Effective Date or thereafter attaching thereto in consideration for the issue of Dublin Fund Shares to North American Fund Shareholders on the basis set out in this Scheme.
4. Subject to the Articles of Association of the Dublin Fund and the investment objective of the North American Class, the Dublin Custodian shall appropriate the Asset Fund in accordance with directions to be provided by the Dublin Manager. The said directions of the Dublin Manager shall be such as to enable the issue of Dublin Fund Shares to North American Fund Shareholders.
5. The aggregate allocation of Dublin Fund Shares to North American Fund Shareholders shall be made in accordance with the following formula:

$$\frac{(A \times D) \times C}{B} = \text{number of Dublin Fund Shares}$$

where:

- A is the value of a North American Fund Share for this purpose calculated by dividing the value of the Asset Fund ascertained pursuant to Clause 9(a) below by the number of North American Fund Shares in issue and deemed to be in issue at 9.00 a.m. Guernsey time on the Effective Date ("the aggregate number of North American Fund Shares");
  - B is the value of a Dublin Fund Share which for this purpose shall be the initial Offer Price of US\$1, excluding any preliminary charge;
  - C is the aggregate number of North American Fund Shares; and
  - D is the currency conversion factor representing the effective rate of exchange applicable as between the currency of denomination of North American Fund and the North American Class at 9.00 a.m. Guernsey time on the Effective Date and shall be the same rate of exchange as that used by each of North American Fund and the Dublin Fund in the calculation of value referred to in Clause 9 below. Where the currencies of denomination are the same, D = 1.
6. Each North American Fund Shareholder shall be issued with Dublin Fund Shares. Joint holders shall be treated as single holders. The number of Dublin Fund Shares which a North American Fund Shareholder shall receive shall be that proportion of the aggregate allocation to North American Fund Shareholders of Dublin Fund Shares (ascertained in accordance with the formula in Clause 5 above) which the number of North American Fund Shares held by him bears to the aggregate number of North American Fund Shares.
  7. The allocation of Dublin Fund Shares to each North American Fund Shareholder shall be made by the Dublin Manager in consultation with the Liquidators and the auditors of the Dublin Fund on the Effective Date and so as to comply with the provisions of Clauses 5 and 6 above.

8. The Dublin Fund Shares shall be issued to the persons entitled thereto as soon as practicable after the said allocation and the Dublin Manager shall arrange for the despatch of deal confirmations for the said Dublin Fund Shares within 7 days of the Effective Date to the persons entitled thereto at their respective addresses appearing in the Register of Members (in the case of joint holders, to the address of the first named) or to such other person and address as may be nominated by such person at the risk of the persons entitled thereto.
9. For the purposes of the calculations of value required to be made:
  - (a) the Asset Fund of North American Fund shall be valued in accordance with the Articles of Association of North American Fund on the basis of calculating the Offer Price for North American Fund Shares (excluding any initial charge and any dealing costs) as at 9.00 a.m. Guernsey time on the Effective Date and subject to compliance with the conditions set out in Article 11(C) of the Articles of Association of the Dublin Fund;
  - (b) the value of a Dublin Fund Share for this purpose shall be the initial Offer Price of US\$1, excluding any preliminary charge;
  - (c) the rate of exchange (if any) used in carrying out the calculation in Clause 5 above shall be as agreed between North American Fund and the Dublin Fund but unless agreement to the contrary is made shall be the rate supplied by Datastream International Limited at 9.00 a.m. Guernsey time on the Effective Date;
  - (d) North American Fund and the Dublin Fund shall each be entitled to require the other to permit their auditors to carry out such investigations and matters as are necessary to confirm that the valuations for the purposes of Clause 5 above are being carried out on a consistent basis.
10. Any instructions for the payment of dividends on North American Fund Shares in force on the Effective Date shall, unless and until revoked by notice in writing to the Dublin Manager, apply to the payment of dividends on Dublin Fund Shares issued pursuant to this Scheme and shall be deemed to be addressed to the Dublin Manager.
11. Any unclaimed dividends on North American Fund Shares shall be transferred to the Guernsey Custodian and held on trust for the persons on the Register of Members of North American Fund at the relevant time for a period of two years and thereafter will be paid to the Financial Secretary of the Cayman Islands who will hold the money for a further period of twenty years. If, following advertisements, at that time it remains unclaimed, it will become part of the general revenues of the Cayman Islands Government.
12. The Liquidation Fund shall be applied by the Liquidators in discharging the outstanding claims and liabilities of North American Fund excluding the costs to be borne by the Guernsey Manager referred to in Clause 14 below.
13. The Liquidators shall be entitled to act and rely upon any certificate, opinion, evidence or information furnished by the Guernsey Manager, the Guernsey Custodian, the Registrar of North American Fund, the Dublin Manager, the auditors of both North American Fund and the Dublin Fund, and the stockbrokers and other professional advisers of North American Fund and shall not be liable or responsible for any loss suffered as a result thereof.
14. All the costs of the Scheme, including the costs of sending the Circular and other documentation to North American Fund Shareholders, the Liquidators' fees, legal costs, and the cost of transfer (including taxes and duties, if any) and changing custody of securities pursuant to the arrangement and the cost of convening the Extraordinary General Meeting referred to in recital (C) above, shall be borne by the Guernsey Manager.

15. The outstanding claims and liabilities of North American Fund including (without prejudice to the generality of the foregoing) the satisfaction of the rights of the holders of the Management Shares in North American Fund and the Nominal Shares in North American Fund on a winding up shall be paid out of the Liquidation Fund.
16. North American Fund shall procure and deliver to the Dublin Fund any consents, licences and approvals required by it in order to effect the transfer of the Asset Fund.
17. This Scheme shall become effective upon the date on which the order approving it is drawn up and filed with the Registrar of Companies.
18. On completion of the liquidation of North American Fund the Liquidators shall forward all books and records of North American Fund to the Guernsey Custodian, which may dispose of them as it thinks fit.