

MINUTES of the Annual General Meeting of Members of **Somers Limited** (“Somers” or the “Company”), held at 34 Bermudiana Road, Hamilton HM 11, Bermuda on Wednesday, February 3, 2021 at 9:00 a.m.

PRESENT ELECTRONICALLY: Mr. Greg Reid

REPRESENTED BY PROXY:

PROXYHOLDER:

Palmar Ltd A/C 1318182	Chairman
Palmar Ltd A/C 1318263	Chairman
Veronica M. E. Zuill	Chairman
Peter C. Durhager	Chairman
UIL Limited	Chairman
Alasdair Younie	Chairman
Renee C. Thomas	Chairman
Harcourt & Co Ltd. A/C 1361835	Chairman
Harcourt & Co Ltd. A/C 1336857	Chairman
62615070 BCB Foreign Reinvest A/C 3000324-3	Chairman
2367440 BCB Local Client Reinvest A/C 2000381	Chairman
83808200 BCB Local Client A/C 2000344	Chairman
35402866 BCB Local Client Drip A/C 2002000	Chairman
59800451 BCB Foreign Reinvest A/C 2003602	Chairman
61323011 BCB Local Client Reinvest A/C 2000592	Chairman
39597221 BCB Foreign Dividend Reinvest A/C 3000324-2	Chairman
87779600 BCB Foreign Reinvest A/C 2001841-2	Chairman
Linda Christine Brown	Chairman
Kathlyn Dorothy Swan	Chairman
Christopher Swan	Chairman
Gillian K. Butterfield	Chairman
Union Mutual Pension Fund	Chairman

IN ATTENDANCE: Mr. Alasdair Younie (*Director*)
Mr. Peter Durhager (*Director*)
Ms. Andrea L. Shakir

Chairman:	<p>Mr. Alasdair Younie, Director of the Company, noted that pursuant to the Bye-laws of the Company, as a result of the absence of the Chairman, the Chairman of the Meeting should be decided by a majority of those attending and entitled to vote at the Meeting.</p> <p>It was then proposed that Mr. Alasdair Younie, be appointed to act as Chairman of the Meeting. The proposal was voted upon electronically pursuant to the Bye-laws of the Company, and unanimously approved.</p>
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	<p>It was therefore RESOLVED that Alasdair Younie be appointed Chairman to the Meeting.</p> <p>As a result of the vote of the Shareholders, Alasdair Younie acted as the Chairman of the Meeting.</p>
<p>Confirmation of Notice and Quorum:</p>	<p>Ms. Andrea L. Shakir, on behalf of BCB Charter Corporate Services Limited (Company Secretary), confirmed that notice of this Annual General Meeting must be given in accordance with Bye-law 30 of the Company's Bye-Laws.</p> <p>Ms. Shakir confirmed that Notice of the Annual General Meeting was given to Shareholders in accordance with the Company's Bye-laws, the listing rules of the Bermuda Stock Exchange, and the Companies Act.</p>
<p>Minutes:</p>	<p>The Chairman noted that the Minutes of the 2019 Annual General Meeting of the Company were previously distributed and have also been made available in hard copy at this Meeting. No one present objected to the proposal to abstain from reading them integrally.</p> <p>The Chairman proposed to adopt and approve the Minutes of the 2019 Annual General Meeting held on Wednesday, February 4, 2020, as distributed to the Shareholders and made available at this Meeting and stated:</p> <p>In total, 22 valid proxies were received (representing 20,153,731 shares) of which:</p> <ul style="list-style-type: none"> (a) 21 votes (representing 20,153,231 shares) in favour (b) 0 votes against (c) 1 abstained <p>The Chairman put the motion to vote electronically and declared the same carried unanimously.</p> <p>It was therefore RESOLVED that the Minutes of the Annual General Meeting held on Wednesday, February 4, 2020 be and are hereby accepted and approved.</p>

<p>Financial Statements:</p>	<p>The Chairman referred the attendees to the Audited Financial Statements as distributed and made available at this Meeting.</p> <p>The Chairman proposed that the Audited Financial Statements as distributed and made available at this Meeting be approved and stated:</p> <p>In total, 22 valid proxies were received (representing 20,153,731 shares) of which:</p> <ul style="list-style-type: none"> (a) 21 votes (representing 20,153,231 shares) in favour (b) 0 votes against (c) 1 abstained <p>The Chairman put the motion to vote electronically and declared the same carried unanimously.</p> <p>It was therefore RESOLVED that the Audited Financial Statements as at 30 September 2020 and the Auditors' Report thereon be and the same are hereby received and approved.</p> <p>Mr. Greg Reid, the General Manager of the Company presented a detailed financial update of the company for the period ended September 30, 2020.</p> <p>The Chairman thanked Mr. Reid for his report and after due consideration, it was RESOLVED that the financial update for the period ended September 30 2020 be and is hereby received and approved.</p>
<p>Auditor:</p>	<p>The Chairman then directed the attendees to item No. 5 of the Notice regarding the appointment of KPMG Audit Limited, Chartered Accountants as the Auditors of Company from the conclusion of this Annual General Meeting and stated:</p> <p>In total, 22 valid proxies were received (representing 20,153,731 shares) of which:</p> <ul style="list-style-type: none"> (a) 21 votes (representing 20,153,231) in favour (b) 0 votes against (c) 1 abstained <p>The Chairman put the motion to vote electronically and declared the same carried unanimously.</p> <p>It was RESOLVED that KPMG Audit Limited of Hamilton Bermuda be and are hereby reappointed as Auditors of the Company to hold office from the conclusion of the next Annual General Meeting on a remuneration fixed by the Board of Directors.</p>

Directors:	<p>The Chairman then directed the attendees to item no. 6 of the Notice regarding Directors and proposed that the number of Directors be no less than FOUR (4) and no more than TEN (10) and stated:</p> <p>In total, 22 valid proxies were received (representing 20,153,731 shares) of which:</p> <ul style="list-style-type: none">(a) 21 votes (representing 20,153,231 shares) in favour(b) 0 votes against(c) 1 abstained <p>The Chairman put the motion to vote electronically and declared the same carried unanimously.</p> <p>It was therefore RESOLVED that the number of Directors be no less than four (4) and no more than ten (10).</p> <p>The Chairman proposed that the Members pass the following resolution individually as an ordinary resolution to elect the following persons as Directors of the Company for the ensuing year:</p> <ul style="list-style-type: none">• Peter Durhager• Charles Jillings• David Morgan• Alasdair Younie <p>The Chairman presented the names of the proposed Directors individually with a vote at the end of each name and in the instance of Peter Durhager, the Chairman stated that 22 valid proxies were received presented (representing 20,153,731 shares) of which:</p> <ul style="list-style-type: none">(a) 21 votes (representing 20,153,231 shares each) in favour(b) 0 votes against(c) 1 abstained <p>The Chairman further stated that in the instance of Charles Jillings, David Morgan and Alasdair Younie, 22 valid proxies were received in the matter of each name presented (representing 20,153,731 shares) of which:</p>

	<p>(a) 20 votes (representing 20,152,585 shares each) in favour (b) 0 votes against (c) 2 abstained</p> <p>The Chairman put the motion to vote electronically after presenting each name and thereafter declared the same carried unanimously.</p> <p>It was therefore RESOLVED that Peter Durhager, Charles Jillings, David Morgan and Alasdair Younie be and are hereby elected to serve as Directors of the Company for the ensuing year.</p> <p>The Chairman proposed that the Members pass the following resolution as an ordinary resolution:</p> <p>That pursuant to the Company’s Bye-laws the Directors be authorized to appoint additional Directors and Alternate Directors as and when they deem fit and stated that in total, 22 valid proxies were received (representing 20,153,731 shares) of which:</p> <p>(a) 21 votes (representing 20,153,231 shares) in favour (b) 0 votes against (c) 1 abstained</p> <p>The Chairman put the motion to vote electronically and declared the same carried unanimously.</p> <p>It was therefore RESOLVED that the Directors be and are hereby authorized to appoint additional Directors and Alternate Directors as and when they deem fit.</p>
<p>Financials</p>	<p>The Chairman then asked Mr. Greg Reid to present the highlights of the financials to the attendees and invited the attendees to ask questions.</p> <p>Mr. Reid stated that:</p> <ul style="list-style-type: none"> • 2019 was another volatile year for global markets • Despite a number of underlying investments performing strongly during 2019, Somers was impacted by FX currency movements, resulting in a \$9M loss for 2019 <p>Mr. Reid presented the following highlights:</p> <p><u>Income Statement</u></p>

- Loss of \$9M for the year, compared to a profit of \$4M in 2018
- The loss equates to a loss of \$0.48 per share
- Somers' goal remains to invest for capital appreciation and for interest income
- Overall return is generated by realized and unrealized gains on the portfolio
- Somers values its assets at the beginning of the year and again at the end of the year and any difference represents the profit or loss for the period
- During 2019 the Company had an overall gain in the portfolio of \$4M as a result of valuation increases in Resimac, MJ Hudson and West Hamilton Holdings
- Resimac had a strong performance, and their loan book was up 19%
- MJ Hudson revenues continued to increase
- West Hamilton's valuation increased following a change in the fair value in their property holdings
- Valuation decreases in Bermuda Commercial Bank ("BCB"), Waverton Investment Management ("Waverton"), and PCF Group PLC ("PCF")
- The Company increased the discount on BCB to bring it in line with the anticipated sales price from the sale process
- Waverton was negatively impacted by regulations which have come into place in the U.K., resulting in decreased profitability and a reduction in the value
- Strong performance by PCF but their share price decreased, but subsequent to year-end their share price has returned to its previous levels
- Dividend income of \$7.5M was earned on the Company's portfolio
- Dividend from Resimac was \$4M, and \$2.5M was received from Waverton
- Resimac and Waverton continue to have strong performances and the Company expects that they will continue to pay dividends
- Foreign Exchange currency loss of \$15M during the year
- Losses are primarily unrealized
- Large portion of the Company's assets are invested in Sterling and Australian Dollar denominated investments
- Both Sterling and Australian Dollars depreciated against the Dollar over the year
- The Company has now recovered all of its 2019 Sterling losses and a portion of the Australian Dollar losses

Balance Sheet

- Remains strong and total assets increased to \$423M from \$407M
- Increase is primarily from strong gains in holdings in Resimac

- There were a number of acquisitions during the year – Thorn Group, PCF and AK Jensen
- The Company’s portfolio is dominated by four (4) large investments –Resimac, BCB, Waverton, and PCF, representing 86% of the total portfolio
- Dividends continue to be reinvested
- The Company may take on modest additional lending to purchase additional investments and thereby reducing concentration
- Overall investment activity was low in 2019
- Main transactions were investments in PCF and Thorn, and smaller investments in MJ Hudson and AK Jensen
- Disposals during the year included the sale of Merrion and Stockdale

Liabilities

- Borrowings increased to \$68M, up from \$41M in the previous year
- Borrowings have primarily provided by the Company’s largest shareholders – UIL Limited and Permanent Investments Limited
- Loan funding has also been received from The Bank of N.T. Butterfield & Son (“BNTB”)
- Loans have been used for additional investment activity
- Total equity is \$354M, down from \$364M the previous year
- Equity decrease is primarily a result of the unrealized FX losses (Sterling and Australian Dollar)
- Share price on the Bermuda Stock Exchange (“BSX”) ended the year at \$15.00, which still represents a 12% discount to the Company’s NAV of \$17.10, largely due to the illiquid nature of the shares on the BSX. This is a reason why the Company continues to buy back shares

Dividends

- Goal is to continue to increase level of dividends to shareholders in line with the performance of the Company while maintaining a solid capital position
- Total dividend \$0.51 for 2019, compared to \$.50 per share last year
- Dividend yield of 3.5% on the share price

Mr. Reid stated that despite the challenging markets, the Company recorded a positive net income (when FX is excluded) and the balance sheet grew and diversified. The Company was however, impacted by FX during the year and this more than offset the investment gains. The losses have reversed since year-end. The Company is off to a good start in 2020 largely due to the share price

	increases in Resimac and PCF.
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Conclusion	<p>The Chairman thanked everyone for attending.</p> <p>There being no further business to be transacted, the Chairman declared the Meeting closed.</p>
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Chairman