

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. When considering what action you should take, you are recommended to seek your own financial advice from your stockbroker, bank manager, solicitor, accountant or other professional adviser duly authorised under the Financial Services and Markets Act 2000 (as amended).

If you have sold or otherwise transferred all your Ordinary Shares or ZDP Shares in the Company, you are requested to forward this document and the accompanying documents to the buyer or transferee or the stockbroker, bank or other agent through whom the sale or transfer was effected for transmission to such buyer or transferee. **Such documents should not, however, be forwarded in or into the United States, Canada, Australia, the Republic of South Africa or Japan or into any other jurisdiction if to do so would constitute a violation of the relevant laws and regulations in such other jurisdictions.**

The Company is an authorised closed-ended investment scheme pursuant to section 8 of the Protection of Investors (Bailiwick of Guernsey) Law, 1987, as amended and the Authorised Closed-Ended Investment Schemes Rules 2008 issued by the Guernsey Financial Services Commission.

JZ CAPITAL PARTNERS LIMITED

(incorporated in Guernsey with limited liability under the Companies (Guernsey) Law 2008 (as amended) with registered no. 48761)

RECOMMENDED PROPOSALS FOR A PLACING AND OPEN OFFER OF ORDINARY SHARES, A VARIATION OF THE RIGHTS ATTACHED TO ORDINARY SHARES AND ZDP SHARES, THE ROLLOVER OF EXISTING ZDP SHARES INTO NEW ZDP SHARES, THE CREATION AND ISSUE OF NEW ZDP SHARES, THE APPROVAL OF CERTAIN RELATED PARTY TRANSACTIONS AND THE CONSOLIDATION OF ORDINARY SHARES

and

NOTICE OF EXTRAORDINARY GENERAL MEETING

This document should be read in conjunction with the accompanying Ordinary Share Prospectus relating to the offering of up to 227,565,137 Ordinary Shares to existing Ordinary Shareholders and new investors under the Ordinary Share Issue, and the accompanying ZDP Prospectus relating to the proposals for the creation of New ZDP Shares, the proposed offer for subscription and placing of New ZDP Shares and, subject to valid elections, the proposed conversion of ZDP Shares into New ZDP Shares on the basis of each ZDP Share converting into one New ZDP Share. Your attention is drawn to the letter from the Chairman of the Company, set out on pages 6 to 20 of this document, which includes a recommendation from the Board that you vote in favour of the resolutions to be proposed at the Meetings referred to below.

You will find set out at the end of this document notices convening separate class meetings of the holders of the Ordinary Shares and ZDP Shares and an extraordinary general meeting of JZ Capital Partners Limited. The class meetings of the holders of the Ordinary Shares and of the ZDP Shares have been convened for, respectively, 11.00 a.m. and 11.05 a.m. on 18 June 2009. The extraordinary general meeting has been convened for 11.10 a.m. on 18 June 2009 for the purposes of putting to shareholders resolutions which would, if passed and if the same become unconditional, approve the Proposals details of which are set out in this document. All three meetings will be held at Regency Court, Glatigny Esplanade, St Peter Port, Guernsey GY1 3NQ, Channel Islands. The accompanying forms of proxy for use by shareholders in relation to the meetings should be received by Equiniti, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA, United Kingdom as soon as possible but, in any event, not later than 48 hours before the time appointed for the relevant meeting. Completion and return of the relevant form(s) of proxy will not preclude shareholders from attending and voting in person at the relevant meeting should they so wish and be entitled so to do.

Jefferies International Limited, which is authorised in the United Kingdom by the Financial Services Authority, is acting as sponsor, financial adviser and broker to the Company in connection with the Ordinary Share Issue and as sponsor and financial adviser to the Company in connection with the ZDP Proposals and for no one else in connection with the Proposals. It will not regard any other person (whether or not a recipient of this document) as its client in relation to the Proposals and will not be responsible to anyone other than the Company for providing the protections afforded to customers of Jefferies International Limited or for giving advice in relation to the Proposals or any other transaction or arrangement referred to in this document.

JPMC, which is authorised in the United Kingdom by the Financial Services Authority, is acting for the Company and for no one else in connection with the ZDP Proposals. It will not regard any other person (whether or not a recipient of this document) as its client in relation to the ZDP Proposals and will not be responsible to anyone other than the Company for providing the protections afforded to customers of JPMC or for giving advice in relation to the ZDP Proposals or any other transaction or arrangement referred to in this document.

22 May 2009

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IMPORTANT NOTICES

The distribution of this document in certain jurisdictions may be restricted by law and, accordingly, persons into whose possession this document comes should inform themselves about and observe any such restrictions. Any failure to comply with any such restrictions may constitute a violation of the securities laws of the jurisdiction concerned. This document does not constitute or form part of any offer or invitation to sell or issue or the solicitation of any offer to purchase or subscribe for New Ordinary Shares, Limited Voting Ordinary Shares or New ZDP Shares in any jurisdiction in which such offer, invitation or solicitation is unlawful.

In particular, subject to certain exceptions, the New Ordinary Shares and New ZDP Shares are only being offered and sold outside of the United States to non-US Persons in reliance on Regulation S under the US Securities Act and the New Ordinary Shares and Limited Voting Ordinary Shares are only being offered to certain Qualifying US Persons in reliance on an exemption from the registration requirements of the US Securities Act. None of the existing Ordinary Shares, New Ordinary Shares, Limited Voting Ordinary Shares or New ZDP Shares has been, or will be, registered under the US Securities Act or the state securities laws of the United States and, subject to certain exceptions, none of them may be offered or sold in the United States. The Company has not been and will not be registered as an investment company under the US Investment Company Act, and investors will not be entitled to the benefits of the US Investment Company Act. Accordingly, subject to certain exceptions, neither this document nor the accompanying forms are being or may be, directly or indirectly, mailed, transmitted or otherwise forwarded, distributed or sent, in whole or in part, in or into the United States and persons receiving such documents (including brokers, custodians, trustees and other nominees) must not, directly or indirectly, mail, transmit or otherwise forward, distribute or send this document or the accompanying forms in or into the United States.

Furthermore, the New ZDP Placing and Offers are not being made, directly or indirectly, in or into the United States by use of mail or by any means or instrumentality of interstate commerce (including, without limitation, facsimile transmission, telex, telephone, email or internet) or of any facility of a national securities exchange, of the United States or otherwise, and the New ZDP Placing and Offers are not capable of acceptance by any such use, means, instrumentality or facility, or otherwise from within the United States.

US Shareholders are not eligible to accept the New ZDP Placing and Offers and all ZDP Shares held by US Shareholders will be redeemed for cash in accordance with the rights attaching to the ZDP Shares in the Articles.

The US\$/GB sterling exchange rate adopted throughout this document is 1.54, being the exchange rate as at 19 May 2009, the last practicable date prior to publication of this document.

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

2009¹

Latest time and date for receipt of Form of Proxy for the Ordinary Share Class Meeting	11.00 a.m. on 16 June
Latest time and date for receipt of Form of Proxy for the ZDP Share Class Meeting	11.05 a.m. on 16 June
Latest time and date for receipt of Form of Proxy for the EGM	11.10 a.m. on 16 June
Ordinary Share Class Meeting	11.00 a.m. on 18 June
ZDP Share Class Meeting	11.05 a.m. on 18 June
EGM	11.10 a.m. on 18 June
Ordinary Share Admission and commencement of dealings in the New Ordinary Shares	8.00 a.m., 19 June
CREST accounts of shareholders subscribing for New Ordinary Shares in uncertificated form credited with New Ordinary Shares	19 June
Conversion of ZDP Shares, in respect of which elections made and not revoked, into New ZDP Shares	22 June
ZDP Admission and commencement in dealings in the New ZDP Shares	8.00 a.m., 22 June
CREST accounts of shareholders converting ZDP Shares in uncertificated form credited with New ZDP Shares	22 June
Record date in respect of the Share Consolidation	6.00 p.m. on 22 June
Commencement of dealings in Ordinary Shares following Share Consolidation	8.00 a.m. on 23 June
Share certificates for New Ordinary Shares despatched to shareholders subscribing for New Ordinary Shares in certificated form	by 30 June
Share certificates for New ZDP Shares despatched to shareholders converting ZDP Shares in certificated form	by 30 June

¹ *All references are to London time. The times and dates referred to in the Expected Timetable of Principal Events set out above and throughout this document may be amended by agreement between the Company and Jefferies in which event details of the amended times and dates will be notified to the UK Listing Authority, the London Stock Exchange and, where applicable, the Shareholders.*

PART 1 – FORMS ACCOMPANYING THIS DOCUMENT AND ACTION TO BE TAKEN

Accompanying this document is:

- a Form of Proxy for Ordinary Share Class Meeting (blue)
- a Form of Proxy for ZDP Class Meeting (pink)
- a Form of Proxy for EGM (white)
- a Form of Election in respect of the ZDP Rollover Offer (yellow)

IF YOU CURRENTLY ONLY HOLD ORDINARY SHARES, YOU SHOULD DISREGARD THE FORM OF PROXY FOR THE ZDP CLASS MEETING (PINK).

IF YOU CURRENTLY ONLY HOLD ZDP SHARES, YOU SHOULD DISREGARD THE FORM OF PROXY FOR THE ORDINARY SHARE CLASS MEETING (BLUE).

IF YOU WISH TO REDEEM YOUR ENTIRE HOLDING OF ZDP SHARES FOR CASH AND DO NOT WISH TO ROLL OVER ANY OF YOUR ZDP SHARES INTO NEW ZDP SHARES OR YOU ARE A US PERSON, YOU NEED NOT COMPLETE OR RETURN THE FORM OF ELECTION (YELLOW).

YOU SHOULD READ THE WHOLE OF THIS DOCUMENT, WHICH CONTAINS THE MATERIAL TERMS OF THE PROPOSALS, AND NOT JUST THIS PART 1 WHEN DECIDING WHAT ACTION TO TAKE.

To vote on the resolution to be proposed at the Ordinary Share Class Meeting:

Complete and return the Form of Proxy for the Ordinary Share Class Meeting (blue) to Equiniti Limited, Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA, United Kingdom as soon as possible and no later than 11.00 a.m. on 16 June 2009 and/or attend and vote at the meeting on 18 June 2009.

To vote on the resolution to be proposed at the ZDP Class Meeting:

Complete and return the Form of Proxy for the ZDP Class Meeting (pink) to Equiniti Limited, Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA, United Kingdom as soon as possible and no later than 11.05 a.m. on 16 June 2009 and/or attend and vote at the meeting on 18 June 2009.

To vote on the Resolutions to be proposed at the EGM:

Complete and return the Form of Proxy for the EGM (white) to Equiniti Limited, Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA, United Kingdom as soon as possible and no later than 11.10 a.m. on 16 June 2009 and/or attend and vote at the meeting on 18 June 2009.

To roll over your ZDP Shares that are held in certificated form into New ZDP Shares under the ZDP Rollover Offer:

Complete and return the Form of Election (yellow) by post or by hand (during normal business hours) to Equiniti Limited, Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA, United Kingdom, as soon as possible and no later than 11.00 a.m. on 15 June 2009. A pre-paid envelope is enclosed for your use.

To roll over your ZDP Shares that are held in uncertificated form (that is through CREST) into New ZDP Shares under the ZDP Rollover Offer:

To accept the offer in respect of existing ZDP Shares held in uncertificated form you should send (or if you are a CREST sponsored member procure that your CREST sponsor sends) to Euroclear a TTE instruction in relation to the ZDP Shares. A TTE instruction to Euroclear must be properly authenticated in accordance with Euroclear's specifications for Transfer to Escrow and must contain the following details:

- the corporate action number of the ZDP Rollover Offer. This is allocated by Euroclear and will be available on screen from Euroclear:
 - the number of ZDP Shares to be rolled over into New ZDP Shares;
 - your Member Account ID;

- your participant ID;
- the participant ID of the escrow agent, in its capacity as a CREST receiving agent. This is 5RA35;
- the Member Account ID of the escrow agent. This is: RA973701;
- the intended settlement date for the rollover. This should be as soon as possible and, in any event, by no later than 11.00 a.m. on 15 June 2009;
- the ISIN of the ZDP Shares. This is: GG9900B2RK0S48;
- input with the standard delivery instruction, priority 80; and
- a contact name and telephone number in the shared note field.

A CREST sponsor who sends or is treated as sending a valid dematerialisation instruction in accordance with the above procedures, will thereby represent and warrant that it is not a, and is not sending the dematerialisation instruction on behalf of any, US Shareholder.

To subscribe for Ordinary Shares under the Open Offer

Complete and return the Ordinary Share Application Form (which accompanies the Ordinary Share Prospectus) together with a cheque or banker's draft (drawn in GB sterling) made payable to "Equiniti Ltd re JZ Capital Partners Limited Open Offer" for the amount of Ordinary Shares for which you wish to subscribe by post or by hand (during normal business hours) to Equiniti Limited, Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA, United Kingdom, so as to be received by no later than 11.00 a.m. on 15 June 2009. A pre-paid envelope is enclosed for your use.

To subscribe for New ZDP Shares under the New ZDP Offer for Subscription

Complete and return the ZDP Application Form (which accompanies the ZDP Prospectus) together with a cheque or banker's draft (drawn in GB sterling) made payable to "Equiniti Ltd re JZ Capital Partners Limited ZDP Offer for Subscription" for the amount of New ZDP Shares for which you wish to subscribe by post or by hand (during normal business hours) to Equiniti Limited, Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA, United Kingdom, so as to be received by no later than 11.00 a.m. on 15 June 2009. A pre-paid envelope is enclosed for your use.

Full details of the action to be taken are set out in this document and in the instructions on the respective forms. YOU SHOULD READ THE WHOLE OF THIS DOCUMENT, WHICH CONTAINS THE MATERIAL TERMS OF THE PROPOSALS, AND NOT JUST THIS SECTION WHEN DECIDING WHAT ACTION TO TAKE. The attention of Overseas Shareholders is drawn to the section headed "Overseas Shareholders" of the Chairman's Letter set out on page 18 of this document.

If you have any queries in relation to your shareholding(s), please contact Equiniti Limited by telephone on 0871 384 2917 (or +44 1214 157006 if calling from outside the United Kingdom). Calls to those numbers are charged at 8 pence per minute from a BT landline. Calls to the helpline from outside the UK will be charged at applicable international rates. Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. Equiniti Limited can only provide information regarding the completion of forms and cannot advise on the merits of the Proposals or provide you with investment or tax advice.

PART 2 – LETTER FROM THE CHAIRMAN

JZ CAPITAL PARTNERS LIMITED (THE “COMPANY”)

*(incorporated in Guernsey with limited liability under the Companies (Guernsey) Law 2008
(as amended) with registered no. 48761)*

Directors:

David Macfarlane (Chairman)
David Allison
Patrick Firth
James Jordan
Tanja Tibaldi

Registered Office:

PO Box 211
2nd Floor, Regency Court
Glatigny Esplanade
St Peter Port
Guernsey GY1 3NQ
Channel Islands

(the “**Board**”)

22 May 2009

To all holders of Ordinary Shares and ZDP Shares

Dear Shareholder

**RECOMMENDED PROPOSALS FOR A PLACING AND OPEN OFFER OF
ORDINARY SHARES, A VARIATION OF THE RIGHTS ATTACHED TO ORDINARY
SHARES AND ZDP SHARES, THE ROLLOVER OF EXISTING ZDP SHARES INTO
NEW ZDP SHARES, THE CREATION AND ISSUE OF NEW ZDP SHARES, THE APPROVAL
OF CERTAIN RELATED PARTY TRANSACTIONS AND THE CONSOLIDATION OF
ORDINARY SHARES**

1. Introduction

Your Board has today announced detailed proposals, *inter alia*, to raise up to approximately US\$147.2 million through an issue of Ordinary Shares, to create and issue up to approximately 45.7 million New ZDP Shares and to provide the opportunity to holders of existing ZDP Shares to roll over their shares into New ZDP Shares. The proposals include certain related party transactions involving the Company, the Investment Advisor and the managing principals of the Investment Advisor. In addition, it is proposed that Ordinary Shares be consolidated on a one for five basis.

The purpose of this letter is to explain the Proposals and why the Board considers them in the best interests of Ordinary Shareholders and ZDP holders as a whole, explain the actions required to be taken in order for them to be implemented and to seek your approval for the Proposals. Completion of the Proposals is conditional upon your approval, which will be sought at an Extraordinary General Meeting to be held at 11.10 a.m. on 18 June 2009.

2. Background to the Proposals

The last twelve months have seen some extraordinary and volatile conditions in the world’s equity and debt markets, which have presented extraordinary opportunities for companies in the private equity industry that are in a position to take advantage of them, but at the same time extraordinary challenges. The Directors believe JZCP has navigated these challenges relatively well, with its Micro-Cap Buyout Investments having performed solidly relative to the broader market, although the deteriorating equity and credit markets have adversely affected the performance of the Company’s listed investments. The Directors believe that opportunities will continue to arise from the current climate and believe that the Proposals described below will position the Company to take advantage of those opportunities whilst providing the necessary funds to satisfy the potential ZDP Share redemption cost in full, without having to sell our assets at a disadvantageous point in the economic cycle.

As at 30 April 2009, the Company had cash deposits of approximately US\$103.7 million. The Company currently has 45,662,313 ZDP Shares in issue which have a redemption date of 24 June 2009 and a total redemption cost (including the cost of an associated forward foreign exchange contract) of US\$185.9 million.

In order to meet potential redemptions of ZDP Shares and to take advantage of investment opportunities that the Investment Advisor has identified in the current market, the Directors intend to raise up to approximately US\$147.2 million by means of a pre-emptive placing and open offer of Ordinary Shares.

The Open Offer is not being underwritten. The Company has, however, received irrevocable commitments from our largest shareholders and the principals of our Investment Advisor, John (Jay) W Jordan II and David W Zalznick, to subscribe under the Ordinary Share Issue for an aggregate of 38,649,614 Ordinary Shares representing US\$25.0 million in respect of the equivalent of their Open Offer entitlements. In addition, the Company has received irrevocable commitments from other Ordinary Shareholders to subscribe for their Open Offer entitlements (or their equivalent) in respect of 38,992,874 Ordinary Shares representing US\$25.2 million. Existing Ordinary Shareholders who wish to subscribe for Ordinary Shares in excess of their *pro rata* entitlements (or their equivalent) under the Ordinary Share Issue and new investors who wish to participate in the Ordinary Share Issue, have been given the opportunity to subscribe for additional Ordinary Shares which will be subject to clawback to satisfy valid applications from Qualifying Shareholders under the Open Offer and Qualifying US Persons in respect of the equivalent of their *pro rata* entitlements under the Ordinary Share Placing. The Company has received such further irrevocable commitments from existing Ordinary Shareholders and a new investor in respect of 55,353,377 Ordinary Shares subject to clawback representing US\$35.8 million. Accordingly, in total, the Company has received irrevocable commitments representing approximately US\$86.0 million and the value of these commitments represents the minimum gross proceeds expected to be raised by the Company pursuant to the placing and open offer. Those commitments are led by JZAI, John (Jay) W Jordan II and David Zalaznick who have between them committed US\$25 million. These irrevocable commitments are conditional on the approval by the Shareholders of Resolutions 1, 3, 4 and 7 to be proposed at the EGM.

In order to give ZDP Shareholders the opportunity to continue to invest in the Company and, for those that are subject to capital gains tax, to defer their UK capital gains tax liability, ZDP Shareholders are being given the opportunity to convert, subject to potential scaling back referred to in paragraph 4 below, all or part only of their holding of ZDP Shares into a new class of zero dividend redeemable preference shares (“New ZDP Shares”) on a tax efficient basis (the “ZDP Rollover Offer”) on the basis of one New ZDP Share for every one ZDP Share held on the date of ZDP Admission.

New ZDP Shares will also be available for subscription by existing and new investors respectively under the New ZDP Offer for Subscription and the New ZDP Placing (together the “New ZDP Issue”). The New ZDP Placing is subject to clawback to satisfy valid applications for New ZDP Shares under the ZDP Rollover Offer and New ZDP Offer for Subscription.

In total, up to approximately 45.7 million New ZDP Shares are available pursuant to the ZDP Rollover Offer and New ZDP Issue.

Each of John (Jay) W Jordan II and David Zalaznick, Shareholders of the Company, is a related party of the Company for the purposes of the Listing Rules. Certain elements of the Proposals constitute related party transactions between the Investment Advisor or John (Jay) W Jordan II and David Zalaznick on the one hand and the Company on the other hand of a sufficient size under the Listing Rules and therefore must be approved by shareholders, as more fully set out in paragraph 6 below.

In order to enhance the marketability and decrease the volatility of the market price of the Ordinary Shares, following implementation of the Ordinary Share Issue and the ZDP Proposals and subject to shareholder approval, the Ordinary Shares will be consolidated on the basis that every five Ordinary Shares will be consolidated into one Ordinary Share.

3. Principal Terms of the Proposals

The principal terms of the Ordinary Share Issue, the Share Consolidation, the ZDP Rollover Offer and the New ZDP Issue are set out below.

Ordinary Share Issue

Pursuant to the Ordinary Share Issue, the Company is proposing to raise up to approximately US\$147.2 million (£95.6 million) by offering up to 227,565,137 Ordinary Shares to Qualifying Shareholders on a pre-emptive basis, *pro rata* to their existing holding of Ordinary Shares.

Qualifying Shareholders are being given the opportunity to subscribe for Ordinary Shares on the basis of:

7 New Ordinary Shares for every 3 existing Ordinary Shares

held by them at the Record Date and so on in proportion for any other number of existing Ordinary Shares then held (the "Open Offer").

The Ordinary Share Issue is not being underwritten. However, the Company has received irrevocable commitments to subscribe for Ordinary Shares totalling approximately US\$86.0 million and accordingly this represents the minimum level of gross proceeds expected to be raised by the Company pursuant to the Ordinary Share Issue. The actual amount of gross proceeds to be raised will depend on the level of take-up by Qualifying Shareholders under the Open Offer, although in any event, will not exceed US\$147.2 million. *Pro rata* entitlements to New Ordinary Shares under the Open Offer will be based on the maximum amount of gross proceeds to be raised by the Company of approximately US\$147.2 million.

Certain Ordinary Shareholders that are Qualifying US Persons are being given the opportunity to subscribe for such number of Ordinary Shares as they would have been entitled to subscribe for under the Open Offer had they not been US Persons (this is being effected under the Ordinary Share Placing and is not subject to clawback under the Open Offer from Qualifying Shareholders).

The Ordinary Shares will be issued at 42p per Ordinary Share (the "Ordinary Share Issue Price"), representing a discount of 5.6 per cent. to the closing price of an existing Ordinary Share on 19 May 2009 and a discount of 75.7 per cent. to the Net Asset Value per Ordinary Share on 31 March 2009, the last practicable date prior to the publication of this document.

The New Ordinary Shares issued under the Open Offer will be issued fully paid and will be identical to, and rank *pari passu* in all respects with, the existing Ordinary Shares and will rank for all dividends or other distributions declared, made or paid after the date of their issue, save for any final dividend declared in respect of the period to 28 February 2009. No temporary documents of title will be issued.

The Board has not yet decided whether to declare a final dividend for the period to 28 February 2009. Following completion of the Proposals, the Board will evaluate the Company's financial and capital resources and consider whether or not to declare a final dividend in respect of such period.

Fractions of New Ordinary Shares will not be allocated to Qualifying Shareholders and entitlements to apply for New Ordinary Shares will be rounded down to the nearest whole number of New Ordinary Shares. New Ordinary Shares representing the aggregate of fractional entitlements will be taken up under the Ordinary Share Placing for the benefit of the Company.

The Company believes that it is currently a "foreign private issuer" within the meaning of Rule 405 under the US Securities Act and Rule 3b-4 under the US Exchange Act. If, however, the Company loses its status as a "foreign private issuer" and is treated as a US domestic company, it is likely to be subject to extensive reporting requirements and periodic filing requirements under US securities laws, which the Company is currently not subject to and which would significantly increase the Company's regulatory and compliance costs under such US securities laws. Similarly, if the Company were to be treated as a controlled foreign corporation ("CFC") within the meaning of the Code, certain US Holders would generally include in their gross income for US federal income tax purposes their *pro rata* share of the Company's "subpart F income" for the year even if the subpart F income is not distributed. Such US Holders may also be deemed to receive taxable distributions to the extent that the Company increases the amount of its earnings that are invested in certain types of US property. In addition, if the Company were to be treated as a CFC, a portion of any gain recognised by certain US Holders on the sale or exchange of the shares of the Company would generally be taxed as dividend income, rather than as capital gain income.

Accordingly Limited Voting Ordinary Shares are being created and made available so that certain of the Company's existing Shareholders and certain new investors that are Qualifying US Persons may participate in the Ordinary Share Issue without causing the Company to be treated as a US domestic company for the purposes of US securities laws and/or a CFC for US tax purposes.

Limited Voting Ordinary Shares will be issued fully paid at the Ordinary Share Issue Price and will be identical to, and rank *pari passu* in all respects with, the New Ordinary Shares except that the Limited Voting Ordinary Shares will only carry a limited entitlement to vote in respect of the appointment or removal of Directors and will not carry any entitlement to vote in respect of certain other matters, as set out in section 7.2 of Part 3. No temporary documents of title will be issued.

Certain US Persons that currently hold Ordinary Shares have provided irrevocable commitments to convert, to the extent required to ensure that the Company continues to be treated as a foreign private issuer and is not treated as a CFC, their existing holding into Limited Voting Ordinary Shares and also subscribe, again to the extent required to ensure that the Company continues to be treated as a foreign private issuer and is not treated as a CFC, for their entitlement to Ordinary Shares under the Ordinary Share Issue in the form of Limited Voting Ordinary Shares. Thus a number of our largest shareholders may have limited or no influence on certain matters related to the control and operation of the Company.

The Limited Voting Ordinary Shares will be convertible at any time into the equivalent number of non-Limited Voting Ordinary Shares either (a) at the holder's request upon certification by the holder that it is not a, and is not holding for the account or benefit of any, US Person or (b) automatically in the event that (i) a takeover offer for the Company is declared unconditional in all respects or (ii) proposals for the liquidation or winding-up of the Company have been approved by the Shareholders in a general meeting. The Limited Voting Ordinary Shares will not be listed on the Official List and will not be traded on or through the facilities of the London Stock Exchange.

On the basis that the Ordinary Share Issue is fully subscribed, the 227,565,137 Ordinary Shares to be issued pursuant to the Ordinary Share Issue represent approximately 233 per cent. of the existing issued ordinary share capital of the Company and 70 per cent. of the Enlarged Share Capital.

Share Consolidation

Pursuant to the Share Consolidation, each Ordinary Share, including those issued pursuant to the Ordinary Share Issue, will be consolidated on the basis that every five Ordinary Shares will be consolidated into one Ordinary Share. Accordingly, on implementation of the Share Consolidation, all holders of Ordinary Shares will hold one Ordinary Share for every five Ordinary Shares held immediately prior to the Share Consolidation. The Share Consolidation alone will have no impact on the proportionate holdings of Ordinary Shares, save for fractional share entitlements, however the overall number of Ordinary Shares in issue will be reduced by a factor of five. Following the Share Consolidation, the rights attaching to Ordinary Shares (Limited Voting Ordinary Shares and other Ordinary Shares) will remain unchanged. Following approval by Ordinary Shareholders, the Share Consolidation will take place automatically on the third dealing day following Admission. The Share Consolidation is not conditional on approval by Ordinary Shareholders of the Ordinary Share Issue.

ZDP Rollover Offer

Under the ZDP Rollover Offer, existing ZDP Shareholders are being given a right to convert all or part only of their holding of ZDP Shares into New ZDP Shares. The rights attaching to the New ZDP Shares will be substantially similar to those attaching to the existing ZDP Shares but, subject to ZDP Admission occurring, the New ZDP Shares will have an illustrative initial capital entitlement on 22 June 2009 of 215.80p per New ZDP Share and will have a Final Capital Entitlement of 369.84p per New ZDP Share on 22 June 2016, the New ZDP Repayment Date, equivalent to a Redemption Yield of 8.0 per cent. per annum on the ZDP Issue Price (as defined below) and 8.0 per cent. per annum based on the illustrative initial capital entitlement¹. Further details of the rights attaching to the New ZDP Shares are set out in Part 4 of the ZDP Prospectus.

Subject to completion of the ZDP Rollover Offer, each existing ZDP Share validly elected to be rolled over will convert, on 22 June 2009, into one New ZDP Share to be issued on the terms set out in the New Articles.

In order to accept the ZDP Rollover Offer, ZDP Shareholders are advised to refer to the section entitled "Forms Accompanying this Document and Action to be Taken" in Part 1 of this document and to complete the Form of Election in accordance with the instructions printed thereon and the instructions set out in this document.

ZDP Shareholders who are US Persons and any other ZDP Shareholders who do not make a valid election to roll over their ZDP Shares on the Form of Election, will be deemed to have declined the opportunity to convert their ZDP Shares and such shares will be redeemed for cash on 24 June 2009 in accordance with their terms.

¹ The redemption yield of a New ZDP Share is not and should not be taken as a forecast of profits and there can be no assurance that the New ZDP Shares will be repaid in full on the New ZDP Repayment Date.

New ZDP Issue

New ZDP Shares will also be available for subscription pursuant to the New ZDP Offer for Subscription which is being made by the Company at an issue price of 215.80p each (the “ZDP Issue Price”) to the public in the United Kingdom. New ZDP Shares may also be placed at the ZDP Issue Price with placees procured by JPMC. The New ZDP Placing is subject to clawback to satisfy valid applications for New ZDP Shares under the ZDP Rollover Offer and New ZDP Offer for Subscription.

Potential Scaling Back Of New ZDP Shares

ZDP Shareholders seeking to elect or subscribe for New ZDP Shares under the ZDP Rollover Offer and the New ZDP Offer for Subscription, and new investors seeking to subscribe for New ZDP Shares under the New ZDP Placing, may be subject to scaling back depending on the overall level of elections made pursuant to the ZDP Rollover Offer, the overall level of subscriptions under the New ZDP Issue, and the net proceeds received by the Company pursuant to the terms of the Ordinary Share Issue. The scaling back of New ZDPs will, if required, be carried out to ensure that the minimum Cover over the Final Capital Entitlement is not less than 3.0 times.

In the event that any scaling back of the New ZDP Shares is required, the Company will first scale back excess subscriptions on a *pro rata* basis from new investors under the New ZDP Placing. In the event that this is insufficient, the Company will then scale back existing ZDP Shareholders on a *pro rata* basis under the New ZDP Offer for Subscription and if this still proves insufficient, the Company will ultimately scale back on a *pro rata* basis existing ZDP Shareholders who have made valid elections under the ZDP Rollover Offer.

4. Rights Attached to the Ordinary Shares, the Limited Voting Ordinary Shares, the ZDP Shares and the New ZDP Shares

Ordinary Shares (including Limited Voting Ordinary Shares)

Ordinary Shareholders are entitled to the net assets of the Company on a winding up, after all liabilities have been settled and the entitlement of the ZDP Shares and, subject to the ZDP Proposals becoming effective, the New ZDP Shares have been met. In addition, Ordinary Shareholders will be entitled on a winding up to receive any accumulated but unpaid revenue reserves of the Company, subject to all creditors, including ZDP Shareholders and, subject to the ZDP Proposals becoming effective, New ZDP Shareholders, having been paid out in full. Any distribution of revenue reserves on a winding up is currently expected to be made by way of a final special dividend prior to the Company’s eventual liquidation.

The non-Limited Voting Ordinary Shares carry the right to vote at general meetings of the Company in respect of all corporate matters. The voting rights of the Limited Voting Ordinary Shares are described further below.

All Ordinary Shares will vote together as a class on all matters (other than those matters affecting only the rights of the holders of either the non-Limited Voting Ordinary Shares or the Limited Voting Ordinary Shares alone, such matters being limited to the voting rights of each respective class).

In accordance with the terms and conditions of issue set out in the Ordinary Share Prospectus, no final dividend will be paid in respect of the Ordinary Shares issued pursuant to the Ordinary Share Issue in respect of the 6 month period ending 28 February 2009.

Limited Voting Ordinary Shares

General

Limited Voting Ordinary Shares are Ordinary Shares which will be identical to, and rank *pari passu* in all respects with, the New Ordinary Shares except that the holders of Limited Voting Ordinary Shares will only carry a limited entitlement to vote in respect of the appointment or removal of Directors and will not carry any entitlement to vote in respect of certain other matters, as set out in section 7.2 of Part 3.

The Limited Voting Ordinary Shares will not be listed on the Official List and will not be traded on or through the facilities of the London Stock Exchange.

Matters requiring shareholder approval under the Listing Rules

Holders of Limited Voting Ordinary Shares will not be entitled to vote on any matters requiring shareholder approval under the Listing Rules, from time to time, including any of the matters set out below:

- subject to an exemption, a cancellation of a primary listing of equity shares;
- subject to an exemption, a cancellation of a secondary listing of equity shares if the shares have previously been converted from being primary listed to secondary listed and the conversion has taken place within two years before the proposed cancellation of the secondary listing of shares;
- any employees' share scheme (if the scheme involves or may involve the issue of new shares or the transfer of treasury shares) and long-term incentive scheme in which one or more directors is entitled to participate;
- the grant of an option, warrant or other right if the price per share payable on the exercise of the option, warrant or other similar right to subscribe is less than whichever of the following is used to calculate the exercise price:
 - the market value of the share on the date when the exercise price is determined; or
 - the market value of the share on the business day before that date; or
 - the average of the market values for a number of dealing days within a period not exceeding 30 days immediately before that date;
- Class 1 Transactions;
- related party transactions (within the meaning of the Listing Rules);
- unless the trust deed or terms of issue of the relevant securities authorise the Company to purchase its own equity shares, the proposed purchase of equity shares where the Company has listed securities convertible into, or exchangeable for, or carrying a right to subscribe for equity shares of the class proposed to be purchased;
- any material change to the published investment policy;
- conversion of an existing class of listed equity securities into a new class or an unlisted class; and
- further issues of shares of the same class as existing shares for cash at a price below the net asset value per share of those shares unless the shares are first offered pro rata to existing holders of shares of that class.

Weighted Voting Rights in Respect of the Appointment and Removal of Directors

Each Ordinary Share will be entitled to one vote per share, except that the voting rights of each Limited Voting Ordinary Share will be reduced in accordance with a weighting mechanism in respect of votes concerning the appointment and removal of Directors only. The weighting mechanism is further described in section 7.2 of Part 3.

Conversion of Limited Voting Ordinary Shares into non-Limited Voting Ordinary Shares

The Limited Voting Ordinary Shares will be convertible at any time into the equivalent number of non-Limited Voting Ordinary Shares either (a) at the holder's request upon certification by the holder that it is not a, and is not holding for the account or benefit of any, US Person or (b) automatically in the event that (i) a takeover offer for the Company is declared unconditional in all respects or (ii) proposals for the liquidation or winding-up of the Company have been approved by the Shareholders in a general meeting.

ZDP Shares

The ZDP Shares are designed to provide a pre-determined final capital entitlement of 215.8925 pence per ZDP Share on 24 June 2009 which ranks behind the Company's creditors (if any) but in priority to the capital entitlements of the Ordinary Shares. ZDP Shares do not carry any entitlement to income and the whole of their return will therefore take the form of capital.

As is usual for securities of this type, the ZDP Shares do not carry the right to vote at all general meetings of the Company but they do carry the right to vote as a class on certain proposals which would be likely to affect materially their position and on any resolution concerning the appointment or removal of Directors.

New ZDP Shares

The New ZDP Shares are substantially similar to the existing ZDP Shares in that they are designed to provide a pre-determined final capital entitlement which ranks behind the Company's creditors (if any) but in priority to the capital entitlements of the Ordinary Shares. They will not carry any entitlement to income and the whole of their return will therefore take the form of capital. The Final Capital Entitlement of the New ZDP Shares will be 369.84 pence on 22 June 2016, being the New ZDP Repayment Date (subject to there being sufficient assets available). Based on the assumptions set out in section 8 of Part 3 of this document (the "**Assumptions**"), including an assumed ZDP Issue Price of 215.80p per New ZDP Share as at 22 June 2009, this equates to a gross Redemption Yield of 8.0 per cent. per annum on the ZDP Issue Price² and 8.0 per cent. per annum on the illustrative initial capital entitlement. The minimum cover over the Final Capital Entitlement is 3.0 times³.

As with the ZDP Shares, the New ZDP Shares will not carry the right to vote at all general meetings of the Company but they will carry the right to vote as a class on certain proposals which would be likely to affect materially their position. Unlike the ZDP Shares, the New ZDP Shares will not carry the right to vote on any resolution concerning the appointment or removal of Directors.

Further New ZDP Shares (or any shares or securities which rank *pari passu* with the New ZDP Shares) may be issued without the separate class approval of New ZDP Shareholders or ZDP Shareholders whether or not the cover for the New ZDP Shares or ZDP Shares at the time of issue would be decreased, if the Directors consider such issue to be in the best interests of the Company and its Shareholders as a whole.

Further details of the New ZDP Shares, including a summary of the proposed amendments to the Articles to include the rights attaching to the New ZDP Shares and to facilitate the conversion of ZDP Shares into New ZDP Shares under the ZDP Rollover Offer, are set out in Part 3 of the ZDP Prospectus.

5. Changes to the Existing Advisory Agreement

A number of amendments to the terms of the Existing Advisory Agreement are proposed, which the Directors believe are in the best interests of all Shareholders. The proposed amendments, which are conditional on approval by Ordinary Shareholders at the EGM (excluding David Zalaznick and John (Jay) W Jordan II, the managing principals of JZAI, whom in aggregate hold approximately 17.97 per cent. of the existing issued ordinary share capital of the Company), include that the advisory agreement is terminable on 30 months' notice (currently 24 months); and notice can only be given after 30 months from the effective date of the Amended Advisory Agreement (currently notice can be given any time after 1 July 2010). In addition it is proposed that, in the event that the amended Advisory Agreement is subsequently terminated, JZAI shall receive a close-out capital gains incentive fee on all unrealised gains net of unrealised losses and carried forward losses (currently the capital gains incentive fee is only payable in respect of realised gains, net of realised losses upon termination).

In the current volatile economic and financial environment, and given the illiquid nature of some of the Company's investment portfolio, the Directors believe it is important to have security of tenure of the investment advisor, JZAI, who has managed JZCP's assets and JZEP's assets since inception and whom the Directors believe is best placed to realise the full potential of the Company's existing assets and take advantage of the future investment opportunities available to JZCP. The Directors believe the proposed amendments will address these aims. The Directors also believe that amending the capital gains incentive fee on termination will help to ensure that assets are managed on a basis to extract maximum value for Shareholders, removing any incentive to prematurely dispose of any assets. Furthermore, David Zalaznick and John (Jay) W Jordan II, the managing principals of JZAI, have agreed to subscribe for Limited Voting Ordinary Shares instead of New Ordinary Shares in the Open Offer, as well as convert at least part of their current Ordinary Share holdings into Limited Voting Ordinary Shares, and by doing so have sacrificed a

2 The redemption yield of a New ZDP Share is not and should not be taken as a forecast of profits and there can be no assurance that the New ZDP Shares will be repaid in full on the New ZDP Repayment Date.

3 Calculated as gross asset value as at 28 February 2009 less (i) capitalised annual management fees and other costs through to the ZDP Repayment Date, (ii) the maximum ZDP Shares available for roll over as at 24 June 2009, each rolled over at 215.80 pence per share, and (iii) the final capital entitlement for ZDP Shares (adjusted for the maximum ZDP Shares available for roll over as at 24 June 2009), divided by the Final Capital Entitlement. The calculation does not factor in potential movements in foreign exchange through to the New ZDP Repayment Date.

number of important voting rights, particularly regarding the control of the Company, that they would otherwise continue to have had as the Company's largest shareholders.

The Existing Advisory Agreement provides that the services of JZAI are not exclusive to the Company and JZAI is expressly permitted to provide advisory and management services to other funds, having invested objectives similar or dissimilar to the Company. The Amended Advisory Agreement differs from the Existing Advisory Agreement here only in the respect that the Amended Advisory Agreement specifically identifies other funds which may receive JZAI's services, such funds presently including Jordan Industries, Inc., JZ International LLC, The Resolute Fund L.P. and prospectively including, a new co-investment limited partnership ("Fund A"). JZAI plans, directly or indirectly through an affiliated entity, to launch Fund A to co-invest up to US\$150 million alongside the Company on a 50/50 basis in its equity investments in Micro-Cap Buyouts. By dividing micro-cap equity investment opportunities between the Company and Fund A, the Company believes that it will, over time, be able to diminish concentration risk in its portfolio. JZAI (or its advising affiliated entity) may, in certain Micro-Cap Buyouts, determine that Fund A should also co-invest alongside the Company in debt securities. In addition, JZAI may, from time to time, launch additional funds for the purpose of co-investing with the Company on such terms as the Company and JZAI shall agree.

6. Related Party Transactions

Each of the Investment Advisor and, as Shareholders of the Company, John (Jay) W Jordan II and David Zalaznick is a related party of the Company for the purposes of the Listing Rules. Certain elements of the Proposals constitute related party transactions (for the purpose of the Listing Rules) between the Investment Advisor or John (Jay) W Jordan II and David Zalaznick on the one hand and the Company on the other hand, as set out below.

Payment of an Ordinary Share Issue Commission to each of John (Jay) W Jordan II and David Zalaznick in respect of their subscriptions under the Open Offer

Each of John (Jay) W Jordan II and David Zalaznick has provided irrevocable commitments to subscribe for US\$12.5 million in respect of the equivalent of their Open Offer entitlements to Ordinary Shares. In connection with these commitments, the Company has agreed to pay each of John (Jay) W Jordan II and David Zalaznick a 1.0 per cent. commitment commission and a 0.5 per cent. completion commission of the value of their respective commitments relating to the equivalent of their respective entitlements to Ordinary Shares under the Ordinary Share Issue. The value of the commission payable to each of John (Jay) W Jordan II and David Zalaznick is US\$187,500.

Accordingly, the payments of such commissions to each of John (Jay) W Jordan II and David Zalaznick, when aggregated with the other related party transactions referred to below, constitute related party transactions of a sufficient size under the Listing Rules and therefore must be approved by Ordinary Shareholders (other than each of John (Jay) W Jordan II and David Zalaznick in respect of the transactions to which he is a related party (for the purposes of the Listing Rules)) at the EGM.

Forced Sale of Shares

The Company has identified 1,722,129 Ordinary Shares (the "Forced Sale Shares") that are held by persons that appear to the Directors to be Non-Qualified Holders in breach of restrictions imposed by the Company in its Articles in order to comply with the US Investment Company Act.

In accordance with the Articles, on 22 May 2009 the Directors have served a final written notice to the holders of the Forced Sale Shares requiring them within 14 days either (a) to make a required disposal of such shares within the meaning of the Company's Articles (a "Required Disposal") or (b) to show to the satisfaction of the Directors that they are not Non-Qualified Holders.

If one or more of such holders does not either make a Required Disposal or show that they are not Non-Qualified Holders (each such holder a "Defaulting Holder"), the Directors intend to exercise their powers under the Articles to arrange for a Required Disposal to be made on their behalf in order for the Company to remain in compliance with applicable regulatory requirements.

The Company has considered the various options available to it to effect a Required Disposal, including a purchase of the Forced Sale Shares by the Company or a market sale of the shares. However, the Board have concluded that these options cannot be effected in compliance with applicable regulatory requirements or, due to the number of shares to be sold in the market at a time when the Company itself is offering new shares, are not in the best interests of the

Company's shareholders, including the Defaulting Holders. Accordingly the Company has reached agreement with John (Jay) W Jordan II and David Zalaznick whereby each has conditionally and irrevocably undertaken to acquire free of any commissions or charges, at the Open Offer Price, such number of the Forced Sale Shares as are the subject of a Required Disposal and not disposed of by the Defaulting Holder within the time specified in the notice, the proceeds of any Required Disposal being for the account of the Defaulting Holder. The Company has also agreed to give an unlimited indemnity to each of John (Jay) W Jordan II and David Zalaznick against any claims which may be brought by any Defaulting Holder in relation to the Required Disposal. As the Company is acting in accordance with the powers that it has under its Articles, the Directors do not believe that any claim that might arise in respect of the exercise of the forced sale provisions in accordance with the Articles would be valid as a matter of Guernsey law.

The proposed unlimited indemnities associated with the acquisition of Forced Sale Shares by each of John (Jay) W Jordan II and David Zalaznick, by virtue of being uncapped, will each constitute a transaction of a sufficient size (classified as a "class 1" transaction under the Listing Rules) and therefore must be approved by Ordinary Shareholders at the EGM. Neither John (Jay) W Jordan II nor David Zalaznick will vote on any Resolution in respect of the transactions to which he is a related party (for the purposes of the Listing Rules). The Listing Rules require that transactions between the Company and its related parties during a 12 month period must be aggregated for the purposes of shareholder approval and therefore the irrevocable commitments and the associated unlimited indemnities must be approved together at the EGM.

The Amended Advisory Agreement

The proposed close-out capital gains incentive fee on all unrealised gains described in the summary of the Amended Advisory Agreement at paragraph 5 above (the "Close-Out Capital Gains Fee") will constitute, by virtue of being an uncapped fee, a transaction of a sufficient size (classified as a "class 1" transaction under the Listing Rules) and therefore must be approved by Ordinary Shareholders at the EGM. Neither John (Jay) W Jordan II nor David Zalaznick, being the principals of the Investment Advisor, will vote on the Resolution in respect of this related party transaction. As mentioned above, the Listing Rules require that transactions between the Company and its related parties during a 12 month period must be aggregated for the purposes of shareholder approval and therefore the Close-Out Capital Gains Fee and the other amendments set out in the Amended Advisory Agreement and described in paragraph 5 above must be approved together at the EGM.

Required Shareholder Approval

The payment of placing commissions to John (Jay) W Jordan II and David Zalaznick and the sale of the Forced Sale Shares to John (Jay) W Jordan II and David Zalaznick and associated unlimited indemnities contemplated above in aggregate constitute related party transactions of a sufficient size for the purposes of the Listing Rules and will therefore require separate approval from shareholders at the EGM. These proposed related party transactions will be subject to Shareholder approval pursuant to Resolutions 3 and 4 to be proposed at the EGM. The Ordinary Share Issue is conditional upon Shareholders approving these Resolutions 3 and 4.

The amendments to the Existing Advisory Agreement also constitute, in aggregate, a related party transaction of a sufficient size for the purposes of the Listing Rules and will therefore require approval from Shareholders at the EGM. These proposed amendments will be subject to Shareholder approval pursuant to Resolution 5 at the EGM. The Ordinary Share Issue is not conditional upon Shareholders approving this Resolutions 5.

The Board believes that the proposed transactions set out in Resolutions 3, 4 and 5 to be proposed at the EGM, together being the "Related Party Transactions", are fair and reasonable as far as the Shareholders are concerned and the Directors have been so advised by Jefferies. Each of John (Jay) W Jordan II and David Zalaznick will abstain, and will take all steps to ensure that their respective associates (as defined in the Listing Rules) will abstain, from voting at the EGM in relation to the Resolution to approve the Amended Advisory Agreement and in relation to the Resolutions to approve the other Related Party Transactions to the extent that he is a related party thereto (for the purposes of the Listing Rules).

7. Summary of the 28 February 2009 Audited Results and Current Trading

Today we announced audited financial results for the period from 14 April 2008 to 28 February 2009.

At the end of the period under review, 28 February 2009, the audited Net Asset Value was US\$257.0 million, a 27.3 per cent. decline since 1 July 2008, compared to a decline in the S&P 500 Composite Total Return Index of 42.8 per cent. and a decline in the Russell 1000 Price Index of 43.4 per cent. Most of the decline was as a result of the decline in the value of JZCP's portfolio of listed equity and bank debt. The Company's private investments performed relatively well, especially given the current market turmoil.

Whilst the Company continues to leverage its deal flow network, reviewing over 250 opportunities since 1 July 2008, it remains cautious about making new "platform" investments but has completed a number of new investments in existing portfolio companies. The Company invested US\$2.1 million in preferred stock of BG Holdings for continued expansion of its wind turbine capability and a further US\$0.6 million in preferred stock to help it make a small product add-on acquisition; invested US\$4.5 million in additional preferred stock of Accutest (ETL Holdings) as part of a US\$9.0 million environmental laboratory acquisition; and invested an additional US\$2.9 million in senior subordinated notes in Continental Cement Company to assist that company's growth plans.

As at 31 March 2009 (being the last practicable date prior to the publication of this document), the aggregate unaudited Net Asset Value of the Company was US\$267.2 million (source: JZCP Board of Directors), representing an increase of 4.0 per cent. since the end of the financial period ending 28 February 2009. Although the underlying health of the Company's portfolio feels robust, some portfolio companies' future performance, especially those with exposure to the housing market and those to general manufacturing business, could be affected by the continuing economic downturn. Despite the current worldwide economic situation, however, the Directors believe that the Company is well positioned to benefit from the opportunities that may emerge.

8. Meetings

Notices convening the Separate Class Meetings and the EGM are set out at the end of this document.

Ordinary Share Class Meeting

The Ordinary Share Class Meeting will be held at Regency Court, Glatigny Esplanade, St Peter Port, Guernsey GY1 3NQ, Channel Islands at 11.00 a.m. on 18 June 2009. At the meeting, Ordinary Shareholders will be asked to consider a special resolution (a) to approve the Resolutions to be proposed at the EGM to sanction any effect on or modification to the rights attaching to the Ordinary Shares which may result from the passing of the Resolutions to be proposed at the EGM or the implementation of the Proposals in respect of the Ordinary Share Issue, (b) to approve the Proposals in respect of the Ordinary Share Issue.

The quorum at the Ordinary Share Class Meeting is two Shareholders holding or representing by proxy at least one third of the voting rights of the issued Ordinary Shares.

ZDP Share Class Meeting

The ZDP Share Class Meeting will be held at Regency Court, Glatigny Esplanade, St Peter Port, Guernsey GY1 3NQ, Channel Islands at 11.05 a.m. on 18 June 2009 (or as soon thereafter as the Ordinary Share Class Meeting shall have concluded or been adjourned). At the meeting, ZDP Shareholders will be asked to consider a special resolution (a) to approve the Resolutions to be proposed at the EGM and to sanction any effect on or modification to the rights attaching to the ZDP Shares which may result from the passing of the Resolutions to be proposed at the EGM or the implementation of the ZDP Proposals and (b) to approve the ZDP Proposals.

The quorum at the ZDP Share Class Meeting is two Shareholders holding or representing by proxy at least one third of the voting rights of the issued ZDP Shares.

EGM

The extraordinary general meeting of the Company will be held at Regency Court, Glatigny Esplanade, St Peter Port, Guernsey GY1 3NQ, Channel Islands at 11.10 a.m. on 18 June 2009 (or as soon thereafter as the ZDP Share Class Meeting shall have concluded or been adjourned). At the meeting, Shareholders will be asked to consider the following Resolutions, of which Resolutions 1 to 6 (inclusive) will be proposed as ordinary resolutions and Resolutions 7 and 8 (inclusive) will

be proposed as special resolutions. All Shareholders will be entitled to vote on Resolutions 2 and 8. Ordinary Shareholders only will be entitled to vote on Resolutions 1, 6 and 7 and also, to the extent such Shareholder is not a related party in respect of the Company for the purposes of the relevant Resolution, Resolutions 3, 4 and 5.

Resolution 1

This Resolution will approve the Ordinary Share Issue, in particular by authorising the Company to proceed with the pre-emptive placing and open offer of up to 227,565,137 Ordinary Shares.

Resolution 2

This Resolution will approve the ZDP Proposals, in particular by authorising the Company to create the New ZDP Shares, proceed with the New ZDP offer for Subscription and the New ZDP Placing and facilitate the conversion, subject to valid elections, of ZDP Shares into New ZDP Shares.

Resolution 3

This Resolution will approve one of the Related Party Transactions, being:

- (a) a transaction involving the Company and John (Jay) W Jordan II whereby John (Jay) W Jordan II has irrevocably undertaken to acquire at least part of the Forced Sale Shares and the Company has undertaken to indemnify him in connection with such acquisition, as described in paragraph 6 above; and
- (b) a transaction involving the Company, and John (Jay) W Jordan II whereby pursuant to the Ordinary Share Issue a commission will be paid to John (Jay) W Jordan II as described in paragraph 6 above.

Resolution 4

This Resolution will approve another of the Related Party Transactions, being:

- (a) a transaction involving the Company and David Zalaznick whereby David Zalaznick has irrevocably undertaken to acquire at least part of the Forced Sale Shares and the Company has undertaken to indemnify him in connection with such acquisition, as described in paragraph 6 above; and
- (b) a transaction involving the Company and David Zalaznick whereby pursuant to the Ordinary Share Issue a commission will be paid to David Zalaznick as described in paragraph 6 above.

Resolution 5

This Resolution will approve the other Related Party Transaction not approved by Resolutions 3 and 4 described above, being a transaction between the Company and the Investment Advisor whereby the Existing Advisory agreement between the Company and the Investment Advisor will be amended and restated in the terms set out in paragraph 5 above.

The Board believes that the Related Party Transactions are fair and reasonable as far as the Shareholders are concerned and the Directors have been so advised by Jefferies.

Resolution 6

This Resolution will approve the Share Consolidation, being the consolidation of all Ordinary Shares on a five for one basis.

Resolution 7

This Resolution will amend the Company's Articles in order to facilitate completion of the Proposals in respect of the Ordinary Share Issue by, *inter alia*, amending the rights attaching to the Ordinary Shares, creating new Limited Voting Ordinary Shares and harmonising the provisions in respect of the forced transfer of Shares in the terms set out in section 7.6 of Part 3 of this document. This Resolution will also amend the Company's memorandum of incorporation to include Limited Voting Ordinary Shares as constituting part of the Company's share capital.

Resolution 8

This Resolution will amend the Company's Articles in order to facilitate completion of the ZDP Proposals by, *inter alia*, amending the rights attaching to the ZDP Shares, attaching a right to convert ZDP Shares into New ZDP Shares and creating New ZDP Shares and, to the extent not already approved under the sixth Resolution to be proposed at the EGM, harmonising the provisions in respect of the forced transfer of Shares in the terms set out in section 7.6 of Part 3

of this document. This Resolution will also amend the Company's memorandum of incorporation to include New ZDP Shares as constituting part of the Company's share capital.

The quorum at the EGM is any two members of the Company present in person or by proxy and entitled to vote.

General

The full text of the Resolutions is set out in the notice convening the EGM at the end of this document.

The majority required for the passing of the resolutions to be put at the Ordinary Share Class Meeting and the ZDP Class Meeting is not less than three-quarters of the votes cast at each meeting. The majority required for the passing of Resolutions 1 to 6 (inclusive) to be put at the EGM is more than half of the votes cast at the EGM and the majority required for the passing of Resolutions 7 and 8 inclusive to be put at the EGM is not less than three-quarters of the votes cast at the EGM. On a show of hands, each Shareholder present in person or by a duly authorised representative or by proxy will have one vote and on a poll each Shareholder present in person or by a duly authorised representative or by proxy will have one vote for each share held.

9. Conditions to the Proposals

The Ordinary Share Issue is subject to the approval of Ordinary Shareholders and the ZDP Rollover Offer and the New ZDP Issue are subject to the approval of Ordinary Shareholders and ZDP Shareholders, as further described in this document.

The Ordinary Share Issue is also conditional on, *inter alia*:

- Resolutions 1, 3, 4 and 7 being passed at the EGM;
- the Ordinary Share Placing Agreement becoming unconditional and not being terminated in accordance with its terms at any time prior to Ordinary Share Admission; and
- Ordinary Share Admission having become effective on or before 8.00 a.m. on 19 June 2009 (or such later time and/or date as the Company and Jefferies may agree, being not later than 8.00 a.m. on 26 June 2009).

The ZDP Proposals are conditional on, *inter alia*:

- Resolutions 2 and 8 being passed at the EGM;
- the New ZDP Placing Agreement becoming unconditional and not being terminated in accordance with its terms at any time prior to ZDP Admission; and
- ZDP Admission having become effective on or before 8.00 a.m. on 22 June 2009 (or such later time and/or date as the Company, Jefferies and JPMC may agree, being not later than 8.00 a.m. on 29 June 2009).

10. Action to be Taken

Ordinary Shareholders

Form of Proxy for Ordinary Share Class Meeting (blue)

Ordinary Shareholders will find enclosed with this letter a blue Form of Proxy for use at the Ordinary Share Class Meeting. Whether or not you intend to attend the Ordinary Share Class Meeting, you are asked to complete and sign the enclosed blue Form of Proxy in accordance with the instructions printed thereon and return it so as to arrive as soon as possible and in any event so as to be received by the Registrars **no later than 11.00 a.m. on 16 June 2009** by posting the blue Form of Proxy, reply paid, to the address printed on the reverse thereof or otherwise by post to Equiniti Limited, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA United Kingdom.

Form of Proxy for EGM (white)

Ordinary Shareholders will find enclosed with this letter a white Form of Proxy for use at the EGM in respect of those Resolutions on which Ordinary Shareholders are entitled to vote. Whether or not you intend to attend the EGM, you are asked to complete and sign the enclosed white Form of Proxy in accordance with the instructions printed thereon and return it so as to arrive as soon as possible and in any event so as to be received by the Registrars **no later than 11.10 a.m. on 16 June 2009** by posting the white Form of Proxy, reply paid, to the address printed on the reverse

thereof or otherwise by post to Equiniti Limited, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA United Kingdom.

Completion and return of the relevant Forms of Proxy will not preclude Ordinary Shareholders from attending the Ordinary Share Class Meeting or the EGM and voting in person, if you wish to do so.

ZDP Shareholders

Form of Proxy for ZDP Class Meeting (pink)

ZDP Shareholders will find enclosed with this letter a pink Form of Proxy for use at the ZDP Class Meeting. Whether or not you intend to attend the ZDP Class Meeting, you are asked to complete and sign the enclosed pink Form of Proxy in accordance with the instructions printed thereon and return it so as to arrive as soon as possible and in any event so as to be received by the Registrars **no later than 11.05 a.m. on 16 June 2009** by posting the pink Form of Proxy, reply paid, to the address printed on the reverse thereof or otherwise by post to Equiniti Limited, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA United Kingdom.

Form of Proxy for EGM (white)

ZDP Shareholders will find enclosed with this letter a white Form of Proxy for use at the EGM in respect of those Resolutions on which ZDP Shareholders are entitled to vote. Whether or not you intend to attend the EGM, you are asked to complete and sign the enclosed white Form of Proxy in accordance with the instructions printed thereon and return it so as to arrive as soon as possible and in any event so as to be received by the Registrars **no later than 11.10 a.m. on 16 June 2009** by posting the white Form of Proxy, reply paid, to the address printed on the reverse thereof or otherwise by post to Equiniti Limited, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA United Kingdom.

Completion and return of the relevant Forms of Proxy will not preclude ZDP Shareholders from attending the ZDP Share Class Meeting or the EGM and voting in person, if you wish to do so.

Form of Election (yellow)

ZDP Shareholders who wish to elect to roll over part or all of their holding of ZDP Shares into New ZDP Shares are requested to complete and return the enclosed yellow Form of Election using the reply paid envelope provided as soon as possible and in any event so as to be received by the Registrars **no later than 11.00 a.m. on 15 June 2009**. ZDP Shareholders who do not return a Form of Election shall be deemed to have elected to redeem their entire holding of ZDP Shares for cash on 24 June 2009. Additionally, in the case of incomplete or illegible returned Forms of Election, it shall be assumed that such ZDP Shareholder wishes to redeem all of their ZDP Shares for cash. A Form of Election may be withdrawn until 9.00 a.m. on 22 June 2009 (or such later time on 22 June 2009 as the Board resolves that the relevant ZDP Shares have converted into New ZDP Share pursuant to the Forms of Election) by notice in writing delivered to the registered office of the Company.

By completing and delivering a Form of Election, you thereby represent and warrant that you are not a, and are not completing and delivering the Form of Election on behalf of any, US Shareholder.

The Board cannot and does not offer any advice or recommendation to ZDP Shareholders as to whether or not to accept the ZDP Rollover Offer.

11. Overseas Shareholders

In order to ensure that there is no breach of any securities laws applicable in any overseas jurisdictions, none of the documents accompanying this document (other than the Forms of Proxy) will be sent to any Shareholder whose address in the Company's register of members is outside the UK. Any such Shareholder may specify an address in the UK to which such documents may be despatched. If the Proposals become effective, ZDP Shareholders:

- (a) with addresses in the Company's register of members which are outside the UK; and
- (b) whom the Company, the Investment Advisor, the Registrars, Jefferies, JPMC or any of their respective agents believes to be resident in or citizens of, or holding ZDP Shares on behalf of a person who is resident in or a citizen of, any country outside the UK,

shall be deemed to have irrevocably elected to redeem all of their ZDP Shares for cash in accordance with the rights attaching to their ZDP Shares.

The implications of the Proposals, as regards Shareholders who are citizens, residents or nationals of jurisdictions outside the UK, may be affected by the laws of the relevant jurisdictions. Such Overseas Shareholders should inform themselves about and observe any applicable legal requirements.

It is the responsibility of each Overseas Shareholder to satisfy himself as to the full observance of the laws of the relevant jurisdiction in connection with the Proposals, including the obtaining of any governmental or other consents which may be required and compliance with other necessary formalities and the payment of any issue, transfer or other taxes due in such jurisdiction.

It is the responsibility of Shareholders who are citizens, residents or nationals of jurisdictions outside the United Kingdom to ensure that the correct rate of postage is paid before returning the enclosed Forms of Proxy.

12. Further Information

You should read the whole of this document and the accompanying documents and not just rely on the information in this letter. Your attention is drawn to the section entitled "Key Risk Factors" in Part 4 of this document and the notices of the Meetings at the end of this document.

13. Open Offer Intentions of Directors

David Macfarlane, the chairman of the Company intends to apply for New Ordinary Shares pursuant to his Open Offer entitlement amounting to 140,000 New Ordinary Shares.

14. Shareholders' Intentions

Shareholders which in aggregate hold approximately 37.0 per cent. of the issued Ordinary Shares as at 19 May 2009 (being the latest practicable date prior to publication of this document) have irrevocably committed to vote in favour of the Proposals.

15. Importance of the Vote

The Company is of the opinion that it does not have sufficient working capital for its present requirements, that is for at least the next 12 months from the date of this document.

The Company currently has 45,662,313 ZDP Shares in issue which have a redemption date of 24 June 2009 and a total redemption cost (including the cost of an associated forward foreign exchange contract) of US\$185.9 million. As at 30 April 2009, the Company had cash deposits of approximately US\$103.7 million. The Directors believe the Company would have a funding shortfall of US\$82.2 million on 24 June 2009 and a maximum funding shortfall in the next 12 months following the date of this document of US\$83.8 million, as a result of the timing of receipts of income and expenses during this period.

The Board intends to use part of the net cash proceeds of the Ordinary Share Issue to meet the liability for the ZDP Share redemption. The Company has received irrevocable commitments from existing Ordinary Shareholders and a new investor to subscribe for \$86.0 million in the Ordinary Share Issue, which together with the existing cash deposits of approximately US\$103.7 million on 30 April 2009, would be sufficient to satisfy the liability for the ZDP Share redemption in full. The Ordinary Share Issue requires Resolutions 1, 3, 4 and 7 be approved by the Ordinary Shareholders, the latter of which requires a majority of 75 per cent. of the votes cast by those Ordinary Shareholders voting at the EGM, which is expected to be held on 18 June 2009. **The Directors are confident, assuming the Ordinary Share Issue proceeds (and commitments under the irrevocable commitments referred to above are forthcoming), that the Company would rectify the current shortfall in working capital for its present requirements, that is for at least the next 12 months from the date of this document.**

In order to reduce the Company's liability in connection with the ZDP Share redemption, the Board has announced the ZDP Proposals at the same time as announcing the Ordinary Share Issue. The final outcome of the ZDP Proposals will not be known until the closing of the ZDP Proposals and is dependent upon approval by ZDP Shareholders at the ZDP Class Meeting expected to be held on 18 June 2009. The resolution to be proposed at the ZDP Class Meeting will require a majority of 75 per cent. of the votes cast at that meeting in order to be passed.

If the Ordinary Share Issue does not proceed and the Company has a funding shortfall as a consequence of either the ZDP Proposals not proceeding, or the ZDP Proposals proceeding, but not sufficiently to reduce the maximum funding shortfall in the next 12 months, the Company proposes to provide the working capital considered necessary by the Board through a number of other initiatives, including not in order of priority:

- disposing of its listed equity and debt investments;
- disposing of its mezzanine debt investments;
- disposing of its other assets; and
- negotiating a loan facility.

The Board has commenced evaluating these options, although remains confident that its proposals for both the Ordinary Share Issue and the ZDP Proposals will, if successful, be sufficient to meet the maximum funding shortfall.

To the extent that such actions are not successful and the Company is unable to secure other sources of finance, the Company would be unable to redeem the ZDP Shares and would not be able to trade as a going concern. If the Company is unable to redeem the ZDP Shares in accordance with their terms on 24 June 2009 and in the absence of any other proposal which would provide ZDP Shareholders within 21 days of an amount of cash not less than such holders would otherwise have been entitled to receive on a winding up of the Company, the Board, in accordance with the Articles, would be required to convene an extraordinary general meeting where a resolution requiring the Company to be voluntarily wound up would be proposed. At that general meeting, in accordance with the Articles, if any ZDP shareholder votes in favour of the resolution, irrespective of the votes cast against the resolution, the resolution would be passed and the Company wound up.

Accordingly, it is very important that Shareholders vote in favour of the Proposals in order that the Ordinary Share Issue and ZDP Proposals can proceed which will allow the Company to be able to meet the potential ZDP Share redemption liability without having to dispose any of its assets on significantly worse terms than it would expect to achieve in a better financial and economic environment.

16. Recommendation

The Board, considers that the Proposals described herein, including the Related Party Transactions approval of which is being sought pursuant to Resolutions 3, 4 and 5 to be proposed at the EGM, are in the best interests of the Company and both the Ordinary Shareholders as a whole and the ZDP Shareholders as a whole. The Board believes that the Related Party Transactions contemplated by Resolutions 3, 4 and 5 to be proposed at the EGM are fair and reasonable as far as the Shareholders are concerned and the Board have been so advised by Jefferies. Accordingly, the Board unanimously recommends that, to the extent you hold Shares of the relevant class, you vote in favour of each of the resolutions to be proposed at the Separate Class Meetings and the EGM, as the Directors intend to do in respect of their own beneficial holdings, representing 220,000 Ordinary Shares.

When considering what action you should take, you are recommended to seek your own financial advice from your stockbroker, bank manager, solicitor, accountant or other professional adviser duly authorised under the Financial Services and Markets Act 2000 (as amended).

Yours sincerely

David Macfarlane
Chairman

PART 3 – FURTHER DETAILS OF THE PROPOSALS

1. Details of the Ordinary Share Issue and ZDP Proposals

1.1 *New Ordinary Shares and Limited Voting Ordinary Shares*

- The Company is proposing to raise up to approximately US\$147.2 million through a pre-emptive Open Offer to Qualifying Shareholders.
- Under the Open Offer, the Company is offering up to 227,565,137 New Ordinary Shares to Qualifying Shareholders on a pre-emptive basis, *pro rata* to their existing holding of Ordinary Shares on the basis of 7 New Ordinary Shares for every 3 existing Ordinary Shares held by them at the Record Date and so on in proportion for any other number of existing Ordinary Shares then held.
- Open Offer Entitlements may not be offered, sold, taken up, delivered or transferred in or into the United States. Certain Ordinary Shareholders that are Qualifying US Persons are being given the opportunity to subscribe for such number of Ordinary Shares as they would have been entitled to subscribe for under the Open Offer had they not been US Persons (this is being effected under the Ordinary Share Placing and is not subject to clawback under the Open Offer from Qualifying Shareholders).
- The Open Offer is not being underwritten. The Company has, however, received irrevocable commitments from John (Jay) W Jordan II and David W Zalznick to subscribe for an aggregate of 38,649,614 Ordinary Shares representing US\$25.0 million in respect of the equivalent of their entitlements under the Open Offer. In addition, the Company has received irrevocable commitments from other Ordinary Shareholders to subscribe for their entitlements (or their equivalent) under the Open Offer in respect of 38,992,874 Ordinary Shares representing US\$25.2 million. Existing Ordinary Shareholders who wish to subscribe for Ordinary Shares in excess of their *pro rata* entitlements (or their equivalent) under the Open Offer and new investors who wish to participate in the Ordinary Share Issue, have been given the opportunity to subscribe for additional Ordinary Shares which will be subject to clawback to satisfy valid applications from Qualifying Shareholders under the Open Offer and Qualifying US Persons in respect of the equivalent of their *pro rata* entitlements under the Ordinary Share Placing. The Company has received such further irrevocable commitments from an existing Ordinary Shareholder and a new investor in respect of 55,353,377 Ordinary Shares subject to clawback representing US\$35.8 million. In aggregate, the Company has received irrevocable commitments to subscribe for Ordinary Shares totalling approximately US\$86.0 million and accordingly this represents the minimum level of gross proceeds expected to be raised by the Company pursuant to the Ordinary Share Issue. The actual amount of gross proceeds to be raised will depend on the level of take-up by Qualifying Shareholders under the Open Offer, although in any event, will not exceed US\$147.2 million. *Pro rata* entitlements to New Ordinary Shares under the Open Offer will be based on the maximum amount of gross proceeds to be raised by the Company of approximately US\$147.2 million.
- Qualifying US Persons have the option to subscribe for either New Ordinary Shares or Limited Voting Ordinary Shares under the Ordinary Share Placing.
- The Limited Voting Ordinary Shares are being created and made available so that certain of the Company's existing Shareholders and certain new investors that are Qualifying US Persons may participate in the Ordinary Share Issue without causing the Company to be treated as a US domestic company for the purposes of US securities laws and/or a controlled foreign corporation ("CFC") for US tax purposes.
- Limited Voting Ordinary Shares will be issued fully paid at the Ordinary Share Issue Price and will be identical to, and rank *pari passu* in all respects with, the New Ordinary Shares except that the Limited Voting Ordinary Shares will only carry a limited entitlement to vote in respect of the appointment or removal of Directors and will not carry any entitlement to vote in respect of certain other matters.
- The Limited Voting Ordinary Shares will not be listed on the Official List.
- David W Zalznick and John (Jay) W Jordan II, the beneficial owners of the Investment Advisor, have elected, to the extent required to ensure that the Company continues to be treated as a foreign private issuer and is not treated as a CFC (as described above),

to subscribe for Limited Voting Ordinary Shares in respect of their *pro rata* entitlements under the Ordinary Share Placing and in respect of any further Shares that they intend to subscribe for. They have also agreed to convert, again to the extent required to ensure that the Company continues to be treated as a foreign private issuer and is not treated as a CFC, their existing holding of Ordinary Shares into Limited Voting Ordinary Shares.

- Qualifying Shareholders who are not Qualifying US Persons are not being given the opportunity to convert their Shares into Limited Voting Ordinary Shares or to subscribe for Limited Voting Ordinary Shares pursuant to the Ordinary Share Issue. Following completion of the Ordinary Share Issue, in the event that a non-US Person acquires Limited Voting Ordinary Shares, such non-US Person will be able to convert the Limited Voting Ordinary Shares into non-Limited Voting Ordinary Shares upon certification that he/it is not a, and is not holding for the account or benefit of any, US Person.
- In the event that the Proposals become effective, the Company's share capital will comprise Ordinary Shares (excluding Limited Voting Ordinary Shares), Limited Voting Ordinary Shares, ZDP Shares (until all outstanding ZDP Shares are redeemed on 24 June 2009) and New ZDP Shares. On the basis that the Ordinary Share Issue is fully subscribed and based on the irrevocable commitments received by the Company pursuant to the Ordinary Share Issue, it is expected that the Company's Ordinary Share capital will comprise up to a maximum of 155,761,150 Ordinary Shares and a maximum of 71,803,987 Limited Voting Ordinary Shares.

1.2 **ZDP Shares and New ZDP Shares**

Subject to the passing of the requisite resolutions at the Meetings and completion of the ZDP Rollover Offer:

- Each ZDP Share will carry a right to conversion into a New ZDP Share which will be exercisable to the extent that a valid election is made and returned using the enclosed yellow Form of Election
- Forthwith upon conversion, any share certificates relating to ZDP Shares so converted shall be cancelled and the Company shall issue to each such former holder of ZDP Shares new certificates in respect of the New ZDP Shares which have arisen upon conversion unless such former holder of ZDP Shares elects to hold their New ZDP Shares in uncertificated form
- Forthwith upon conversion the rights attaching under the New Articles to the ZDP Shares so converted shall lapse and be of no further effect and instead the New ZDP Shares which have arisen upon conversion shall have the rights attaching to New ZDP Shares under the New Articles
- The Company will use its reasonable endeavours to procure that, upon conversion, the New ZDP Shares arising upon conversion are admitted to the Official List
- ZDP Shareholders who are US Shareholders and any other ZDP Shareholders who have not made a valid election to roll over their ZDP Shares, will be deemed to have declined the ZDP Rollover Offer and such ZDP Shares will be redeemed for cash on 24 June 2009.
- The Company will issue and allot New ZDP Shares pursuant to the New ZDP Issue

2. **Settlement and dealings in New Ordinary Shares and New ZDP Shares**

Applications have been made to the UK Listing Authority for the New Ordinary Shares and the New ZDP Shares to be admitted to the Official List and to the London Stock Exchange for such shares to be admitted to trading on its main market for listed securities. If the Proposals become effective, it is expected that the New Ordinary Shares and the New ZDP Shares will be admitted to the Official List on, and that the first day of dealings in such shares on the London Stock Exchange will be, in the case of New Ordinary Shares, 19 June 2009 and, in the case of New ZDP Shares, 22 June 2009.

The New Ordinary Shares and the New ZDP Shares will be issued in registered form and will be credited as fully paid. The New Ordinary Shares and the New ZDP Shares may be held in certificated (which is mandatory for US Persons) or uncertificated form. Shareholders who hold their existing Shares in certificated form will receive any new Shares issued to them in certificated form. It is expected that share certificates in respect of such new Shares will be despatched to the Shareholders entitled thereto on 30 June 2009. Shareholders (other than any Shareholders who

are US Persons) who hold their existing ZDP Shares in uncertificated form will receive any New ZDP Shares issued to them under the ZDP Rollover Offer in uncertificated form, although the Company reserves the right to issue such shares in certificated form (which, in normal circumstances, is only likely to be exercised in the event of an interruption, failure or breakdown of CREST or of the facilities or system operated by the Company's registrar in connection with CREST). (Any Shareholders who are US Persons who hold their existing Shares in uncertificated form will receive any new Shares issued to them in certificated form.) The Company will procure that Euroclear is instructed, on the date on which Admission becomes effective, to credit the appropriate stock accounts in CREST of the Shareholders concerned with their respective entitlements to the new Shares issued to them in uncertificated form. The stock accounts concerned will be accounts under the same participant IDs and member account IDs as appeared on the relevant dematerialised instruction concerned.

After the Proposals have become effective, certificates in respect of existing ZDP Shares converted into New ZDP Shares under the ZDP Rollover Offer will cease to be of value for any purpose.

3. The Share Consolidation

Following implementation of the Ordinary Share Issue, the Company is proposing to consolidate the Ordinary Share capital on a one for five basis. The Share Consolidation will take effect on the third dealing day following Admission.

The proposed Share Consolidation will have no impact on an Ordinary Shareholder's proportionate holding of Ordinary Shares in the Company, save for fractional share entitlements, however the overall number of Ordinary Shares in issue will be reduced by a factor of five.

Following the Share Consolidation, the rights attaching to the Ordinary Shares will remain unchanged.

4. Settlement and dealings in Limited Voting Ordinary Shares

No application will be made for the Limited Voting Ordinary Shares allotted pursuant to the Proposals to be admitted to the Official List or on any other recognised securities exchange. However, upon conversion of any Limited Voting Ordinary Shares into Ordinary Shares in accordance with the New Articles, the Company will use its reasonable endeavours to procure that the Ordinary Shares arising upon such conversion are admitted to the Official List and to trading on the London Stock Exchange's market for listed securities.

5. Ordinary Share Dividends

The Board has not yet declared a final dividend for the period to 28 February 2009. Following completion of the Proposals, the Board will evaluate the Company's financial and capital resources and consider whether or not to declare a final dividend in respect of such period.

In the event that the Board decides to declare a final dividend to 28 February 2009, all existing Ordinary Shareholders on the register as at the record date for any such dividend, will rank for the final dividend. Holders of New Ordinary Shares and, save for Limited Voting Ordinary Shares arising on conversion of Ordinary Shares pursuant to the Proposals, Limited Voting Ordinary Shares will not be entitled to the final dividend, if any, declared in respect of the period to 28 February 2009.

All dividends in respect of the New Ordinary Shares and Limited Voting Ordinary Shares will be paid in US dollars, rather than in GB sterling, unless the relevant Shareholder has elected, by notice in writing to the Company received by the Company (at the office of its registrars) prior to the relevant record date as regards the dividend, to receive the dividend in GB sterling, in which event the relevant dividend will be paid to that Shareholder in GB sterling, with each US dollar otherwise payable by the Company being translated into GB sterling at the rate actually achieved by the Company on a sale of the US dollars for GB sterling on or around the fifth business day prior to the relevant dividend payment date. The Company will not be responsible to any Shareholder for any loss or alleged loss arising from any such sale of US dollars. Any election to receive dividends in GB sterling rather than in US dollars will remain in force for all subsequent dividend payments to the Shareholder making the election unless and until revoked by the Shareholder by notice in writing to the Company received by the Company (at the office of its registrars) prior to the relevant record date as regards any subsequent dividend payment.

6. **Overseas Shareholders**

This document and the documents which accompany it have been prepared for the purpose of complying with Guernsey law and the Listing Rules. The information disclosed herein and therein may not be the same as that which would have been the case had this document and the documents which accompany it been prepared in accordance with the laws of other jurisdictions. The distribution of this document and the documents which accompany it in jurisdictions outside the United Kingdom may be restricted by law and therefore persons into whose possession this document and/or any of the documents which accompany it comes should inform themselves about and observe such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

Subject to certain exceptions, the New Ordinary Shares and New ZDP Shares are only being offered and sold outside of the United States to non-US Persons in reliance on Regulation S under the US Securities Act and the New Ordinary Shares and Limited Voting Ordinary Shares are only being offered to certain Qualifying US Persons in reliance on an exemption from the registration requirements of the US Securities Act. None of the existing Ordinary Shares, New Ordinary Shares, Limited Voting Ordinary Shares or New ZDP Shares has been, or will be, registered under the US Securities Act or the state securities laws of the United States and, subject to certain exceptions, none of them may be offered or sold in the United States. The Company has not been and will not be registered as an investment company under the US Investment Company Act, and investors will not be entitled to the benefits of the US Investment Company Act. Accordingly, subject to certain exceptions, neither this document nor the accompanying forms are being or may be, directly or indirectly, mailed, transmitted or otherwise forwarded, distributed or sent, in whole or in part, in or into the United States and persons receiving such documents (including brokers, custodians, trustees and other nominees) must not, directly or indirectly, mail, transmit or otherwise forward, distribute or send this document or the accompanying forms in or into the United States.

Furthermore, the New ZDP Placing and Offers are not being made, directly or indirectly, in or into the United States by use of mail or by any means or instrumentality of interstate commerce (including, without limitation, facsimile transmission, telex, telephone, email or internet) or of any facility of a national securities exchange, of the United States or otherwise, and the New ZDP Placing and Offers are not capable of acceptance by any such use, means, instrumentality or facility, or otherwise from within the United States.

US Shareholders are not eligible to accept the New ZDP Placing and Offers and all ZDP Shares held by US Shareholders will be redeemed for cash in accordance with the rights attaching to the ZDP Shares in the Articles.

7. **Summary of proposed amendments to the Articles**

7.1 **Creation of Limited Voting Ordinary Shares**

The Limited Voting Ordinary Shares are substantially similar to the existing non-Limited Voting Ordinary Shares in that they are designed to provide an entitlement to income and capital which ranks behind the Company's creditors (if any), the ZDP Shares and the New ZDP Shares but *pari passu* to the rights and entitlements of the non-Limited Voting Ordinary Shares. However, unlike the holders of non-Limited Voting Ordinary Shares who are entitled to receive notice of, attend and vote upon any resolution proposed to Shareholders in general meeting, the holders of Limited Voting Ordinary Shares shall have more restricted voting rights. It is anticipated that only US Persons will hold Limited Voting Ordinary Shares, the principal purpose of allotting Limited Voting Ordinary Shares to US Persons being to avoid the Company being treated as a controlled foreign company for US tax purposes or as a US domestic company for US securities laws purposes. Details of these restricted voting rights are set out in section 7.2 below.

7.2 **Voting Rights Attaching to Ordinary Shares and Limited Voting Ordinary Shares**

- (a) All Ordinary Shares will vote together as a class on all matters (other than those matters affecting only the rights of the holders of either the non-Limited Voting Ordinary Shares or the Limited Voting Ordinary Shares alone, such matters being limited to the voting rights of each respective class).

- (b) Each non-Limited Voting Ordinary Share and Limited Voting Ordinary Share will be entitled to one vote per Share, except that the voting rights of each Limited Voting Ordinary Share will be reduced in accordance with a weighting mechanism in respect of votes concerning the appointment and removal of Directors only.
- (c) Limited Voting Ordinary Shares are Ordinary Shares which will be identical to, and rank *pari passu* in all respects with, the New Ordinary Shares except that the holders of Limited Voting Ordinary Shares will not be entitled to vote on any of the matters set out below:
- Subject to any exemption set out in the Listing Rules, a cancellation of a primary listing of equity shares;
 - Subject to any exemption set out in the Listing Rules, a cancellation of a secondary listing of equity shares if the shares have previously been converted from being primary listed to secondary listed and the conversion has taken place within two years before the proposed cancellation of the secondary listing of shares;
 - Any employees' share scheme (if the scheme involves or may involve the issue of new shares or the transfer of treasury shares) and long-term incentive scheme in which one or more Directors is entitled to participate;
 - The grant of an option, warrant or other right if the price per share payable on the exercise of the option, warrant or other similar right to subscribe is less than whichever of the following is used to calculate the exercise price:
 - the market value of the share on the date when the exercise price is determined; or
 - the market value of the share on the business day before that date; or
 - the average of the market values for a number of dealing days within a period not exceeding 30 days immediately before that date;
 - Class 1 Transactions;
 - related party transactions (within the meaning of the Listing Rules);
 - Unless the trust deed or terms of issue of the relevant securities authorise the Company to purchase its own equity shares, the proposed purchase of equity shares where the Company has listed securities convertible into, or exchangeable for, or carrying a right to subscribe for equity shares of the class proposed to be purchased;
 - Any material change to the published investment policy;
 - Conversion of an existing class of listed equity securities into a new class or an unlisted class; and
 - Further issues of shares of the same class as existing shares for cash at a price below the net asset value per share of those shares unless the shares are first offered *pro rata* to existing holders of shares of that class.
- (d) The weighting mechanism provides that the total votes of all of the holders of the Limited Voting Ordinary Shares, together with the total votes of all of the holders of the non-Limited Voting Ordinary Shares that are US residents, may not be more than the total votes of all of the holders of the non-Limited Voting Ordinary Shares that are non-US residents (i.e. the total votes of all of the holders of the Limited Voting Ordinary Shares, together with the total votes of all of the holders of the non-Limited Voting Ordinary Shares that are US residents may not be greater than 49.99 per cent. of the total potential votes). This applies even where not all shareholders exercise their right to vote. The weighting is based on total potential votes of the holders of all of the Ordinary Shares, and the total number of non-Limited Voting Ordinary Shares held by US residents (which will change from time to time). The votes of the non-Limited Voting Ordinary Shares held by US residents are counted as votes of non-Limited Voting Ordinary Shares (i.e. not Limited Voting Ordinary Shares), and are weighted accordingly, always carrying one vote per Ordinary Share.

- (e) The formula for calculating the weighting accorded to each vote of the Limited Voting Ordinary Shares is thus:

$$\left(\left(\frac{A - B}{0.5001} \right) - A \right) / C$$

where:

A = the number of non-Limited Voting Ordinary Shares outstanding;

B = the number of non-Limited Voting Ordinary Shares held by residents of the United States (as used in Rule 3b-4 under the US Exchange Act); and

C = the number of Limited Voting Ordinary Shares outstanding.

- (f) The resulting figure is the fraction of one vote accorded to each Limited Voting Ordinary Share for the appointment and removal of Directors, provided, however, that each Limited Voting Ordinary Share may never be given more than one vote per share in the event that the resulting figure is greater than 1.00.
- (g) Subject to the foregoing, the holders of the non-Limited Voting Ordinary Shares and Limited Voting Ordinary Shares shall have the right to receive notice of, to attend and to vote at all general meetings of the Company; provided that no Shareholder shall be entitled to vote at any general meeting if any call or other sum immediately payable by him in respect of his Shares in the Company remains unpaid or if a Shareholder has been served by the Directors with a direction notice in the prescribed manner.

7.3 **Other Rights Attaching to the Limited Voting Ordinary Shares**

- (a) *Income*

As with the non-Limited Voting Ordinary Shares, Limited Voting Ordinary Shares shall carry the right to receive the profits of the Company available for distribution by dividend and resolved to be distributed by way of dividend, to be made at such time as determined by the Directors and will rank in full for all dividends and other distributions declared, paid or made and, subject to section 7.3(c) below, will rank *pari passu* with the non-Limited Voting Ordinary Shares in all other respects.

- (b) *Capital*

On the winding-up or other return of capital of the Company, the liquidator may divide amongst the Shareholders the whole or any part of the assets of the Company and may determine how such division shall be carried out as between the Shareholders or different classes of Shareholders, subject to the rights and entitlements to the return of capital under the New Articles of the holders of ZDP Shares and New ZDP Shares provided that the non-Limited Voting Ordinary Shares and the Limited Voting Ordinary Shares shall rank *pari passu* in all respects. This distribution shall be made after payments of all debts in satisfaction of all liabilities of the Company (including the cost of winding-up if applicable). On any distribution of capital profits or reserves, or other return of capital, the non-Limited Voting Ordinary Shares and the Limited Voting Ordinary Shares shall rank *pari passu* in all respects.

- (c) *Conversion of Ordinary Shares into Limited Voting Ordinary Shares*

(i) An Ordinary Shareholder who is a US Person or is holding non-Limited Voting Ordinary Shares on behalf of or for the benefit of a US Person shall have the right to convert once per calendar month all or any part of such non-Limited Voting Ordinary Shares into Limited Voting Ordinary Shares on the basis of one Limited Voting Ordinary Share for every non-Limited Voting Ordinary Share so converted by complying with section 7.3(c)(ii) below. The Limited Voting Ordinary Shares registered in a holder's name will be evidenced by a share certificate issued by the Company.

- (ii) In order to exercise the conversion right set out in section 7.3(c)(i) above:

(A) in respect of any non-Limited Voting Ordinary Shares in certificated form, the holder must lodge the relevant non-Limited Voting Ordinary Share certificate(s) (or such other document as the Company may, in its discretion, accept) at the registered office of the Company accompanied by a notice of exercise of conversion rights in such form as the Company may, in its discretion, accept and which shall include (without limitation) a certification by the holder that it

is a US Person or is holding such non-Limited Voting Ordinary Shares on behalf of or for the benefit of a US Person (an “Ordinary Share Conversion Notice”). Once lodged, an Ordinary Share Conversion Notice shall be irrevocable save with the consent of the Directors. Compliance must also be made with any statutory and regulatory requirements for the time being applicable; and

- (B) in respect of any non-Limited Voting Ordinary Shares that are in uncertificated form, the holder must procure that a properly authenticated rematerialised instruction and/or other instruction or notification (together, a “Rematerialised Instruction”) is received by the Company or by such person as it may require in such form and subject to such terms and conditions as may from time to time be prescribed by the Directors (subject always to the facilities and requirements of the relevant system concerned) and that an Ordinary Share Conversion Notice corresponding to the Rematerialised Instruction is lodged at the registered office of the Company. The Directors may in addition determine when any such Rematerialised Instruction is to be treated as received by the Company or by such person as it may require for these purposes (subject always to the facilities and requirements of the relevant system concerned). Without prejudice to the generality of the foregoing, the effect of the Rematerialised Instruction referred to above may be such as to divest the holder of non-Limited Voting Ordinary Shares concerned of the power to transfer such non-Limited Voting Ordinary Shares to another person. In either case compliance must also be made with any statutory requirements then applicable. Whether any non-Limited Voting Ordinary Shares are in certificated form or uncertificated form on the date of any Ordinary Share Conversion Notice shall be determined by reference to the register of holders of non-Limited Voting Ordinary Shares as at 12.01 a.m. on the lodgement date of the Ordinary Share Conversion Notice or such other time as the Directors may (subject to the facilities and requirements of the relevant system concerned) in their absolute discretion determine.
- (iii) Without prejudice to the conversion rights set out in section 7.3(c)(i) above and subject to section 7.3(c)(iv) below:
- (A) in the event that in excess of 50 per cent. of the Ordinary Shares then in issue are held by US Persons or persons holding such Ordinary Shares on behalf or for the benefit of US Persons, the Company may by written notice require the holders of non-Limited Voting Ordinary Shares who are US Persons or are holding non-Limited Voting Ordinary Shares on behalf or for the benefit of US Persons to convert such number of non-Limited Voting Ordinary Shares into Limited Voting Ordinary Shares *pro rata* to their holdings of non-Limited Voting Ordinary Shares so as to ensure that 50 per cent. or less of the non-Limited Voting Ordinary Shares then in issue are held by US Persons or persons holding such non-Limited Voting Ordinary Shares on behalf or for the benefit of US Persons (any such written notice by the Company being a “Required Conversion Notice”); and
 - (B) no person may acquire Ordinary Shares if, immediately after such acquisition, a US Holder would beneficially own more than 9.9 per cent. of the voting power of the Ordinary Shares (determined, with respect to the Ordinary Shares (including Limited Voting Ordinary Shares), without regard to any voting rights of the New ZDP Shares). Any Ordinary Shares acquired in contravention of this provision shall be sold by such person within 29 days of the date of the acquisition. Any Ordinary Shares not sold by such person within 29 days of the date of the acquisition shall be deemed to be held by a trust on the thirtieth day following the date of the acquisition of such Ordinary Shares, and such person will acquire no rights in such Ordinary Shares except as the trustee for the benefit of such trust. Any person acquiring Ordinary Shares will be deemed to have represented and warranted by its acquisition that a US Holder will not, immediately after such acquisition, beneficially own more than 9.9 per cent. of the voting power of the Ordinary

Shares (determined, with respect to the Ordinary Shares (including Limited Voting Ordinary Shares), without regard to any voting rights of the New ZDP Shares).

- (iv) Upon receipt of a Required Conversion Notice:
 - (A) in respect of any non-Limited Voting Ordinary Shares that are in certificated form, the holder of non-Limited Voting Ordinary Shares shall lodge the relevant non-Limited Voting Ordinary Share certificate(s) (or such other document as the Company may, in its discretion, accept) at the registered office of the Company and compliance must also be made with any statutory and regulatory requirements for the time being applicable;
 - (B) in respect of any non-Limited Voting Ordinary Shares that are in uncertificated form, the holder of non-Limited Voting Ordinary Shares must procure that a Rematerialised Instruction is received by the Company or by such person as it may require in such form and subject to such terms and conditions as may from time to time be prescribed by the Directors (subject always to the facilities and requirements of the relevant system concerned). The Directors may in addition determine when any such Rematerialised Instruction is to be treated as received by the Company or by such person as it may require for these purposes (subject always to the facilities and requirements of the relevant system concerned). Without prejudice to the generality of the foregoing, the effect of the Rematerialised Instruction referred to above may be such as to divest the holder of non-Limited Voting Ordinary Shares concerned of the power to transfer such non-Limited Voting Ordinary Shares to another person. In either case compliance must also be made with any statutory requirements then applicable. Whether any non-Limited Voting Ordinary Shares are in certificated form or uncertificated form on the date of any Required Conversion Notice shall be determined by reference to the register of holders of Ordinary Shares as at 12.01 a.m. on the date of the Required Conversion Notice or such other time as the Directors may (subject to the facilities and requirements of the relevant system concerned) in their absolute discretion determine.
- (v) Limited Voting Ordinary Shares arising pursuant to any elected or required conversion will be redesignated not later than 21 days after and with effect from the date of, in the case of an elected conversion, the lodgement of the Ordinary Share Conversion Notice or, in the case of a required conversion, the issue of the Required Conversion Notice (in each case the "Conversion Notice Date") and certificates in respect of such Limited Voting Ordinary Shares will be despatched (at the risk of the person(s) entitled thereto) not later than 3 business days after delisting of the relevant non-Limited Voting Ordinary Shares pursuant to section 7.3(c)(vi) below to the person(s) in whose name(s) the non-Limited Voting Ordinary Shares are registered at the Conversion Notice Date (and, if more than one, to the first-named, which shall be sufficient despatch for all) or (subject as provided by law and to the payment of stamp duty reserve tax or any like tax as may be applicable) to such other person(s) (not being more than four in number) as may be named in the form of nomination available for the purpose from the Company (and, if more than one, to the first-named, which shall be sufficient despatch for all). In the event of a partial conversion of a holding of non-Limited Voting Ordinary Shares evidenced by a non-Limited Voting Ordinary Share certificate, the Company shall at the same time issue a fresh non-Limited Voting Ordinary Share certificate in the name of the holder for any balance of his Ordinary Shares, in relation to any non-Limited Voting Ordinary Shares that are in certificated form. Unless the Directors otherwise determine, or unless the Regulations and/or the rules of the relevant system concerned otherwise require, the Limited Voting Ordinary Shares arising on any conversion shall be or shall be redesignated (as appropriate) in certificated form.

- (vi) No application will be made to the Financial Services Authority or the London Stock Exchange for the Limited Voting Ordinary Shares arising pursuant to any elected or required conversion to be admitted to the Official List and to trading on the London Stock Exchange and any non-Limited Voting Ordinary Shares converted to Limited Voting Ordinary Shares shall be delisted upon such conversion.
- (d) *Conversion of Limited Voting Ordinary Shares into Ordinary Shares*
- (i) Subject to section 7.3(d)(ii) below, a holder of Limited Voting Ordinary Shares shall have the right to convert once per calendar month all or any of his Limited Voting Ordinary Shares into non-Limited Voting Ordinary Shares on the basis of one non-Limited Voting Ordinary Share for every Limited Voting Ordinary Share so converted by complying with section 7.3(d)(ii) below. The Limited Voting Ordinary Shares registered in a holder's name will be evidenced by a share certificate issued by the Company.
 - (ii) In order to exercise the conversion right set out in section 7.3(d)(i) above in respect of any Limited Voting Ordinary Shares that are in certificated form, in whole or in part, the holder must lodge the relevant Limited Voting Ordinary Share certificate(s) (or such other document as the Company may, in its discretion, accept) at the registered office of the Company accompanied by a notice of exercise of conversion rights which:
 - (A) includes (without limitation) a certification by the holder that it is neither a US Person nor holding such Limited Voting Ordinary Shares on behalf or for the benefit of a US Person;
 - (B) relates solely to Limited Voting Ordinary Shares the conversion of which will not cause the Company to be treated as other than a foreign private issuer as defined in Rule 3b-4 under the US Exchange Act and/or treated as a controlled foreign corporation for US tax purposes; or
 - (C) has been lodged when a takeover offer (within the meaning of The City Code on Takeovers and Mergers) in respect of the Company has been declared unconditional in all respects or proposals for the liquidation or winding up of the Company have been approved by the Shareholders in a general meeting,and is in such form as the Company may, in its discretion, accept (a "Limited Voting Ordinary Share Conversion Notice"). Once lodged, a Limited Voting Ordinary Share Conversion Notice shall be irrevocable save with the consent of the Directors. Compliance must also be made with any statutory and regulatory requirements for the time being applicable.
 - (iii) Without prejudice to the conversion rights set out in section 7.3(d)(i) above, all Limited Voting Ordinary Shares in issue at the relevant time shall automatically convert into non-Limited Voting Ordinary Shares on the basis of one non-Limited Voting Ordinary Share for every Limited Voting Ordinary Share so converted in the event that:
 - (A) a takeover offer (within the meaning of the Takeover Code) in respect of the Company has been declared unconditional in all respects;
 - (B) proposals for the liquidation or winding-up of the Company have been approved by the holders of Shares in a general meeting; or
 - (C) the Company is compulsorily wound up.
 - (iv) Non-Limited Voting Ordinary Shares arising pursuant to the exercise of conversion rights will be redesignated not later than 21 days after and with effect from the lodgement date of the Limited Voting Ordinary Shares Conversion Notice, certificates in respect of such non-Limited Voting Ordinary Shares will be despatched (at the risk of the person(s) entitled thereto) no later than three business days after the admission of the relevant non-Limited Voting Ordinary Shares pursuant to section 7.3(d)(v) below to the person(s) in whose name(s) the Limited Voting Ordinary Shares are registered at the date of such exercise (and, if more than one, to the first-named, which shall be sufficient despatch for all) or (subject as provided by law and to the payment of stamp duty reserve tax or any

like tax as may be applicable) to such other person(s) (not being more than four in number) as may be named in the form of nomination available for the purpose from the Company (and, if more than one, to the first-named, which shall be sufficient despatch for all). In the event of a partial exercise of the conversion rights, the Company shall at the same time issue a fresh Limited Voting Ordinary Share certificate in the name of the holder for any balance of his Limited Voting Ordinary Shares. Unless the Directors otherwise determine, or unless the Regulations and/or the rules of the relevant system concerned otherwise require, the non-Limited Voting Ordinary Shares arising on exercise of any conversion rights shall be or shall be redesignated (as appropriate) in certificated form.

- (v) Applications will be made to the Financial Services Authority and the London Stock Exchange for the non-Limited Voting Ordinary Shares arising pursuant to any exercise of conversion rights to be admitted to the Official List and to trading on the London Stock Exchange's market for listed securities and the Company will use all reasonable endeavours to obtain the admission thereof not later than 27 days after the relevant lodgement date.

(e) *Variation of rights attaching to Ordinary Shares*

For the avoidance of doubt any variation or abrogation of the rights attaching to the non-Limited Voting Ordinary Shares (save as may arise on conversion of non-Limited Voting Ordinary Shares into Limited Voting Ordinary Shares or *vice versa*, pursuant to sections 7.3(c) and (d) above) or a subdivision of the non-Limited Voting Ordinary Shares shall be a variation of the rights attaching to the Limited Voting Ordinary Shares.

7.4 **Creation of New ZDP Shares**

The New ZDP Shares are substantially similar to the existing ZDP Shares in that they are designed to provide a pre-determined final capital entitlement which ranks behind the Company's creditors (if any) but in priority to the capital entitlements of the Ordinary Shares, they will carry no entitlement to income and the whole of their return will therefore take the form of capital. However, the Final Capital Entitlement of New ZDP Shares will be 369.84 pence and is not payable until 22 June 2016 (subject to there being sufficient assets available).

As with the ZDP Shares, the New ZDP Shares will not carry the right to vote at all general meetings of the Company but they will carry the right to vote as a class on certain proposals which would be likely to affect materially their position.

Further New ZDP Shares (or any shares or securities which rank *pari passu* with the New ZDP Shares) may be issued without the separate class approval of New ZDP Shareholders or ZDP Shareholders whether or not the cover for the New ZDP Shares or ZDP Shares at the time of issue would be decreased, if the Directors consider such issue to be in the best interests of the Company and its Shareholders as a whole.

7.5 **Rights Attaching to the New ZDP Shares**

In order to implement the ZDP Proposals, the Company is proposing a resolution to amend the Articles at the EGM in order to accommodate the New ZDP Shares and the conversion of ZDP Shares into New ZDP Shares under the ZDP Rollover Offer. Subject to the requisite resolutions being passed, the New Articles will contain the following provisions:

(a) *Income*

The New ZDP Shares carry no right to receive dividends out of revenue or any other profits of the Company.

(b) *Capital*

On a return of capital, on a winding up or otherwise, the assets of the Company available for distribution to members in accordance with The Companies Law shall be applied as follows:

- (i) first, there shall be paid to holders of:

- (A) the ZDP Shares an amount equal to 100p per ZDP Share as increased on the twenty-fourth day of each month at such rate compounded each month as will give an entitlement to 215.8925p at 24 June 2009, the first such increase to be deemed to have occurred on 24 July 1999 and the last to occur on 24 June 2009; and
 - (B) the New ZDP Shares an amount equal to 215.80p per New ZDP Share as increased on the twenty-fourth day of each month at such rate compounded each month as will give an entitlement to 369.84p at 22 June 2016, the first such increase to be deemed to have occurred on 22 July 2009 and the last to occur on 22 June 2016; and
- (ii) secondly, there shall be paid to the holders of the Ordinary Shares the balance of the assets of the Company available for distribution in accordance with The Companies Law and the New Articles.
- (c) *Voting rights*
- (i) The holders of New ZDP Shares shall have the right to receive notice of, but shall not have the right to attend or vote at, any general meeting of the Company except:
 - (A) upon any resolution to alter, modify or abrogate the special rights or privileges attached to the New ZDP Shares; and
 - (B) upon any New ZDP Liquidation Resolution (as defined in section 7.5(e)(iii) below), New ZDP Recommended Resolution (as defined in section 7.5(f)(i) below), or New ZDP Reconstruction Resolution (as defined in section 7.5(f)(v) below),

and, save as otherwise provided in sections 7.5(c)(ii) or 7.5(c)(iii) below, on a show of hands each holder of New ZDP Shares present in person and entitled to vote shall have one vote and upon a poll each such holder who is present in person or by proxy and entitled to vote shall have one vote in respect of every New ZDP Share held by him.
 - (ii) Notwithstanding any other provision of the New Articles, on any vote on a New ZDP Liquidation Resolution, each holder of New ZDP Shares present in person or by proxy who votes in favour of such resolution shall, on a poll, have such number of votes in respect of each New ZDP Share held by him (including fractions of a vote) that the aggregate number of votes cast in favour of the resolution is four times the aggregate number of such Shares in respect of which votes are cast against the resolution and each member present in person or by proxy and entitled to vote who votes against such resolution shall on a poll have one vote for each Share held by him. Any vote on any New ZDP Liquidation Resolution shall be by means of a poll.
 - (iii) Notwithstanding any other provision of the New Articles, on any vote on a New ZDP Recommended Resolution or New ZDP Reconstruction Resolution each holder of New ZDP Shares present in person or by proxy shall, on a poll, have such number of votes in respect of each New ZDP Share held by him (including fractions of a vote) that the aggregate number of votes cast in favour of the resolution is four times the aggregate number of votes cast against the resolution and each member present in person or by proxy and entitled to vote who votes against such resolution shall on a poll have one vote for each Share held by him; provided that, if any term of any offer referred to in section 7.5(f)(iii) below or any arrangement referred to in sections 7.5(f)(i) or 7.5(f)(v) below (as the case may be) shall (as regards any one or more members) have been breached in any material respect of which the chairman of the relevant meeting has written notice prior to the commencement of such meeting then, notwithstanding anything in the New Articles to the contrary, each member shall, at any such meeting at which such Shareholder is present in person or by proxy, and entitled to vote, on a poll have one vote for every such Share held by him. Any vote on any New ZDP Reconstruction Resolution or New ZDP Recommended Resolution shall be by means of a poll.

(d) *Class rights*

The Company shall not without the previous sanction of an Extraordinary Resolution of the holders of the New ZDP Shares passed at separate meetings of such holders convened and held in accordance with the provisions of the New Articles:

- (i) issue any further Shares or rights to subscribe or convert any securities into Shares or reclassify issued share capital into Shares of a particular class where such Shares rank, or would on issue, conversion or reclassification rank, as to capital in priority to or *pari passu* with the New ZDP Shares (taking account for this purpose of any intra-group liabilities corresponding to and supporting such shares or securities), save that the Company may, subject to the provisions of the New Articles, issue further Shares, rights or securities provided that the Directors shall have calculated and the auditors of the Company shall have reported to the Directors on such calculations within 60 days prior to the proposed issue or reclassification that, were the further shares to be issued or the shares to be reclassified or rights of subscription or conversion to be issued and immediately exercised at the date of the report, the New ZDP Shares in issue immediately thereafter would have a cover of not less than 2.1 times. For this purpose, the cover of the New ZDP Shares shall represent a fraction where the numerator is equal to the total net assets of the Company at the end of the immediately preceding financial year and the denominator is equal to the amount which would be paid on the New ZDP Shares as a class (and on all Shares ranking as to capital in priority thereto or *pari passu* therewith, save to the extent already taken into account in the calculation of the total of share capital and reserves) in a winding up of the Company on the relevant repayment date. In calculating such cover, the Directors shall:
 - (A) use the figures set out in the most recently filed audited accounts of the Company;
 - (B) assume that the share capital or rights proposed to be issued or arising on reclassification had been issued and/or exercised and/or reclassified at the end of the financial period dealt with in such accounts;
 - (C) adjust the total net assets of the Company at the end of the said financial period by adding the minimum gross consideration (if any) which would be received upon such issue, reclassification or exercise;
 - (D) take account of the entitlements to be attached to the new shares or securities or rights to be issued;
 - (E) aggregate the final capital entitlements of the New ZDP Shares derived from the said accounts and the capital entitlements of the new shares or securities or rights to be issued as aforesaid;
 - (F) make such other adjustments as they consider appropriate; or
- (ii) pass any resolution, other than any New ZDP Recommended Resolution or New ZDP Reconstruction Resolution, releasing the Directors from their obligations to convene an extraordinary general meeting at which a New ZDP Liquidation Resolution is to be proposed or otherwise vary the effect of sections 7.5(f)(i) to 7.5(f)(vi) (inclusive) below; or
- (iii) pass a resolution to reduce the capital of the Company (including undistributable reserves and uncalled capital) in any manner, or any resolution authorising the Directors to purchase shares in the Company, other than a New ZDP Liquidation Resolution, New ZDP Reconstruction Resolution, New ZDP Recommended Resolution or any of the equivalent resolutions in respect of ZDP Shares; or
- (iv) pass any resolution to wind up the Company, other than a New ZDP Liquidation Resolution, New ZDP Reconstruction Resolution, a New ZDP Recommended Resolution or any of the equivalent resolutions in respect of ZDP Shares; or
- (v) alter any object set out in the Company's memorandum of incorporation; or
- (vi) pass any resolution which authorises the Directors to pay a dividend out of the Company's capital reserve; or

- (vii) pass any resolution authorising or permitting any increase in the Company's borrowing limit.

Notwithstanding anything to the contrary in the New Articles, one of the rights attaching to the Ordinary Shares, Limited Voting Ordinary Shares and New ZDP Shares shall be that the passing and implementation of any New ZDP Liquidation Resolution, New ZDP Reconstruction Resolution, New ZDP Recommended Resolution shall be in accordance with the rights attached to the Ordinary Shares, Limited Voting Ordinary Shares and New ZDP Shares, with the result that neither the passing nor the implementation of any such resolution shall be treated as varying, modifying or abrogating such rights and so that the consent or sanction of any such class of Shares as a separate class shall not be required thereto.

(e) *Redemption*

- (i) The Company shall redeem all, and not some only, of the New ZDP Shares at 369.84p per share on the New ZDP Repayment Date.
- (ii) Redemption of the New ZDP Shares is subject to any restrictions imposed by law.
- (iii) If the Company is unable to redeem all of the New ZDP Shares on 22 June 2016 then, subject to sections 7.5(f)(i), 7.5(f)(iii) and 7.5(f)(v) below, the Directors shall convene an extraordinary general meeting of the Company to be held as soon as reasonably practicable following the New ZDP Repayment Date at which a special resolution (the "New ZDP Liquidation Resolution") shall be proposed requiring the Company to be forthwith wound up voluntarily pursuant to section 391 of The Companies Law.

(f) *Recommended resolutions, offers and reconstruction resolutions*

- (i) Notwithstanding the provisions of the New Articles described in section 7.5(e)(iii) above in the event that at any general meeting(s) held after 30 April 2016 but on or prior to the twenty-first day following the New ZDP Repayment Date (and before the passing of a ZDP Liquidation Resolution or New ZDP Liquidation Resolution) there is proposed any resolution or resolutions recommended by the Directors and complying with the provisions of section 7.5(f)(ii) below (a "New ZDP Recommended Resolution") the effect of which would be that the holders of the New ZDP Shares would, in consideration or in consequence of the repurchase or other repayment in respect of their New ZDP Shares, receive by not later than 21 days after the New ZDP Repayment Date an amount in cash equal to not less than the amount to which such holders would otherwise have been entitled on the winding-up of the Company as a result of the passing of the New ZDP Liquidation Resolution or the equivalent resolution in respect of the ZDP Shares (ignoring any option any holders of New ZDP Shares may be given to elect to receive their entitlement otherwise than in cash), then section 7.5(e)(iii) above shall not apply.
- (ii) No New ZDP Recommended Resolution shall involve the winding-up of the Company or other return of capital in respect of the Ordinary Shares or any variation, modification or abrogation of any of the rights or privileges attaching to the Ordinary Shares or Limited Voting Ordinary Shares.
- (iii) Notwithstanding the provisions of section 7.5(e)(iii) above if all the holders of the New ZDP Shares receive an offer recommended by the Directors and complying with the provisions of section 7.5(f)(iv) below (whether from the Company or any other person) which becomes or is declared unconditional after 30 April 2016 but on or prior to the twenty-first day following the New ZDP Repayment Date (and before the passing of a ZDP Liquidation Resolution or New ZDP Liquidation Resolution), under which such holders (or holders other than the offeror and/or persons acting in concert with the offeror) would receive not later than 21 days after the New ZDP Repayment Date an amount in cash equal to not less than the amount to which such holders would otherwise have been entitled on the winding-up of the Company as a result of the passing of a ZDP Liquidation Resolution or New ZDP Liquidation Resolution (ignoring any option any holders of New ZDP Shares may be given to elect to receive alternative consideration pursuant to the offer), then section 7.5(e)(iii) above shall not apply.

- (iv) Any such offer as is referred to in section 7.5(f)(iii) above must be stated to be, in the opinion of a financial advisor appointed by the Directors, fair and reasonable and in the interests of the members as a whole.
- (v) Notwithstanding the provisions of section 7.5(e)(iii) above in the event that at any general meeting(s) held after 30 April 2016 but on or prior to the twenty-first day following the New ZDP Repayment Date (and before the passing of a ZDP Liquidation Resolution or New ZDP Liquidation Resolution) there is proposed any resolution or resolutions recommended by the Directors and complying with the provisions of section 7.5(f)(vi) below (a “New ZDP Reconstruction Resolution”) to (aa) wind up the Company voluntarily or any other arrangement which the Directors consider to be of substantially similar effect or (bb) effect any other arrangement by means of a reduction of capital, distribution in specie or any other lawful procedure or arrangement whatsoever whether or not involving the winding-up of the Company in either case such that the holders of the Ordinary Shares and the New ZDP Shares shall receive not later than 21 days after the New ZDP Repayment Date an amount in cash estimated by the Directors to be not less than that to which the Directors estimate that such holders would respectively otherwise be entitled on a winding-up as a result of the passing of a ZDP Liquidation Resolution or New ZDP Liquidation Resolution on the New ZDP Repayment Date in accordance with section 7.5(e)(iii) above (ignoring any option any of them may be given to elect to receive their entitlements otherwise than in cash pursuant to the arrangement), then section 7.5(e)(iii) above shall not apply.
- (vi) Any New ZDP Reconstruction Resolution must be stated to be, in the opinion of a financial advisor appointed by the Directors, fair and reasonable and in the interests of the members as a whole.

7.6 Modification of the Forced Transfer Provisions

Under the Articles, the Company has the ability to enforce, by way of forced disposal of shares, the prohibition on the sale or transfer of Shares to any person to whom such sale or transfer, or in relation to whom the holding of Shares (whether directly or indirectly affecting such person, and whether taken alone or in conjunction with other persons, connected or not, or any other circumstances appearing to the Directors to be relevant) might result in the Company incurring certain types of liability to taxation or suffering certain pecuniary, fiscal, administrative or regulatory disadvantages. These include: a US Person that is not a Qualified Purchaser (for the purposes of the US Investment Company Act); a Benefit Plan Investor (for the purposes of ERISA); or a citizen or resident of the United States or a relative of a citizen or resident of the United States, a US partnership, a US corporation or a certain type of estate or trust, if ownership of any shares or any other equity securities of the Company by such person would materially increase the risk that the Company could be or become a “controlled foreign corporation” within the meaning of the US Code.

The New Articles include harmonising amendments which are intended to make the Company’s existing rights to enforce the prohibition on certain sales or transfers more coherent. Furthermore, certain relevant provisions of ERISA have been amended in recent years, and the forced transfer provisions in the New Articles apply to a more limited category of Benefit Plan Investors to take advantage of these amendments. The forced transfer provisions of the New Articles also make explicit that the Company can force the transfer of its Ordinary Shares in order to retain its status as a “foreign private issuer” for the purposes of US securities laws.

Subject to the requisite resolutions being passed, the New Articles will contain the following provisions:

(a) Disclosure Notice

The Directors may at any time give notice in writing to the holder (or to any or each one of joint holders) of a share or other security of the Company requiring him within such reasonable period as may be specified in the notice to show to their satisfaction whether or not a Restricted Person or other Non-Qualified Holder is interested in such share or other security of the Company. If within 14 days after the giving of such notice (or such extended time as in all the circumstances the Directors shall consider reasonable or shorter period as may be required to comply with law or avoid a pecuniary or tax

disadvantage to the Company) they are not so satisfied, the Directors may declare that a Restricted Person or other Non-Qualified Holder is interested in such share or other security of the Company.

(b) *Transfer Notice*

If it shall come to the notice of the Directors that any shares or other securities of the Company are held directly or beneficially by any Restricted Person or other Non-Qualified Holder, or the Directors have declared that a Restricted Person or other Non-Qualified Holder is interested in any shares or other securities of the Company, then the Directors may serve written notice (a "Transfer Notice") on a registered holder of any Restricted Security and on any other person who appears to them to be a Restricted Person or other Non-Qualified Holder (or any one of such persons where shares or other securities are registered in joint names) in relation to those shares or other securities of the Company setting out the restrictions on the same (as set out in Article 10(6) of the New Articles) and calling for a required transfer or other disposal or disposals of all Restricted Securities. Such transfer or other disposal shall not be made to another person who, in the sole and conclusive determination of the Directors, is a Restricted Person or other Non-Qualified Holder or which would cause any other person to become a Restricted Person or other Non-Qualified Holder (a "Required Disposal") and shall be made within 14 days of the service of the Transfer Notice on the registered holder (or such longer period as the Directors consider reasonable or shorter period as may be required to comply with law or avoid a pecuniary or tax disadvantage to the Company). However, certain Restricted Persons may, at the discretion of the Directors, have an opportunity of not more than three months or such other amount of time as determined by the Directors to dispose of any shares or other equity securities of the Company such that such person would, as determined by the Directors, no longer materially increase the risk that the Company could be or become a "controlled foreign corporation" within the meaning of the US Code. Upon the giving of a Transfer Notice and save for the purpose of a required disposal, no transfer of any Restricted Securities (or any interest therein) may be made until either the Transfer Notice has been withdrawn or a Required Disposal has been made to the satisfaction of the Directors.

(c) *Forced disposal*

If the Transfer Notice has not been complied with in all respects to the satisfaction of the Directors and has not been withdrawn, the Directors may in their sole discretion, so far as they are able, arrange for a Required Disposal to be made at the best price reasonably obtainable at the relevant time and shall give written notice within such reasonable time as the Directors shall determine of such disposal to the former registered holder. The manner, timing and terms under which any such Required Disposal is made or sought to be made by the Directors (including but not limited to the price or prices at which the same is made and the extent to which assurance is obtained that no transferee is or would become a Restricted Person) shall be such as the Directors determine, based upon advice from bankers, brokers or other appropriate persons consulted by them for the purpose, to be reasonably practicable having regard to all the circumstances (including but not limited to the number of shares or other securities to be disposed of and the requirement for the disposal be made without delay); and the Directors shall not be liable for any of the consequences of reliance on such advice.

(d) *Suspension of rights and privileges*

On and after the date of a Transfer Notice, and until registration of the Required Disposal or withdrawal of the Transfer Notice, any rights and privileges attaching to the Restricted Security will be suspended and not capable of exercise other than as specifically set forth in sections 7.6(b) and (c) above. A registered holder of a Restricted Security on whom a Transfer Notice has been served shall not in respect of that share or other security of the Company be entitled, until such time as the Transfer Notice either has been complied with to the satisfaction of the Directors or withdrawn, to attend or vote in person or, except as follows, by proxy, at any General Meeting of the Company or at any separate meeting of the holders of any class of such shares or other securities of the Company, and any such registered holder shall be deemed to have appointed the Chairman of any such meeting as his proxy in respect of the rights

to attend and to demand and vote on a poll attached to the Restricted Security. The manner in which the Chairman exercises or refrains from exercising any such right shall be entirely at his discretion. The Chairman of any such meeting shall be informed by the Directors of any share or other security becoming or being deemed to be a Restricted Security.

7.7 Other amendments to the Articles

The New Articles contain a general right, subject to an ordinary resolution of the Ordinary Shareholders in general meeting, for the Board to sanction the conversion of any shares in the capital of the Company into shares in the capital of the Company of another class, subject to the pre-existing rights attached to any class of shares in the capital of the Company (including, *inter alia*, the requirement for approval by extraordinary resolution of any class of holders shares in the capital of the Company affected by any such conversion).

8. Assumptions

Save as otherwise stated, the illustrative return statistics in relation to the New ZDP Shares, and other relevant financial information and statistics contained in this document, have been based on or calculated on the principal bases and assumptions set out below. These are assumptions only and may not be fulfilled in practice. The Assumptions and the illustrative Final Capital Entitlement for the New ZDP Shares set out in paragraph 4 of Part 2 of this document above are not, and should not be taken as, a forecast of profits and there can be no assurance that the New ZDP Shares will be repaid in full on the New ZDP Repayment Date.

- On the date that the New ZDP Shares are issued, the Gross Assets are valued at US\$483.7 million and its capital structure comprises 325.1 million Ordinary Shares and 27.0 million ZDP Shares.
- The expenses of the Proposals are US\$6.0 million.
- The Company issues 27.0 million New ZDP Shares at 215.80 pence per share. The aggregate gross value of the New ZDP Shares to be issued is £58.2 million.
- The Company issues 227.6 million New Ordinary Shares at 42.0 pence per share. The aggregate gross value of the New Ordinary Shares to be issued is £95.6 million.
- The yield on the New ZDP Shares is 8.0 per cent. per annum on the ZDP Issue Price, equivalent to a 8.0 per cent. yield on the illustrative initial capital entitlement.
- The final capital entitlement of the ZDP Shares expiring in 2009 is paid in full at 215.89 pence per ZDP Share.
- Other than pursuant to the Ordinary Share Issue, no additional funds are raised via equity or debt issues.
- The rights attaching to Ordinary Shares and ZDP Shares are not altered and subject to the Ordinary Share Issue, no further shares are issued and no further shares are cancelled or purchased.
- Constant US\$/GB sterling exchange rate, of 1.54 (as published by Bloomberg as at close of business on 19 May 2009).
- Contracted US\$/GB sterling exchange rate for the current hedge arrangement is 1.886.
- Miscellaneous expenses of 0.4 per cent. of Gross Assets per annum.
- The Company's management fee is paid quarterly in advance and assumes the fee arrangements described in section 7.2 of Part 5 of this document.
- Proceeds of the New ZDP Issue, distributions received from the Investment Portfolio, capital calls and dividends paid to Ordinary Shareholders result in at least 30.0 per cent. of the Company's assets being held in cash through to the New ZDP Repayment Date.
- Performance fees assume the fee arrangements described in section 7.2 of Part 5 of this document.
- Illustrative Redemption Yield calculated in respect of a New ZDP Share as the rate of discount on the New ZDP Shares are issued (expressed as a percentage per annum) which, when applied to the projected future cashflows attributable to that New ZDP Share, produces an amount equal to the ZDP Issue Price.
- The Company generates cash interest on deposits of 2.0 per cent. per annum.

- The Company makes no new investments prior to the New ZDP Repayment Date.
- The Company makes no disposals prior to the New ZDP Repayment Date.
- 100.0 per cent. of annual pre-dividend cash flow is paid out as a full year dividend to the Ordinary Shares.
- 35 per cent. of the forecast management fees and other expenses through to the New ZDP Repayment Date are capitalised for the purposes of calculating the cover.

9. Further information

Your attention is drawn to the key risk factors in Part 4 of this document, to the further information in Part 5 of this document, to the definitions in Part 6 of this document and to the notices of the Meetings at the end of this document.

All documents and remittances despatched to or from Shareholders or their appointed agents in connection with the Proposals will be despatched at the Shareholders' own risk.

PART 4 – KEY RISK FACTORS

The table below sets out the various sections of such documents which are incorporated by reference into this document, so as to provide the information required pursuant to the Listing Rules and to ensure that Shareholders and others are aware of all information which is necessary to enable Shareholders and others to make an informed assessment in respect of the resolutions to be proposed at the Meetings. These documents are also available on the Company's website at www.jzcp.co.uk.

Document	Section	Page number(s) in such document
Ordinary Share Prospectus	Risk Factors	10 to 26 (inclusive)
ZDP Prospectus	Risk Factors	9 to 24 (inclusive)

Information that is itself incorporated by reference or referred or cross-referred to in these documents is not incorporated by reference into this document. Except as set forth above, no other portion of these documents is incorporated by reference into this document.

PART 5 – ADDITIONAL INFORMATION

1. Responsibility

The Directors, whose names appear in section 3.1 below, accept responsibility for the information contained in this document. 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 document is in accordance with the facts and does not omit anything likely to affect the import of such information.

2. Share capital

2.1 As at 19 May 2009 (being the latest practicable date prior to the publication of this document), the authorised and issued share capital of the Company was as follows:

	Authorised		Issued and fully paid	
	No.	£	No.	£
Ordinary Shares	N/A	unlimited	97,527,916	nil par value
ZDP Shares	N/A	unlimited	45,662,313	nil par value

2.2 As at 19 May 2009 (being the latest practicable date prior to the publication of this document), no share or loan capital of the Company was under option or had been agreed, conditionally or unconditionally, to be put under option.

3. Directors and their interests

3.1 The names and business address of the Directors, all of whom are non-executive, are as follows:

David Macfarlane (Chairman)
 David Allison
 Patrick Firth
 James Jordan
 Tanja Tibaldi

all of PO Box 211, 2nd Floor, Regency Court, Glatigny Esplanade, St Peter Port, Guernsey GY1 3NQ, Channel Islands (the registered office of the Company).

3.2 In so far as is known to the Company, as at 19 May 2009 (being the latest practicable date prior to publication of this document), the interests (all of which were beneficial) of each of the Directors and their respective connected persons, the existence of which is known to, or could with reasonable diligence be ascertained by, the relevant Director, were as follows:

	No. of Ordinary Shares as at 19 May 2009	% of issued Ordinary Shares as at 19 May 2009	No. of Ordinary Shares following the Proposals becoming effective	% of issued Ordinary Shares following the Proposals becoming effective⁵
Director				
David Macfarlane	60,000	0.062	200,000 ⁴	0.062
David Allison	—	—	—	—
Patrick Firth	—	—	—	—
James Jordan	150,000	0.154	150,000	0.046
Tanja Tibaldi	10,000	0.010	10,000	0.003

3.3 Except as set out above, none of the Directors nor any persons connected with the Directors has an interest in Shares of the Company. None of the Investment Advisor, the Administrator, the Registrar, the Custodian or the Auditor has any interest in the Shares of the Company.

3.4 There are no service agreements in existence between the Company and any of the Directors, nor are any such contracts proposed.

⁴ On the basis of the statement of intention received from David Macfarlane.

⁵ On the basis that the Ordinary Share Issue is fully subscribed.

- 3.5 No Director is or has been interested in any transaction which is or was unusual in its nature or conditions or significant to the business of the Company and which was effected by the Company in the financial period commencing with the incorporation of the Company on 14 April 2008 and ending on 28 February 2009 or in the current financial year.

4. Substantial share interests

As at 19 May 2009 (being the latest practicable date prior to the publication of this document), in so far as is known to the Company, the following persons are directly or indirectly interested in three per cent. or more of the Company's share capital:

Shareholder	No of Ordinary Shares as at 19 May 2009	% of issued Ordinary Shares as at 19 May 2009
David W. Zalaznick	8,764,372	8.99
John W. Jordan as trustee	8,086,372	8.29
Leucadia Financial Corporation	6,791,346	6.96
National Financial Services	5,419,546	5.56
CIBC Wood Gundy	5,000,000	5.13
Massachusetts Mutual Life Insurance Company	4,299,817	4.41
Fairholme Capital Management LLC	4,289,439	4.40
Prudential Client HSBC GIS Nominee (UK)	4,281,464	4.39
Legal & General	4,269,355	4.38
Deutsche Bank AG London	3,910,084	4.01
Third Avenue Management	3,111,000	3.19

Shareholder	No. of ZDP Shares as at 19 May 2009	% of issued ZDP Shares as at 19 May 2009
Rensburg Sheppards plc	7,189,355	15.74
Brewin Dolphin Investment Managers Ltd	4,324,008	9.47
Best Investment Brokers	2,633,035	5.77
New Star Asset Management	2,400,000	5.26
Premier Asset Management Ltd	2,260,426	4.95
Duncan Lawrie Investment Company	1,392,008	3.05

5. Service Contracts

- 5.1 No Director has a service contract with the Company, nor are any such contracts proposed. The Directors were appointed as non-executive directors by letters dated 16 April 2008 which state that their appointment and any subsequent termination or retirement shall be subject to three months' notice from either party and otherwise to the Articles. Each director's appointment letter provides that, upon the termination of his appointment, that director must resign in writing and all records remain the property of the Company. The Directors' appointments can be terminated in accordance with the Articles and without compensation. There is no notice period specified in the Articles for the removal of directors. The Articles provide that the office of director shall be terminated by, among other things: (a) written resignation; (b) unauthorised absences from board meetings for six months or more; (c) unanimous written request of the other directors; and (d) an ordinary resolution of the Company. Each director is entitled to an annual fee of US\$60,000 (US\$85,000 for the chairman).
- 5.2 In connection with his work in respect of transitional matters in October and November 2008 and the Proposals since December 2008, the Board has agreed to pay the Chairman an additional monthly fee of US\$12,500 until the Proposals are completed. As at 31 March 2009, the Chairman had received US\$75,000 for such work.

6. Voting rights

- (a) As at 19 May 2009 (being the latest practicable date prior to publication of this document), the Company's issued share capital consisted of 97,527,916 Ordinary Shares and 45,662,313 ZDP Shares.

- (b) Only Ordinary Shareholders are entitled to attend the class meeting of Ordinary Shareholders and to vote on the special resolution to be proposed thereat. As regards such special resolution, each Ordinary Shareholder has one vote on a show of hands and on a poll each Ordinary Share carries one vote and therefore the total voting rights in the Company in respect of such resolution are 97,527,916.
- (c) Only ZDP Shareholders are entitled to attend the class meeting of ZDP Shareholders and to vote on the special resolutions to be proposed thereat. As regards such special resolutions, each ZDP Shareholder has one vote on a show of hands and on a poll each ZDP Share carries one vote and therefore the total voting rights in the Company in respect of such resolutions are 45,662,313.
- (d) All Shareholders will be entitled to attend the extraordinary general meeting and to vote on Resolution 2, being an ordinary resolution, and Resolution 8, being a special resolution, to be proposed at such meeting. Therefore the total voting rights in the Company in respect of such Resolutions are 143,190,229. Ordinary Shareholders only will be entitled to vote on Resolutions 1 and 6 and, to the extent such Shareholder is not a related party in respect of the Company for the purposes of such Resolution, Resolutions 3, 4 and 5, all such resolutions being ordinary resolutions, and on Resolution 7, being a special resolution, to be proposed at such meeting. Therefore the total voting rights in the Company in respect of such Resolutions are 97,527,916. As regards the Resolutions, on a show of hands each Shareholder has one vote and on a poll each Share carries one vote.

7. Material contracts

The following contracts have been entered into by the Company: (a) since the date of incorporation of the Company and are, or may be, relevant in order to make a properly informed assessment of the Related Party Transactions contemplated in Resolutions 3, 4 and 5 to be proposed at the EGM; (b) since the date of incorporation of the Company and are, or may be, material to it as at the date of this document; or (c) contain provisions under which the Company has any obligation or entitlement which is material to it as at the date of this document:

7.1 Existing Advisory Agreement

An investment advisory and management agreement dated 12 May 2008 (the “**Existing Advisory Agreement**”), between the Company and the Investment Advisor pursuant to which the Company has appointed the Investment Advisor to act as its Investment Advisor and manager. Subject to the overall supervision of the Board of directors, the Investment Advisor will act as the investment manager to the Company and will manage the investment and reinvestment of the assets of the Company in pursuit of the investment objective of the Company and in accordance with the investment policies and investment guidelines from time to time of the Company and any investment limits and restrictions notified by the Board (following consultation with) the Investment Advisor.

Pursuant to the Advisory Agreement, the Company pays to the Investment Advisor a base management fee and an incentive fee. The Investment Advisor is entitled to reimbursement of all costs and expenses properly incurred by it and directly necessitated by its dealings with the Company.

The Investment Advisor is authorised to enter into one or more sub-advisory agreements with other investment advisors provided that, save with the prior consent of the Board, no such sub-advisor who operates from the UK shall be appointed.

If the Investment Advisor or any of its affiliates is retained by a company in which the Company has an investment (including a micro-cap buyout) to provide services as a director, a financial advisor (including in connection with financings and refinancings, securities offerings and business acquisitions and dispositions), a management consultant or in another capacity, the Investment Advisor or its affiliate (as applicable) may accept and retain fees for such services and expense reimbursements on terms which are customary for third parties performing such services. Such fees shall not exceed the rates or amounts set forth in a schedule to the Advisory Agreement unless otherwise agreed from time to time between the Board and the Investment Advisor.

Either party may terminate the Advisory Agreement upon not less than 24 months' prior notice (or such lesser period as may be agreed by the other) to the other, without cause provided that no such notice may be served until after 1 July 2010. Either party may also terminate the agreement (i) upon not less than 60 days' prior notice to the other if the other commits any material breach with respect to its obligations under the agreement and fails (in the case of a breach capable of rectification) to make good such breach within 30 days of receipt of notice from the other requiring it to do so; (ii) forthwith upon written notice to the other if (w) the other is dissolved or goes into liquidation (other than solely for the purposes of a solvent amalgamation or reconstruction); (x) the other is unable to pay its debts as they fall due or makes any compromise with its creditors generally or any proposals with regard to such a compromise or otherwise commits any act of bankruptcy; (y) a receiver is appointed over all or a substantial portion of its assets; or (z) the other ceases to hold any license, permission, authorisation or consent necessary for the performance of its duties under the Advisory Agreement.

The Investment Advisor and its affiliates shall not be liable to the Company for any action taken or omitted to be taken by the Investment Advisor in connection with the performance of any of its duties or obligations under the Advisory Agreement or otherwise as an investment advisor or manager of the Company, and the Company shall indemnify, defend and protect the Investment Advisor and its affiliates and hold them harmless from and against all damages, liabilities, costs and expenses arising out of or otherwise based upon the performance of any of the Investment Advisor's duties or obligations under the Advisory Agreement or otherwise as an investment advisor or manager of the Company, save for any damages, liabilities, costs or expenses arising by reason of wilful misfeasance, bad faith or gross negligence in the performance of the Investment Advisor's duties or by reason of the reckless disregard of the Investment Advisor's duties and obligations under the Advisory Agreement.

The services of the Investment Advisor to the Company are not exclusive, and the Investment Advisor and its affiliates may engage in any other business or render similar or different services to others, including, without limitation, the direct or indirect sponsorship or management of other investment based accounts or commingled pools of capital, howsoever structured, having investment objectives similar or dissimilar to those of the Company ("other funds"), so long as the services to the Company under the Advisory Agreement are not impaired thereby. In cases where it may be possible, in accordance with the terms of the relationship between the Investment Advisor or any of its affiliates with another fund (e.g. presently, Jordan Industries, Inc., JZ International, LLC, The Resolute Fund, L.P. or The Resolute Fund II, L.P.), for the Company from time to time (i) to co-invest with such other fund, the Company's co-investments are made on the same terms as such other fund (without regard to the respectively allocated amounts of the investments and whether or not any third party investors also co-invest) and (ii) to participate in the mezzanine financings of companies (including equity participations, if available) controlled by such other fund, the Company's participations will be less than 50 per cent. thereof and will be on the same terms as negotiated by the majority participants. In cases where the Company invests directly from time to time in other funds, (x) such investments will be made on the same terms as the other investors in such other funds (or on such other terms to which the Investment Advisor and the Board shall otherwise agree) and (y) the Investment Advisor will consult with the Board appropriately to avoid duplications of management fees.

The Advisory Agreement may be terminated by either party on not less than 24 months' prior notice, or earlier in the event of breach. The Advisory Agreement is governed by English law and the parties have submitted to the jurisdiction of the English courts.

7.2 Amended Advisory Agreement

An amended and restated investment advisory and management agreement between the Company and the Investment Advisor dated 22 May 2009 (the "Amended Advisory Agreement"), to replace the investment advisory and management agreement currently in force between the Company and the Investment Advisor (the "Existing Advisory Agreement"), pursuant to which, subject to Shareholder approval of the terms of the Amended Advisory Agreement at the EGM, the Company has appointed the Investment Advisor to act as its Investment Advisor and manager. Subject to the overall supervision of the Board of Directors,

the Investment Advisor will act as the investment manager to the Company and will manage the investment and reinvestment of the assets of the Company in pursuit of the investment objective of the Company and in accordance with the investment policies and investment guidelines from time to time of the Company and any investment limits and restrictions notified by the Board (following consultation with) the Investment Advisor. So long as the Amended Advisory Agreement remains in effect, the Investment Advisor shall be the only Investment Advisor and manager for the Company, *subject, however*, to the Investment Adviser's right to enter into agreements with sub-advisors as noted below.

Pursuant to the Amended Advisory Agreement, the Company will pay to the Investment Advisor a base management fee and an incentive fee, as set out below.

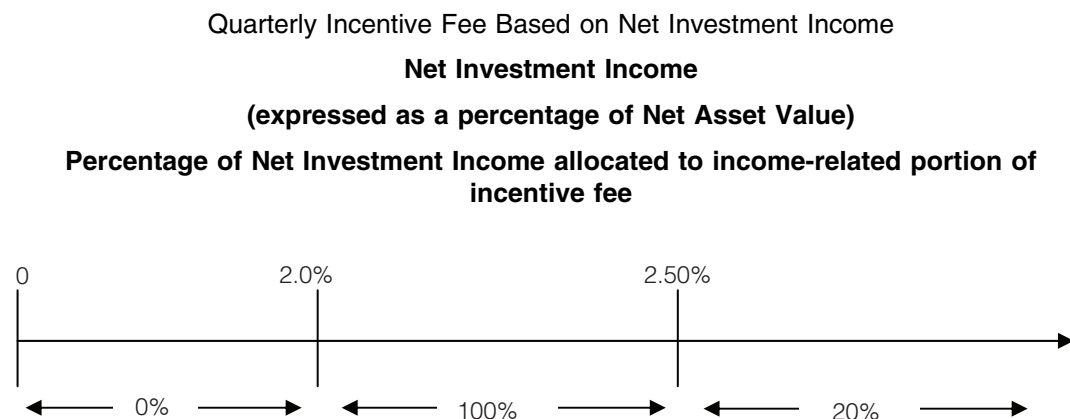
Base management fee

The base management fee will be calculated at an annual rate of 1.5 per cent. of the Company's gross assets and shall be payable quarterly in arrears. For services rendered during the period commencing on the effective date of the Amended Advisory Agreement, through and including 28 February 2009, the base management fee will be calculated based on the value of the Company's gross assets on 28 February 2009, provided that the Investment Advisor will credit against the fee then due any amount previously paid by the Company to the Investment Advisor pursuant to the Existing Advisory Agreement in respect of the same period. For services rendered after 28 February 2009, the base management fee will be calculated based on the average value of the Company's gross assets at the end of the calendar quarter in respect of which the payment is being made and the preceding calendar quarter.

Incentive fee

The incentive fee has two parts: an income incentive fee and a capital gains incentive fee.

The income incentive fee will be calculated based on the Company's net investment income for each quarter and shall be payable quarterly in arrears. The income incentive fee is equal to up to 20 per cent. of such income provided that the net investment income for the quarter exceeds 2 per cent. of the average of the Net Asset Value of the Company at the end of that quarter and the preceding quarter (the "hurdle"). The fee is an amount equal to (a) 100 per cent. of that proportion of the net investment income for the quarter as exceeds the hurdle, up to an amount equal to 25 per cent. of the hurdle, and (b) 20 per cent. of the net investment income of the Company above 125 per cent. of the hurdle. The following is a graphical representation of the calculation of the income-related portion of the incentive fee:



This fee will be paid as follows:

- no incentive fee in any fiscal quarter in which net investment income does not exceed the hurdle rate of 2.0 per cent. of net assets;
- 100 per cent. of net investment income with respect to that portion of net investment income, if any, as exceeds the hurdle rate but is less than 2.50 per cent. in any calendar quarter of net assets. This "catch-up" portion of net investment income (which exceeds the hurdle rate but is less than 2.50 per cent.) is intended to provide the

Investment Advisor with an incentive fee of 20 per cent. on all net investment income as if a hurdle rate did not apply when net investment income exceeds 2.50 per cent. in any calendar quarter; and

- 20 per cent. of the amount of net investment income, if any, that exceeds 2.0 per cent. of the value of the Company's net assets in any calendar quarter.

The income incentive fee will be adjusted at the end of each fiscal year to "true up" quarterly payments against an annual hurdle of 8 per cent. per annum, with any shortfall being paid by the Company and any excess payments being set off against future income incentive fees earned.

The capital gains incentive fee will be payable for each fiscal year of the Company and will equal 20.0 per cent. of all realised capital gains of the Company, if any, on a cumulative basis in respect of the period from 1 July 2008 (being the date on which the Company acquired the business and assets of JZEP under that company's scheme of reconstruction) through to the end of the relevant financial year, computed net of all realised capital losses of the Company, if any, again on a cumulative basis in respect of the period from the date on which the Scheme becomes effective through to the end of the relevant financial year, less the aggregate amount of all capital gains incentive fees previously paid by the Company to the Investment Advisor. Notwithstanding the foregoing, the Investment Advisor may structure investments by the Company in such ways that allows the capital gains incentive fee to be structured as a participation by the Investment Advisor in the capital profits realised by the Company on its investments by the Investment Advisor purchasing, side-by-side with the Company, 20.0 per cent. of common equity investments available to the Company, such purchase to be at the same price and on the same terms as made available to the Company provided that, in connection with any such investment so structured, any capital gains profits realised therefrom by the Investment Advisor shall be subject to reimbursement to the Company if and to the extent that such profits would (had such investment not been so structured) have been offset by current year or prior realised capital losses in connection with the calculation of any capital gains incentive fee payable as provided above.

Upon termination of the Amended Advisory Agreement it is proposed that a capital gains incentive fee is also paid in respect of all unrealised capital gains, net of unrealised losses and carried forward losses as at the date of termination.

The Company's investments originally made by JZEP prior to the date on which the investment advisory agreement between that company and the Investment Advisor became effective (22 July 2002) will continue to be excluded from the calculation of both the income incentive fee and the capital gains incentive fee.

All investment professionals of the Investment Advisor and their respective staffs, when and to the extent engaged in providing investment advisory and management services under the Amended Advisory Agreement, and the compensation and routine overhead expenses of such personnel allocable to such services, will be provided and paid for by the Investment Advisor and not by the Company. However, the Investment Advisor is entitled to reimbursement of all other costs and expenses properly incurred by it and directly necessitated by its dealings with the Company.

The Investment Advisor is authorised to enter into one or more sub-advisory agreements with other investment advisors provided that, save with the prior consent of the Board, no such sub-advisor who operates from the United Kingdom shall be appointed. The Investment Advisor, and not the Company, shall be responsible for any compensation payable to any sub-advisor, *excluding, however*, the fees of any sub-advisor up to an annual amount not to exceed 0.5 per cent. of the value of the assets subject to the management of such sub-advisor which, with the consent of the Board (such consent not to be unreasonably withheld), shall be payable by the Company provided that the aggregate amount so payable by the Company in any year to all sub-advisors shall not exceed an amount equal to 0.5 per cent. of the Company's gross assets.

If the Investment Advisor or any of its associates is retained by a company in which the Company has an investment (including a Micro-Cap Buyout) to provide services as a Director, a financial advisor (including in connections with financings and refinancings, securities offerings and business acquisition and dispositions), a management consultant or in another capacity, the Investment Advisor or its associate (as applicable) may accept and retain fees

for such services and expense reimbursements on terms which are customary for third parties performance such services. Such fees shall not exceed the rates or amounts set forth in a schedule to the Amended Advisory Agreement unless otherwise agreement agreed from time to time between the Board and the Investment Advisor.

The Investment Advisor is entitled to reimbursement of all costs and expenses properly incurred by it and directly necessitated by its dealings with the Company.

Either party may terminate the Amended Advisory Agreement upon not less than two and a half years' prior notice (currently two years' prior notice under the Existing Advisory Agreement), or such lesser period as may be agreed by the other, to the other, without cause provided that no such notice may be served until after the date falling two and a half years after the effective date of the Amended Advisory Agreement (currently 1 July 2010 under the Existing Advisory Agreement). Either party may also terminate the agreement (i) upon not less than 60 days' prior notice to the other if the other commits any material breach with respect to its obligations under the agreement and fails (in the case of a breach capable of rectification) to make good such breach within 30 days of receipt of notice from the other requiring it to do so; (ii) forthwith upon written notice to the other if (w) the other is dissolved or goes into liquidation (other than solely for the purposes of a solvent amalgamation or reconstruction); (x) the other is unable to pay its debts as they fall due or makes any compromise with its creditors generally or any proposals with regard to such a compromise or otherwise commits any act of bankruptcy; (y) a receiver is appointed over all or a substantial portion of its assets; or (z) the other ceases to hold any license, permission, authorization or consent necessary for the performance of its duties under the agreement.

The Investment Advisor and its associates shall not be liable to the Company for any action taken or omitted to be taken by the Investment Advisor in connection with the performance of any of its duties or obligations under the Amended Advisory Agreement or otherwise as an Investment Advisor or manager of the Company, and the Company shall indemnify, defend and protect the Investment Advisor and its associates from and against all damages, liabilities, costs and expenses arising out of or otherwise based upon the performance of any of the Investment Advisor's duties or obligations under the Amended Advisory Agreement or otherwise as an investment advisor or manager of the Company, save for any damages, liabilities, costs or expenses arising by reason of wilful misfeasance, bad faith or gross negligence in the performance of the Investment Advisor's duties or by reason of the reckless disregard of the Investment Advisor's duties and obligations under the Amended Advisory Agreement.

The services of the Investment Advisor to the Company are not exclusive, and the Investment Advisor and its associates may engage in any other business or render similar or different services to others, including, without limitation, the direct or indirect sponsorship or management of other investment based accounts or commingled pools of capital, howsoever structured, having investment objectives similar or dissimilar to those of the Company ("other funds"), so long as the services to the Company under the Amended Advisory Agreement are not impaired thereby. In cases where it may be possible, in accordance with the terms of the relationship between the Investment Advisor or any of its associates with another fund (e.g. presently, Jordan Industries, Inc., JZ International, LLC, The Resolute Fund, L.P. or The Resolute Fund II, L.P.), for the Company from time to time (i) to co-invest with such other fund, the Company's co-investments is made on the same terms as such other fund (without regard to the respectively allocated amounts of the investments and whether or not any third party investors also co-invest) or on such other terms to which the Investment Advisor and the Board shall otherwise agree and (ii) to participate in the mezzanine financings of companies (including equity participations, if available) controlled by such other fund, the Company's participations will be less than 50 per cent. thereof and will be on the same terms as negotiated by the majority participants. In cases where the Company invests directly from time to time in other funds, (x) such investments will be made on the same terms as the other investors in such other funds (or on such other terms to which the Investment Advisor and the Board shall otherwise agree) and (y) the Investment Advisor will consult with the Board appropriately to avoid duplications of management fees.

The Amended Advisory Agreement is governed by English law and the parties have submitted to the jurisdiction of the English courts.

7.3 **Subscription Agreements with Related Parties**

The Company has entered into subscription agreements, conditional upon, amongst other matters, Ordinary Share Admission, with each of John (Jay) W Jordan II and David Zalaznick, as related parties to the Company, under which they have agreed to subscribe for, respectively, 19,324,807 and 19,324,807 Ordinary Shares pursuant to the Ordinary Share Issue. The value of the Ordinary Shares that have been subscribed for at the Ordinary Share Issue Price is, in the case of John (Jay) W Jordan II, US\$12.5 million and, in the case of David Zalaznick, US\$12.5 million. The Company has agreed to pay each of John (Jay) W Jordan II and David Zalaznick a 1.0 per cent. commitment commission and a 0.5 per cent. completion commission of the number of Shares for which John (Jay) W Jordan II and David Zalaznick respectively subscribe multiplied by the Ordinary Share Issue Price.

7.4 **Forced Sale Share Irrevocable Commitments from Related Parties and Associated Indemnity**

The Company has received irrevocable commitments, conditional upon, amongst other matters, Ordinary Share Admission, from each of John (Jay) W Jordan II and David Zalaznick to acquire at least part of the Forced Sale Shares, as described in paragraph 6 of Part 2 of this document. The value of the Forced Sale Shares subject to each irrevocable commitment at the Ordinary Share Issue Price is, in the case of both John (Jay) W Jordan II and David Zalaznick, approximately US\$362,000. The Company has also agreed to give an unlimited indemnity to John (Jay) W Jordan II and David Zalaznick against any claims which may be brought by the relevant transferor of the Forced Sale Shares in relation to such acquisition.

7.5 **Administration and Registrar Agreement**

The Administration and Registrar Agreement, dated 12 May 2008, between the Company and the Administrator pursuant to which the Company appoints the Administrator to act as its administrator, company secretary and registrar.

The Administrator has agreed to provide company administrative, secretarial and registrar services pursuant to the Administration and Registrar Agreement. The Administrator is responsible for the Company's general administrative functions such as the calculation of Net Asset Value and the maintenance of accounting records. The Administrator, acting as secretary, is responsible for the general secretarial functions required by The Companies Law and for ensuring that the Company complies with its continuing obligations as a listed company. The Administration and Registrar Agreement may be terminated by either party giving 90 days' notice or earlier in the event of breach.

The Administration and Registrar Agreement is governed by Guernsey law.

7.6 **Custodian Agreement**

The agreements and applications which together constitute the Custodian Agreement, dated 9 May 2008, between the Company and the Custodian pursuant to which the Company appoints the Custodian to maintain a custody account (the "**Custody Account**") and to provide, *inter alia* for the safekeeping of assets deposited therein and to collect and disburse the income thereof. The Custodian charges the Company for fees, charges and disbursements incurred in connection with its administration of the Custody Account. All fees are charged to income on the assets in the Custody Account and vary according to the market value of the assets held in the Custody Account but are subject to a minimum annual safekeeping fee of US\$2,500 and US\$5,000 for domestic and global custody respectively.

The Custodian is not liable for any loss incurred arising out of or in any way related to the transactions contemplated under the Custodian Agreement, unless such loss is caused by the Custodian's gross negligence or wilful misconduct and the Company has agreed to hold the Custodian harmless from and indemnify it against all actions, proceedings, damages, loss and liability arising from transactions contemplated under the Custodian Agreement. The Custodian Agreement may be terminated by either the Company or the Custodian giving to the other not less than 30 days' written notice, or earlier in the event of breach, or by the Custodian immediately by transferring the securities held to the Company or another custodian chosen by the Company or the Custodian.

The Custodian Agreement is governed by the laws of the State of New York.

7.7 UK Transfer Agent Agreement

A UK Transfer Agent Agreement dated 12 May 2008 between the Company and the UK Transfer Agent pursuant to which the UK Transfer Agent acts as UK transfer agent for the Company. The UK Transfer Agent is entitled to fees for each action undertaken in respect of maintenance of the Company's register of members, transfers of Shares, annual general meetings, reports and analysis in respect of the Company's register of members and payment of dividends, subject to a minimum annual fee for the first year of £13,500 (retail price index linked in subsequent years). The agreement may be terminated by either party on not less than six months' written notice, such notice to expire at any time or earlier in the event of breach.

Pursuant to the UK Transfer Agent Agreement, the Company has agreed to indemnify the UK Transfer Agent for any and all liabilities suffered or incurred by the UK Transfer Agent arising out of or in connection with the due and proper performance of its duties except that liability of either party shall not be excluded or limited to the extent provided by law.

The UK Transfer Agent Agreement is governed by English law.

7.8 FX Forward Contract

On 15 November 2006, JZEP entered into a collateralised foreign exchange forward contract and related documentation (the "FX Forward") with JP Morgan Chase Bank, N.A. ("JPM"), to hedge the Company's currency risk associated with the repayment of the ZDP shares on 24 June 2009 for approximately £99,000,000. Under the terms of the FX Forward, JZEP agreed to (i) purchase £100,000,000 from JPM at a forward rate of US\$1.8882, with a settlement date of 1 June 2009 and (ii) pledge US\$25,000,000 in cash to JPM to secure the Company's payment obligation under the FX Forward. By an agreement between JZEP, the Company and JPM, the FX Forward was transferred on its existing terms to the Company on 30 June 2008. Accordingly, JZEP was released from its obligations under the FX Forward and its rights thereunder cancelled, and the Company assumed the rights, liabilities and obligations of JZEP under the FX Forward. JPM remains the counterparty of the Company under the FX Forward.

7.9 Ordinary Share Placing Agreement

The Ordinary Share Placing Agreement, dated 22 May 2009, between the Company, the Investment Advisor and Jefferies whereby Jefferies has agreed, as agent for the Company, to use its reasonable endeavours to procure subscribers for New Ordinary Shares under the Ordinary Share Placing and to procure subscribers for Limited Voting Ordinary Shares under the Limited Voting Ordinary Share Placing. For its services in connection with the Ordinary Share Placing and Limited Voting Ordinary Share Placing, Jefferies will be entitled to: (i) a corporate finance advisory fee of US\$450,000; (ii) a commission of 1 per cent. on the aggregate value, at the Ordinary Share Issue Price, of all Ordinary Shares in respect of which irrevocable commitments have been received as at the date of this document (being 132,995,866 Ordinary Shares); and (iii) a commission of 1.5 per cent. on the aggregate value, at the Issue Price, of all other Ordinary Shares issued pursuant to the Ordinary Share Issue. The corporate finance advisory fee is unconditional and would be payable if Ordinary Share Admission did not occur. Both commission payments are, however, conditional on Ordinary Share Admission.

Under the Ordinary Share Placing Agreement, which may be terminated by Jefferies in certain limited circumstances prior to the Ordinary Share Admission, the Company and the Investment Advisor have given warranties and indemnities to Jefferies concerning, *inter alia*, the accuracy of the information contained in this document. Such warranties and indemnities are customary for an agreement of this nature.

7.10 New ZDP Placing Agreement

The New ZDP Placing Agreement, dated 22 May 2009, between the Company, the Investment Advisor, JPMC and Jefferies whereby Jefferies has agreed to act as sponsor in connection with the ZDP Proposals and JPMC has agreed, as agent for the Company, to use its reasonable endeavours to procure subscribers for New ZDP Shares under the New ZDP Placing. For its services in connection with the New ZDP Placing, JPMC will be entitled to (a) a commission of 1.25 per cent. of the aggregate value, at the ZDP Issue Price, of all the

New ZDP Shares issued pursuant to the New ZDP Issue, excluding any New ZDP Shares issued pursuant to the ZDP Rollover Offer and (b) a commission of 0.50 per cent. of the aggregate value, at the ZDP Issue Price, of all the New ZDP Shares issued pursuant to the ZDP Rollover Offer, in each case, plus VAT thereon (where applicable).

Under the New ZDP Placing Agreement, which may be terminated by JPMC and/or Jefferies in certain limited circumstances prior to the ZDP Admission, the Company and the Investment Advisor have given warranties and indemnities to each of JPMC and Jefferies concerning, *inter alia*, the accuracy of the information contained in this document. Such warranties and indemnities are customary for an agreement of this nature.

8. Litigation

The Directors are aware of a potential claim against JZEP by David Zalaznick, the Chairman of the Investment Advisor, in his capacity as a former shareholder of JZEP. The potential claim relates to foreign exchange losses incurred by David Zalaznick as a result of a delay in the settlement of a dividend payment that was paid to him by JZEP, in the form of a bank cheque.

The potential claim arises as a result of a loss of approximately US\$175,000 incurred by him due to the decline in the value of the GB sterling relative to the US dollar from the time that David Zalaznick should have received the settled funds from the dividend payment by JZEP, which were payable in GB sterling, to the time the funds were actually received by him and converted to US dollars at the then-prevailing rate. It is believed that the delay occurred as a result of an error by either JZEP's paying agent or the paying agent's bankers, which twice failed to honour the final dividend payment cheque. In the event legal proceedings are brought by David Zalaznick against JZEP, the Company would liaise closely with JZEP's liquidators and the Company would investigate whether JZEP could pursue an action against either its paying agent or the paying agent's bankers for further recourse. However, pursuant to the terms of the Reconstruction, the Company acquired all the assets and liabilities of JZEP on 1 July 2008 and could therefore become liable should a claim be brought against JZEP for the loss for which JZEP is held to be wholly or partially liable. The Company has not investigated the merits of the potential claim against JZEP or JZEP's potential claims against its paying agent or paying agent's bankers. However, on the basis of the information currently available to it, the Board considers that JZEP's and therefore the Company's ultimate liability should a claim be brought should not exceed US\$225,000.

Save as set out above, since 14 April 2008, being the date on which the Company was incorporated, the Company is not, nor has been, involved in any governmental, legal or arbitration proceedings nor, so far as the Company is aware, are there any governmental, legal or arbitration proceedings pending or threatened by or against it which may have, or have since incorporation of the Company had, a significant effect on the Company's financial position or profitability.

9. General

9.1 Since 28 February 2009 (being the end of the last period for which financial information relating to the Company has been published), the Company has not:

- (a) issued any share or loan capital for cash or otherwise;
- (b) paid or granted any commission, discount, brokerage or other special terms in connection with the issue or sale of any share or loan capital of the Company; or
- (c) made any purchases of its own shares.

9.2 This document, which has been issued by the Company, has been approved by Jefferies solely for the purposes of section 21 of the Financial Services and Markets Act 2000. Jefferies is regulated in the United Kingdom by the Financial Services Authority.

9.3 Jefferies has given and not withdrawn its written consent to the issue of this document and the inclusion of its name and the references to it in this document in the form and context in which they appear.

9.4 There has been no significant change in the trading or financial position of the Company since 28 February 2009, being the last date on which the Company has published audited financial information.

10. Documents available for inspection

10.1 Copies of the following documents will be available for inspection during ordinary business hours on any weekday (Saturdays, Sundays and public holidays excepted) at the registered office of the Company and at the offices of Ashurst LLP, Broadwalk House, 5 Appold Street, London EC2A 2HA up to and including the date of Admission:

- (a) the memorandum of incorporation of the Company and the Articles;
- (b) the New Articles;
- (c) the consent letter referred to in section 9.3 of this Part 5;
- (d) the material contracts referred to in section 7 of this Part 5;
- (e) this document;
- (f) the Ordinary Share Prospectus; and
- (g) the ZDP Prospectus.

10.2 Copies of this document are available for viewing, free of charge during normal business hours, at the Document Viewing Facility, the Financial Services Authority, 25 North Colonnade, Canary Wharf, London E14 5HS and at the Company's registered office at 2nd Floor, Regency Court, Gategny Esplanade, St Peter Port, Guernsey, GY1 3NQ, Channel Islands

PART 6 – DEFINITIONS

The following definitions apply throughout this document and in the accompanying Forms of Proxy, unless the context otherwise requires:

“Administrator”	Butterfield Fulcrum Group (Guernsey) Limited
“Admission”	ZDP Admission and Ordinary Share Admission
“Amended Advisory Agreement”	the amended and restated advisory and management agreement between the Company and the Investment Advisor, a summary of which is set out in section 7.2 of Part 5 of this document
“Articles”	the articles of incorporation of the Company currently in force at the date of this document
“Assumptions”	the principal bases and assumptions set out in Section 8 of Part 3 of this document concerning the Illustrative Final Capital Entitlement and Redemption Yield
“Benefit Plan Investor”	has the meaning contained in Section 3(42) of ERISA, and includes (a) an “employee benefit plan” as defined in Section 3(3) of ERISA that is subject to Part 4 of Title I of ERISA; (b) a “plan” described in Section 4975(e)(1) of the Code that is subject to Section 4975 of the Code; and (c) an entity whose underlying assets include “plan assets” by reason of an employee benefit plan’s or a plan’s investment in such entity. For purposes of the foregoing, a “Benefit Plan Investor” does not include a governmental plan (as defined in Section 3(32) of ERISA), a non-US plan (as defined in Section 4(b)(4) of ERISA) or a church plan (as defined in Section 3(33) of ERISA) that has not elected to be subject to ERISA
“Board” or “Directors”	the directors of the Company as at the date of this document whose names are set out on page 6 of this document
“certificated” or “in certificated form”	not in uncertificated form
“Class 1 Transaction”	has the meaning given to it in the Listing Rules
“Company” or “JZCP”	JZ Capital Partners Limited, incorporated under The Companies Law on 14 April 2008
“CREST”	the computerised settlement system operated by Euroclear UK & Ireland Limited to facilitate the transfer of title to shares in uncertificated form
“EBITDA”	Earnings Before Interest, Taxes, Depreciation and Amortisation, often adjusted for the effects of acquisitions, divestitures, non-recurring events and management fees
“EGM”	the extraordinary general meeting of the Company to be held on 18 June 2009, notice of which is set out at the end of this document
“Enlarged Share Capital”	the issued share capital of the Company immediately following completion of the Ordinary Share Issue and the ZDP Proposals
“ERISA”	The United States Employee Retirement Income Security Act of 1974, as amended
“Euroclear”	Euroclear UK & Ireland Limited, the operator of CREST
“Existing Advisory Agreement”	the advisory and management agreement currently in force between the Company and the Investment Advisor dated 12 May 2008

“Final Capital Entitlement”	the accrued capital entitlement of a New ZDP Share on the New ZDP Repayment Date or, if lower, the amount per New ZDP Share to which New ZDP Shareholders would be entitled, and would receive on a winding-up of the Company
“Financial Services Authority” or “FSA”	the Financial Services Authority of the UK in its capacity as the competent authority for the purposes of Part VI of FSMA and in the exercise of its functions in respect of admission to the Official List otherwise than in accordance with Part VI of FSMA
“Forced Sale Shares”	the 1,722,129 Ordinary Shares identified by the Company as being held by Non-Qualified Holders and therefore subject to the forced sale provisions of the Articles, as further described in paragraph 6 of Part 2 of this document
“Form of Election”	the form of election for use by ZDP Shareholders in connection with the ZDP Rollover Offer, which accompanies this document
“Forms of Proxy”	the forms of proxy for each of the Meetings, which accompany this document
“FSMA”	the Financial Services and Markets Act 2000 of England and Wales, as amended
“Fund A”	has the meaning given to it in paragraph 5 of Part 2 of this document
“GB sterling” or “£”	the lawful currency of the United Kingdom
“Initial Gross Proceeds”	the aggregate value of the New ZDP Shares issued under the New ZDP Issue taken at the ZDP Issue Price
“Investment Advisor” or “JZAI”	Jordan/Zalaznick Advisers, Inc, a company beneficially owned by John (Jay) W Jordan II and David W Zalaznick, being the Company’s investment advisor and manager
“Jefferies”	Jefferies International Limited, a company incorporated in England and Wales under registered number 1978621 whose registered office is at Vintners Place, 68 Upper Thames Street, London EC4V 3BJ
“JPMC”	JPMorgan Cazenove Limited, a company incorporated in England and Wales under registered number 4153386 whose registered office is at 20 Moorgate, London EC2R 6DA
“JZEP”	JZ Equity Partners Plc, the Company’s UK incorporated predecessor
“Limited Voting Ordinary Shares”	the limited voting ordinary shares of no par value in the capital of the Company to be issued pursuant to the Ordinary Share Issue or into which existing Ordinary Shares may convert as described in this document
“Liquid Investments”	investments that could be traded or realised into cash within 30 days
“Listed Bank Debt”	publicly traded debt
“Listed Equity”	equities listed on a public exchange
“Listing Rules”	the listing rules of the Financial Services Authority
“London Stock Exchange”	London Stock Exchange plc
“Meetings”	the Separate Class Meetings and the EGM
“Mezzanine Investments”	subordinated debt, often with a small equity component
“Micro-Cap Buyout”	buyout transactions involving target businesses usually valued at no more than US\$250 million
“Net Asset Value per Ordinary Share”	the Net Asset Value divided by the number of Ordinary Shares in issue

“Net Asset Value”	the net asset value of the Company calculated in accordance with its applicable accounting policies (net of any current year revenue)
“New Articles”	the proposed articles of incorporation of the Company to be adopted subject to the Proposals becoming effective
“New Ordinary Shareholders”	holders of New Ordinary Shares
“New Ordinary Shares”	the Ordinary Shares (excluding the Limited Voting Ordinary Shares) to be issued pursuant to the Ordinary Share Issue
“New ZDP Issue”	the New ZDP Placing and the New ZDP Offer for Subscription
“New ZDP Offer for Subscription”	the offer for subscription of New ZDP Shares to the public on the terms set out in the ZDP Prospectus
“New ZDP Placing”	the proposed placing of up to 45,662,313 New ZDP Shares by JPMC on behalf of the Company pursuant to the terms of the New ZDP Placing Agreement as further described in the ZDP Prospectus
“New ZDP Placing Agreement”	the placing agreement between the Company, the Investment Advisor, Jefferies and JPMC, in respect of the New ZDP Shares
“New ZDP Placing and Offers”	together, the ZDP Rollover Offer, the New ZDP Placing and the New ZDP Offer for Subscription
“New ZDP Repayment Date”	22 June 2016
“New ZDP Shareholders”	the holders of New ZDP Shares
“New ZDP Shares”	the new zero dividend redeemable preference shares of no par value in the capital of the Company to be issued subject to the ZDP Proposals becoming effective
“non-Limited Voting Ordinary Shares”	Ordinary Shares that are not Limited Voting Ordinary Shares
“Non-Qualified Holder”	Any person to whom a sale or transfer of shares, or in relation to whom the holding of shares (whether directly or indirectly affecting such person, and whether taken alone or in conjunction with other persons, connected or not, or any other circumstances appearing to the Directors to be relevant) would cause the Company to be required to register as an “investment company” under the US Investment Company Act, would cause the Company to become a “controlled foreign corporation” within the meaning of the US Code, would cause the Company no longer to be a “foreign private issuer” for the purposes of the US Exchange Act, would cause the assets of the Company to be deemed to be “plan assets” of a Benefit Plan Investor or would cause the Company otherwise not to be in compliance with the US Investment Company Act, ERISA, the US Code or the US Exchange Act
“Official List”	the Official List of the Financial Services Authority
“Open Offer”	the pre-emptive offering of up to 227,565,137 New Ordinary Shares to existing Ordinary Shareholders, <i>pro rata</i> to their existing holdings, as set out in the Ordinary Share Prospectus
“Ordinary Share Admission”	admission of the New Ordinary Shares to the Official List and to trading on the London Stock Exchange’s market for listed securities becoming effective
“Ordinary Share Class Meeting”	the class meeting of Ordinary Shareholders to be held on 18 June 2009, notice of which is set out at the end of this document
“Ordinary Share Issue”	the Open Offer and the Ordinary Share Placing

“Ordinary Share Issue Price”	42p per Ordinary Share to be issued pursuant to the Ordinary Share Issue
“Ordinary Share Placing”	the proposed placing of Ordinary Shares to certain existing Ordinary Shareholders and new investors pursuant to the terms of the Ordinary Share Placing Agreement as described in the Ordinary Share Prospectus
“Ordinary Share Placing Agreement”	the placing agreement between the Company, the Investment Advisor and Jefferies in respect of the New Ordinary Shares and Limited Voting Ordinary Shares
“Ordinary Share Prospectus”	the prospectus published by the Company on the date hereof in connection with the Ordinary Share Issue
“Ordinary Shareholders”	the holders of Ordinary Shares
“Ordinary Shares”	the ordinary shares of no par value in the capital of the Company, including the New Ordinary Shares and the Limited Voting Ordinary Shares
“Overseas Shareholders”	Ordinary Shareholders who are resident in, or who are citizens of, or who have registered addresses in, territories other than the United Kingdom and Ordinary Shareholders who are US Persons
“Placing Agreements”	the New ZDP Placing Agreement and the Ordinary Share Placing Agreement
“Proposals”	the ZDP Proposals, the Ordinary Share Issue, the proposed amendments to the Advisory Agreement, the Ordinary Share Consolidation, the Related Party Transactions and the adoption of the New Articles
“Prospectus Rules”	the rules made for the purposes of Part VI of United Kingdom in relation to offers of securities to the public and admission of securities to trading on a regulated market
“Qualified Purchaser”	A qualified purchaser within the meaning of Section 2(a)(51)(A) and related rules of the US Investment Company Act
“Qualifying Shareholders”	holders of Ordinary Shares on the Company’s register of members at the Record Date (other than Overseas Shareholders)
“Qualifying US Persons”	US Persons that are eligible to subscribe for Shares under US law and the Articles
“Reconstruction”	the acquisition by the Company of all of the assets and liabilities of JZEP on 1 July 2008 pursuant to a scheme of reconstruction
“Record Date”	19 May 2009
“Redemption Yield”	in respect of a New ZDP Share, the annually compounded rate of interest at which the total discounted values of future payments of income and capital equate to its actual or assumed value at the date of calculation
“Registrars”	Butterfield Fulcrum Group (Guernsey) Limited
“Regulations”	the Uncertificated Securities Regulations (2001 SI 2001/3755)
“Related Party Transactions”	the payment of placing commissions to John (Jay) W Jordan II and David Zalaznick, the sale of at least part of the Forced Sale Shares to John (Jay) W Jordan II and David Zalaznick, together with the associated unlimited indemnity, and the amendments to the Existing Advisory Agreement as such transactions are described in paragraph 6 of Part 2 of this document
“Resolutions”	the resolutions to be proposed at the EGM set out in the notice of the EGM contained in the Circular

“Restricted Person”	Any Non-Qualified Holder who is, or who is deemed to be, or who appears to the Directors to be: (a) a US Person that is not a Qualified Purchaser; (b) a Benefit Plan Investor; or (c) a citizen or resident of the United States or a relative of a citizen or resident of the United States, a US partnership, a US corporation or a certain type of estate or trust, and ownership of any shares or any other equity securities of the Company by such person would materially increase the risk that the Company could be or become a “controlled foreign corporation” within the meaning of the US Code. For the purpose of this definition, where the Directors resolve that they have made reasonable enquiries and they are unable to determine whether or not a person has an interest in any particular shares or other securities, the shares or other securities concerned shall be deemed to be Restricted Securities and all persons interested in them to be Restricted Persons
“Restricted Security”	Any share or other security of the Company in which a Restricted Person or other Non-Qualified Holder has an interest
“Separate Class Meetings”	the Ordinary Share Class Meeting and the ZDP Class meeting
“Share Consolidation”	the proposed consolidation of Ordinary Shares on a one for five basis
“Shareholders”	the holders of Shares
“Shares”	the Ordinary Shares, the Limited Voting Ordinary Shares, the ZDP Shares and the New ZDP Shares together or any of them
“Taxes Act”	the Income and Corporation Taxes Act 1988, as amended
“The Companies Law”	The Companies (Guernsey) Law 2008, as amended
“UK Listing Authority”	the Financial Services Authority as the competent authority for listing in the United Kingdom
“Uncertificated” or “in uncertificated form”	recorded on the register as being held in uncertificated form via CREST and title to which may be transferred by means of CREST
“United States” or “US”	the United States of America, its territories, possessions, any state of the United States of America, and the District of Columbia
“US Code”	The United States Internal Revenue Code of 1986, as amended
“US dollars” or “US\$”	the lawful currency of the United States
“US Exchange Act”	US Securities Exchange Act of 1934, as amended
“US Holder”	has the meaning assigned to “United States Person” in Section 957(c) of the US Code
“US Investment Company Act”	US Investment Company Act of 1940, as amended
“US Persons”	has the meaning given to it in the Securities Act
“US Securities Act”	US Securities Act of 1933, as amended
“US Shareholders”	Shareholders who are US Persons or who are otherwise located in, or who have their registered address in, the United States
“ZDP Admission”	admission of the New ZDP Shares to the Official List and to trading on the London Stock Exchange’s market for listed securities becoming effective
“ZDP Class Meeting”	the class meeting of ZDP Shareholders to be held on 18 June 2009, notice of which is set out at the end of this document
“ZDP Issue Price”	215.80p per New ZDP Share
“ZDP Proposals”	the proposals for the creation of the New ZDP Shares, the New ZDP Issue and, subject to valid elections, the ZDP Rollover Offer

“ZDP Prospectus”	the prospectus published by the Company on the date hereof in connection with the ZDP Proposals
“ZDP Repayment Date”	24 June 2009
“ZDP Rollover Offer”	the attaching to each ZDP Share of a right to convert into one New ZDP Share, as described in the ZDP Prospectus
“ZDP Shareholders”	the holders of ZDP Shares
“ZDP Shares”	the existing zero dividend redeemable preference shares of no par value in the capital of the Company

JZ CAPITAL PARTNERS LIMITED

*(incorporated in Guernsey with limited liability under the Companies (Guernsey) Law 2008 (as amended)
with registered no. 48761)*

Notice of separate class meeting of the holders of the ordinary shares

Notice is hereby given that a class meeting of holders of ordinary shares (the “**Ordinary Shares**”) in the capital of JZ Capital Partners Limited (the “**Company**”) will be held at Regency Court, Glatigny Esplanade, St Peter Port, Guernsey GY1 3NQ, Channel Islands on 18 June 2009 at 11.00 a.m., for the purpose of considering and, if thought fit, passing the following resolution, which will be proposed as a special resolution:

SPECIAL RESOLUTION

THAT:

- (a) the resolutions to be proposed at the extraordinary general meeting of the holders of ordinary shares in the capital of the Company convened for the same day (the “**EGM Resolutions**”) be approved and any effect on or modification to the rights attaching to the Ordinary Shares which may result from the passing of the EGM Resolutions or the implementation of the Ordinary Share Proposals (as defined below) be sanctioned; and
- (b) subject to the adoption by the Company of new articles of incorporation (the “**New Articles**”) in the terms set out in the circular to shareholders of the Company dated 22 May 2009 of which this notice forms part (the “**Circular**”), the proposals for the placing of new ordinary shares by Jefferies International Limited on behalf of the Company to certain existing holders of Ordinary Shares and new investors, subject to clawback under the Open Offer provided that under such placing, new limited voting ordinary shares in the capital of the Company having the rights and entitlements set out in the New Articles (“**Limited Voting Ordinary Shares**”) may be placed to the existing holders of Ordinary Shares and new investors instead of new ordinary shares on the basis of one Limited Voting Ordinary Share for each new ordinary share so placed pursuant to the arrangements described in the Circular (the “**Ordinary Share Proposals**”) be approved.

BY ORDER OF THE BOARD OF THE COMPANY
Butterfield Fulcrum Group (Guernsey) Limited

Company Secretary

22 May 2009

Registered Office:
PO Box 211
2nd Floor, Regency Court
Glatigny Esplanade
St Peter Port
Guernsey GY1 3NQ
Channel Islands

Notes

Rights to attend and vote

- (1) Subject as provided in note (2) below, only holders of Ordinary Shares are entitled to attend the meeting convened by the above notice and to vote on the resolution to be proposed thereat.
- (2) The Company specifies that, in order to have the right to attend and vote at the meeting (and also for the purpose of determining how many votes a person entitled to attend and vote may cast), a person must be entered on the register of members of the Company by no later than 6.00 p.m. on 17 June 2009. Changes to entries on the register after this time shall be disregarded in determining the rights of any person to attend or vote at the meeting.

Proxies

- (3) A member entitled to attend and vote may appoint a proxy or proxies who need not be a member of the Company to attend and to vote instead of him or her. A member may appoint more than one proxy in relation to the meeting, provided that each proxy is appointed to exercise the rights attached to different shares held by the appointor.

If you choose to use the enclosed blue form of proxy, to be effective, this instrument, and any power of attorney or other authority under which it is signed (or a copy of any such authority certified notarially or in some other way approved by the directors) must be deposited with the Company's transfer agent, Equiniti Limited, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA, United Kingdom not later than 48 hours before the time of the meeting or adjourned meetings or (in the case of a poll taken more than 48 hours after it is demanded) not less than 24 hours before the time appointed for the taking of the poll at which it is to be used.

If the proxy is being appointed in relation to less than your full voting entitlement, please enter in the box provided the number of shares in relation to which they are authorised to act as your proxy. If left blank your proxy will be deemed to be authorised in respect of your full voting entitlement (or if this proxy form has been issued in respect of a designated account for a shareholder, the full voting entitlement for that designated account). To appoint more than one proxy (an) additional proxy form(s) may be obtained by contacting Equiniti Limited, the Company's transfer agent by telephone on 0871 384 2917 (or +44 1214 157006 if calling from outside the United Kingdom) or you may photocopy this form. Please indicate in the box next to the proxy holder's name (see above) the number of shares in relation to which they are authorised to act as your proxy. Please also indicate by ticking the box provided if the proxy instruction is one of multiple instructions being given. All forms must be signed and should be returned together in the same envelope.

The appointment of a proxy, by instrument in writing or electronically, will not preclude a member attending and voting in person at the meeting. If no direction is given, the proxy will vote or abstain at his or her discretion.

- (4) CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so by using the procedures described in the CREST Manual. CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf. In the event that you elect to give your proxy discretion on how to vote your shares, and you hold five per cent. or more of the relevant class of share, you will be required to complete a TR1 notification in accordance with DTR 5.2.1 (Disposal of Major Voting Interest).

In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a 'CREST Proxy Instruction') must be properly authenticated in accordance with Euroclear's specifications and must contain the information required for such instructions, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or the amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by the issuer's agent (ID RA19) by the latest time for receipt of proxy appointments specified above. For this purpose, the time of receipt will be taken to be the time (as determined by the time stamp applied to the message by the CREST Applications Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST person member or sponsored member or has appointed a voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in regulation 35(5)(a) of the Regulations.

JZ CAPITAL PARTNERS LIMITED

*(incorporated in Guernsey with limited liability under the Companies (Guernsey) Law 2008 (as amended)
with registered no. 48761)*

Notice of separate class meeting of the holders of the zero dividend preference shares

Notice is hereby given that a class meeting of holders of zero dividend preference shares (“**ZDP Shares**”) in the capital of JZ Capital Partners Limited (the “**Company**”) will be held at Regency Court, Glategny Esplanade, St Peter Port, Guernsey GY1 3NQ, Channel Islands on 18 June 2009 at 11.05 a.m. (or as soon thereafter as the separate class meeting of the holders of the ordinary shares in the capital of the Company convened for the same day has been concluded or adjourned), for the purpose of considering and, if thought fit, passing the following resolution, which will be proposed as a special resolution:

SPECIAL RESOLUTION

THAT:

- (a) the resolutions to be proposed at the extraordinary general meeting of the holders of the Company convened for the same day (the “**EGM Resolutions**”) be approved any effect on or modification to the rights attaching to the ZDP Shares which may result from the passing of the EGM Resolutions or the implementation of the ZDP Proposals (as defined below) be sanctioned; and
- (b) subject to the adoption by the Company of new articles of incorporation (the “**New Articles**”) in the terms set out in the circular to shareholders of the Company dated 22 May 2009 of which this notice forms part (the “**Circular**”), the proposals:
 - (i) for the creation of new zero dividend redeemable preference shares in the capital of the Company having the rights and entitlements set out in the New Articles (“**New ZDP Shares**”);
 - (ii) for the offer for subscription of New ZDP Shares for cash;
 - (iii) for the placing of up to 45,662,313 New ZDP Shares by JPMorgan Cazenove Limited on behalf of the Company; and
 - (iv) for the attaching to each existing ZDP Share of a right of conversion, exercisable by a valid election, into a New ZDP Share on the basis of each ZDP Share the subject of such election converting into one New ZDP Share,

pursuant to the arrangements described in the Circular (together the “**ZDP Proposals**”) be approved.

BY ORDER OF THE BOARD OF THE COMPANY Butterfield Fulcrum Group (Guernsey) Limited

Company Secretary
22 May 2009

Registered Office:
PO Box 211
2nd Floor, Regency Court
Glategny Esplanade
St Peter Port
Guernsey GY1 3NQ
Channel Islands

Notes

Rights to attend and vote

- (1) Subject as provided in note (2) below, only holders of ZDP Shares are entitled to attend the meeting convened by the above notice and to vote on the resolution to be proposed thereat.
- (2) The Company specifies that, in order to have the right to attend and vote at the meeting (and also for the purpose of determining how many votes a person entitled to attend and vote may cast), a person must be entered on the register of members of the Company by no later than 6.00 p.m. on 17 June 2009. Changes to entries on the register after this time shall be disregarded in determining the rights of any person to attend or vote at the meeting.

Proxies

- (3) A member entitled to attend and vote may appoint a proxy or proxies who need not be a member of the Company to attend and to vote instead of him or her. A member may appoint more than one proxy in relation to the meeting, provided that each proxy is appointed to exercise the rights attached to different shares held by the appointor.

If you choose to use the enclosed pink form of proxy, to be effective, this instrument, and any power of attorney or other authority under which it is signed (or a copy of any such authority certified notarially or in some other way approved by the directors) must be deposited with the Company's transfer agent, Equiniti Limited, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA, United Kingdom not later than 48 hours before the time of the meeting or adjourned meetings or (in the case of a poll taken more than 48 hours after it is demanded) not less than 24 hours before the time appointed for the taking of the poll at which it is to be used.

If the proxy is being appointed in relation to less than your full voting entitlement, please enter in the box provided the number of shares in relation to which they are authorised to act as your proxy. If left blank your proxy will be deemed to be authorised in respect of your full voting entitlement (or if this proxy form has been issued in respect of a designated account for a shareholder, the full voting entitlement for that designated account). To appoint more than one proxy (an) additional proxy form(s) may be obtained by contacting Equiniti Limited, the Company's transfer agent by telephone on 0871 384 2917 (or +44 1214 157006 if calling from outside the United Kingdom) or you may photocopy this form. Please indicate in the box next to the proxy holder's name (see above) the number of shares in relation to which they are authorised to act as your proxy. Please also indicate by ticking the box provided if the proxy instruction is one of multiple instructions being given. All forms must be signed and should be returned together in the same envelope.

The appointment of a proxy, by instrument in writing or electronically, will not preclude a member attending and voting in person at the meeting. If no direction is given, the proxy will vote or abstain at his or her discretion. In the event that you elect to give your proxy discretion on how to vote your shares, and you hold five per cent. or more of the relevant class of share, you will be required to complete a TR1 notification in accordance with DTR 5.2.1 (Disposal of Major Voting Interest).

- (4) CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so by using the procedures described in the CREST Manual. CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a 'CREST Proxy Instruction') must be properly authenticated in accordance with Euroclear's specifications and must contain the information required for such instructions, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or the amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by the issuer's agent (ID RA19) by the latest time for receipt of proxy appointments specified above. For this purpose, the time of receipt will be taken to be the time (as determined by the time stamp applied to the message by the CREST Applications Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST person member or sponsored member or has appointed a voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in regulation 35(5)(a) of the Regulations.

JZ CAPITAL PARTNERS LIMITED

(incorporated in Guernsey with limited liability under the Companies (Guernsey) Law 2008 (as amended)
with registered no. 48761)

Notice of extraordinary general meeting

Notice is hereby given that an extraordinary general meeting of JZ Capital Partners Limited (the "**Company**") will be held at Regency Court, Gategny Esplanade, St Peter Port, Guernsey GY1 3NQ, Channel Islands on 18 June 2009 at 11.10 a.m. (or as soon thereafter as the separate class meetings of, respectively, the holders of the ordinary shares in the Capital of the Company (the "**Ordinary Shares**") and the holders of the zero dividend preference shares in the capital of the Company ("**ZDP Shares**") convened for the same day (respectively, the "**Ordinary Share Class Meeting**" and the "**ZDP Class Meeting**") has been concluded or adjourned) (the "**EGM**"), for the purpose of considering and, if thought fit, passing the following resolutions, of which Resolutions 1 to 6 (inclusive) will be proposed as ordinary resolutions and Resolutions 7 and 8 (inclusive) will be proposed as special resolutions. All holders of shares in the capital of the Company will be entitled to vote on Resolutions 2 and 8. Holders of Ordinary Shares only will be entitled to vote on Resolutions 1, 6 and 7 and (except any person who is a related party in respect of the Company for the purposes of each such Resolution), Resolutions 3, 4 and 5.

ORDINARY RESOLUTIONS

1. THAT, subject to the passing at the Ordinary Share Class Meeting of the resolution in the notice of that meeting dated 22 May 2009, the passing of Resolutions 3 and 4 below and the adoption by the Company of new articles of incorporation (the "**New Articles**") pursuant to Resolution 7 below, the proposals:

- (a) for the pre-emptive offering of up to 227,565,137 new ordinary shares in the capital of the Company having the same rights and entitlements as and ranking *pari passu* with the existing Ordinary Shares, save in respect of the final dividend, if any, to be declared in respect of the financial period to 28 February 2009, to existing holders of Ordinary Shares, *pro rata* to their existing holdings (the "**Open Offer**"); and
- (b) for the placing of new ordinary shares by Jefferies International Limited on behalf of the Company to certain existing holders of Ordinary Shares and new investors, subject to clawback under the Open Offer (the "**Ordinary Share Placing**"), provided that under such placing, new limited voting ordinary shares in the capital of the Company having the rights and entitlements set out in the New Articles ("**Limited Voting Ordinary Shares**") may be placed to the existing holders of Ordinary Shares and new investors instead of new ordinary shares,

pursuant to the arrangements described in the circular to shareholders of the Company dated 22 May 2009 of which this notice forms part (the "**Circular**") (together the "**Ordinary Share Proposals**") be approved.

2. THAT, subject to the passing at the ZDP Class Meeting of resolution 1 in the notice of that meeting dated 22 May 2009 and the adoption by the Company of the New Articles pursuant to Resolution 8 below, the proposals:

- (a) for the creation of new zero dividend redeemable preference shares in the capital of the Company having the rights and entitlements set out in the New Articles ("**New ZDP Shares**");
- (b) for the offer for subscription of New ZDP Shares for cash;
- (c) for the placing of New ZDP Shares by JPMorgan Cazenove Limited on behalf of the Company; and
- (d) for the attaching to each existing ZDP Share of a right of conversion, exercisable by a valid election, into a New ZDP Share on the basis of each ZDP Share the subject of such election converting into one New ZDP Share,

pursuant to the arrangements described in the Circular (together the "**ZDP Proposals**") be approved.

3. THAT the related party transactions (as such term is defined in the Listing Rules of the United Kingdom Listing Authority (the “**Listing Rules**”)) constituted by:
 - (a) the payment of commission totalling US\$187,500 to John (Jay) W Jordan II in respect of the shares subscribed for by him pursuant to the Ordinary Share Issue; and
 - (b) the conditional irrevocable commitment to the Company from John (Jay) W Jordan II to acquire at least part of the 1,722,129 Ordinary Shares identified by the Company as being held by shareholders who are non-qualified, for the purposes of the Company’s articles of incorporation (the “**Articles**”), and therefore subject to the forced sale provisions of the Articles, and the corresponding indemnity from the Company to John (Jay) W Jordan II against any claim in respect of the exercise of the forced sale provisions of the Articles,be hereby approved for the purposes of the provisions of Chapter 11 of the Listing Rules.
4. THAT the related party transactions (as such term is defined in the Listing Rules) constituted by:
 - (a) the payment of commission totalling US\$187,500 to David Zalaznick in respect of the shares subscribed for by him pursuant to the Ordinary Share Issue; and
 - (b) the conditional irrevocable commitment to the Company from David Zalaznick to acquire at least part of the 1,722,129 Ordinary Shares identified by the Company as being held by shareholders who are non-qualified, for the purposes of the Articles, and therefore subject to the forced sale provisions of the Articles, and the corresponding indemnity from the Company to David Zalaznick against any claim in respect of the exercise of the forced sale provisions of the Articles,be hereby approved for the purposes of the provisions of Chapter 11 of the Listing Rules.
5. THAT the related party transaction (as such term is defined in the Listing Rules) constituted by the amendments to the advisory agreement entered into on 12 May 2008 between the Company and Jordan/Zalaznick Advisers, Inc, in the form set out in the document presented to the meeting and initialled for the purposes of identification and as described in the Circular be hereby approved for the purposes of the provisions of Chapter 11 of the Listing Rules.
6. THAT, subject to the passing of Resolution 1 above, the proposed share consolidation of the Company’s Ordinary Shares and Limited Voting Ordinary Shares, on the basis of one Ordinary Share for every five Ordinary Shares and one Limited Voting Ordinary Share for every five Limited Voting Ordinary Shares to be effected on the third dealing day following admission of the new ordinary shares in the capital of the Company issued pursuant to the Open Offer, be approved.

SPECIAL RESOLUTIONS

7. THAT, subject to the passing of the resolution at the Ordinary Share Class Meeting:
 - (a) the Company’s articles of incorporation be amended in the terms set out in the document presented to the meeting and initialled for the purposes of identification and as described in the Circular in order to facilitate the completion of the Ordinary Share Proposals by, *inter alia*, amending the rights attaching to the Ordinary Shares and creating new Limited Voting Ordinary Shares and harmonising the provisions in respect of the forced transfer of Shares; and
 - (b) the Company’s memorandum of incorporation be amended by deleting paragraph 5 in its entirety and replacing the same with the following: “The share capital of the Company is as stated in the Company’s articles of incorporation.”.
8. THAT, subject to the passing of resolution 1 at the ZDP Class Meeting:
 - (a) the Company’s articles of incorporation be amended in the terms set out in the document presented to the meeting and initialled for the purposes of identification and as described in the Circular in order to facilitate the completion of the ZDP Proposals by, *inter alia*, amending the rights attaching to the ZDP Shares and creating New ZDP Shares and, to the extent not otherwise approved pursuant to Resolution 7 above, harmonising the provisions in respect of the forced transfer of Shares;
 - (b) the rights attaching to each ZDP Share be amended by the addition of a right to convert into a New ZDP Share as described in and in accordance with the Circular; and

- (c) to the extent not otherwise approved pursuant to Resolution 7 above, the Company's memorandum of incorporation be amended by deleting paragraph 5 in its entirety and replacing the same with the following: "The share capital of the Company is as stated in the Company's articles of incorporation."

**BY ORDER OF THE BOARD OF THE COMPANY
Butterfield Fulcrum Group (Guernsey) Limited**

Company Secretary
22 May 2009

Registered Office:
PO Box 211
2nd Floor, Regency Court
Glategny Esplanade
St Peter Port
Guernsey GY1 3NQ
Channel Islands

Notes

Rights to attend and vote

- (1) Subject as provided in note (2) below, all shareholders are entitled to attend the meeting convened by the above notice and, subject as provided in the first paragraph of such notice, to vote on the resolutions to be proposed thereat.
- (2) The Company specifies that, in order to have the right to attend and vote at the meeting (and also for the purpose of determining how many votes a person entitled to attend and vote may cast), a person must be entered on the register of members of the Company by no later than 6.00 p.m. on 17 June 2009. Changes to entries on the register after this time shall be disregarded in determining the rights of any person to attend or vote at the meeting.

Proxies

- (3) A member entitled to attend and vote may appoint a proxy or proxies who need not be a member of the Company to attend and to vote instead of him or her. A member may appoint more than one proxy in relation to the meeting, provided that each proxy is appointed to exercise the rights attached to different shares held by the appointor.

If you choose to use the enclosed white form of proxy, to be effective, this instrument, and any power of attorney or other authority under which it is signed (or a copy of any such authority certified notarially or in some other way approved by the directors) must be deposited with the Company's transfer agent, Equiniti Limited, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA, United Kingdom not later than 48 hours before the time of the meeting or adjourned meetings or (in the case of a poll taken more than 48 hours after it is demanded) not less than 24 hours before the time appointed for the taking of the poll at which it is to be used.

If the proxy is being appointed in relation to less than your full voting entitlement, please enter in the box provided the number of shares in relation to which they are authorised to act as your proxy. If left blank your proxy will be deemed to be authorised in respect of your full voting entitlement (or if this proxy form has been issued in respect of a designated account for a shareholder, the full voting entitlement for that designated account). To appoint more than one proxy (an) additional proxy form(s) may be obtained by contacting Equiniti Limited, the Company's transfer agent by telephone on 0871 384 2917 (or +44 1214 157006 if calling from outside the United Kingdom) or you may photocopy this form. Please indicate in the box next to the proxy holder's name (see above) the number of shares in relation to which they are authorised to act as your proxy. Please also indicate by ticking the box provided if the proxy instruction is one of multiple instructions being given. All forms must be signed and should be returned together in the same envelope.

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- (4) CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so by using the procedures described in the CREST Manual. CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

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The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in regulation 35(5)(a) of the Regulations.

