



Press Release

STARTS

BF&M Adopts Limited Duration Shareholder Rights Plan

Hamilton, Bermuda, 20 July, 2023 — BF&M Limited (“BF&M” or the “Company”) (BSX: BFM) announced today that its Board of Directors (the “Board”) has unanimously adopted a limited duration Shareholder Rights Plan (the “Rights Plan”), which is effective immediately and set to expire on 19 July, 2024.

The Rights Plan ensures that the Board has sufficient time to make thoughtful and prudent decisions that are in the best interests of the Company and all BF&M shareholders. The adoption of the Rights Plan was carefully considered by the Board and follows the decision of BF&M’s principal 36.9% shareholder that it plans to divest its shares, as well as the recent conclusion of the Company’s strategic review process.

The Rights Plan does not prevent the Board from engaging with any parties or accepting a transaction proposal if the Board believes that such proposal appropriately recognises the value of BF&M and is in the best interests of the Company and its shareholders. The Rights Plan is substantially similar to other plans adopted by publicly-traded companies and is intended to enable all BF&M shareholders to realise the long-term value of their investment in the Company and guard against attempts to acquire control without adequate protections for the Company’s shareholders and other stakeholders.

Under the Rights Plan, the rights will become exercisable if an entity, person or group acquires beneficial ownership of 15% or more of BF&M’s outstanding common shares in a transaction not approved by the Board. In the event that the rights become exercisable due to the triggering ownership threshold being crossed, each right will entitle its holder (which shall not include the acquiring person, entity or group triggering the Rights Plan) to purchase, at the then-current exercise price, one common share of the Company (or other securities or property of BF&M of equivalent value). Alternatively, upon the triggering ownership threshold being crossed (unless a person or group acquires 50% or more of the outstanding BF&M common shares), the Board may exchange each right (except those held by the acquiring person or group, which would have become void) for one additional common share or other securities or property of BF&M of equivalent value. Prior to the rights becoming exercisable, the rights are redeemable for \$0.001 per right at the option of the Board.

The BF&M Group consists of three main insurance operating companies, with the following AM Best financial strength ratings:

| | | |
|-------------------------------------------|---------------|---------|
| ▪ BF&M General Insurance Company Limited | A (Excellent) | Bermuda |
| ▪ BF&M Life Insurance Company Limited | A (Excellent) | Bermuda |
| ▪ Island Heritage Insurance Company, Ltd. | A (Excellent) | Bermuda |

ENDS

BACKGROUND

BF&M Limited is the holding company of the BF&M group of companies ("BF&M Group"). The two largest operating companies within the BF&M Group are BF&M Life Insurance Company Limited, a leading provider of life, health and pensions products, and BF&M General Insurance Company Limited, the leading general insurer providing all forms of property, casualty, motor and marine products. The BF&M Group includes several other companies including BF&M Investment Services Limited, BF&M Properties Limited, (including Scarborough Property Holdings Limited and Barr's Bay Properties Limited), and Island Heritage Insurance Company, Ltd.

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