

Bermuda National Limited

34 Bermudiana Road
Hamilton HM 11
Bermuda

DIVIDEND REINVESTMENT PLAN

ELECTION NOTICE AND FORM

Dated 4 June, 2013

THIS DOCUMENT IS IMPORTANT

If you are in any doubt as to what action you should take once you have read this document, you should consult your professional adviser immediately.

Dividend Reinvestment Plan ("Plan")

The Plan enables you to increase your holding of common shares ("Shares") of Bermuda National Limited (the "Company") in a simple manner, without having to pay stamp duty and dealing costs. You are invited to make an election to receive allotments of additional fully-paid Shares instead of receiving cash dividends. You may cancel this election at any time.

Capitalised terms used herein and not otherwise defined shall have the meanings set out in the Terms and Conditions of the Dividend and the Plan.

Cash Dividends

If you wish to continue to receive your Dividends in cash, you need to take **NO ACTION**. You will still be able at any time in the future to make an election to participate in the Plan, subject to such deadlines as may be applicable, and subject also to availability of new Shares.

Method of calculation and notification

If you elect to participate in the Plan, the number of new Shares you will be allotted will be calculated by dividing the total amount of the cash Dividend which you would otherwise be entitled to receive by the Purchase Price of the Company's Shares.

Fractional Shares

No fractional Shares will be issued and in the event that any fractional entitlement would be created by the application of the calculation formula then the cash value of that fractional entitlement will be carried forward until and credited towards the payment of the next Dividend. All new Shares issued instead of cash will automatically increase the holding on which the new entitlement to participate in the Plan is calculated.

Expenses

If you subsequently sell the new Shares any trading fees will be your responsibility.

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Shares held in book stock form

Share certificates will not be issued unless you specifically request one in writing. Instead, you will receive an advice detailing the number of shares held at the record date, the shares allocated under the Plan and the cash value of any fractional shares carried forward to the following dividend payment. You may in future obtain share certificates reflecting your previously non-certificated shares at any time on reasonable written notice to the Company's Registrar, BCB Charter Corporate Services Limited, at the address shown on page 4.

Election to the Plan

Elections will only be accepted in respect of your full holding, you cannot make an election in part. To help keep the costs of the Plan low you may not opt for part cash, part new shares; it is all or none.

Withdrawal from the Plan

The Plan is entirely voluntary – you may discontinue your participation at any time by giving notice to the Registrar in writing. If your request to withdraw from the Plan is received before the dividend record date, your termination will be processed as soon as practicable, and payment of cash dividends will be made in future unless you rejoin the Plan.

If you wish to receive your dividends in the form of new Shares, you should complete and return the enclosed Form of Election to the Registrar, so that it arrives on or before close of business on the next dividend record date.

Rank and Listing of Shares

The new Shares of the Company will be allotted fully paid and will rank equally with existing Shares of the Company in all respects. The new Shares will be issued subject to the terms of the Company's Constitutional Documents and subject to the laws of Bermuda. The existing Shares of the Company are listed on the Bermuda Stock Exchange ("BSX"), and the Board of Directors of the Company may choose to issue new Shares to you in which case, those new Shares issued under the Plan will be included in these listings. Alternatively, the Board of Directors may choose to issue you with Shares which are already listed and which the Company holds in treasury.

Commencement of Plan

The Board of Directors of the Company has approved the commencement of the Plan beginning with the payment of the next dividend declared by the Board. While it is anticipated that sufficient Shares will be made available over the next several years to those you who elect to take part in the Plan, the Directors reserve the right at any time in their absolute discretion to suspend or terminate operation of this Plan.

Further Information

You can request a copy of the Dividend Reinvestment Plan, including its terms and conditions from the Registrar. The Plan is dated 8 February 2013.

FORM OF ELECTION

IF YOU WISH TO CONTINUE TO RECEIVE YOUR DIVIDENDS IN CASH, YOU NEED TAKE NO ACTION

If you wish to receive your Dividends in the form of additional new Shares of the Company rather than in cash, you should complete and return this Form of Election to the Company's Registrar at the address shown below.

Name: _____

Address: _____

Tel No: _____

Email address (optional): _____

(please print information above clearly and include the names of all shareholders in full).

To the Directors of
Bermuda National Limited

Until further notice to the contrary, I/We hereby authorise and request you to allot to me/ us new common shares of US\$0.0001 each of the Company, credited as fully paid in lieu of any future dividend or distribution declared by the Directors to be payable in cash. I/We hereby undertake to accept such shares allotted to me/ us subject to the Company's Memorandum of Association and Bye Laws. I/We confirm we have read the terms and conditions of the Plan dated [].

Compliance by the Company with this authorisation will discharge it from all liability in respect of dividends so paid.

Your Signature (s)

➤ *(joint individual shareholder)* Please each complete and sign the form of election.

➤ *(corporate/other shareholder)* Please ensure that the person signing has the full right and power to complete and sign the form of election and that all necessary corporate action or other approval has been taken or obtained to authorise this application.

Date

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Important - Please Read

- A completed Form of Election received by the Registrar will apply to all future dividends or distributions until such time as you give written notice in accordance with the terms and conditions of the Plan of the termination of your participation in the Plan. However, if you intend the Form of Election to apply to any scheduled dividend or distribution payment immediately following the Company's receipt of the Form, then you must ensure that the Form of Election arrives in sufficient time to be acted upon, namely by not later than 5.00 p.m. on the next dividend record date as defined in the Plan.
- The Plan operates subject to, and in accordance with, the terms and conditions thereof, including without limitation, the (i) the discretion on the part of the Company as to whether to allow the reinvestment of Dividends; or to vary, terminate or suspend the Plan at any time; and (ii) the Plan will be suspended if at any time the Shares are trading on the BSX at less than their current Net Asset Value.. In the event that the Plan is suspended as determined by the Board then you will be paid your dividend in cash in the usual manner.
- The decision as to whether or not to elect to participate in the Plan is entirely your responsibility. If you are in any doubt as to what to do, you should consult your professional advisers. This applies particularly if you are acting as a trustee, in which case you are recommended to take professional advice as to whether you have the powers to make an election to receive shares in lieu of cash and as to the effect of any such election having regard to the terms of the relevant trust instrument.
- If you are resident outside Bermuda, you should consult your bankers or other professional advisers as to whether any governmental or other consents are required or other formalities need to be observed to enable you to participate in the Plan.
- No person receiving a copy of the Plan, these particulars and/or a Form of Election in any territory outside Bermuda may treat it as an invitation to him unless in the relevant territory such invitation could lawfully be made to him without having to comply with any unfulfilled registration or other legal requirements.

Address of the Company and the Registrar:

- By mail: PO Box HM 1748, Hamilton HM GX, Bermuda
- By hand or courier: 34 Bermudiana Road, Hamilton HM 11, Bermuda