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If you sell or otherwise transfer or have sold or otherwise transferred all of your registered holding of CULS, please send this document, together with the accompanying Form of Proxy, as soon as possible to the purchaser or transferee, or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for delivery to the purchaser or transferee. However, such documents should not be sent in or into any jurisdiction if to do so would constitute a violation of the relevant laws of such jurisdiction. If you sell or otherwise transfer or have sold or otherwise transferred part of your registered holding of CULS, please consult the stockbroker, bank or other agent through whom the sale or transfer was effected.

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.

This document has not been delivered to the Registrar of Companies in Guernsey or any other authority in any jurisdiction for registration.

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## **JZ CAPITAL PARTNERS LIMITED**

*(Incorporated in Guernsey as a non-cellular company limited by shares under The Companies (Guernsey) Law 2008  
(as amended) with registered no. 48761)*

**£38,861,140 6.00 per cent. convertible unsecured subordinated loan stock due 2021**

**ISIN: GG00BP46PR08, Sedol: BP46PR0**

**(the “CULS” and the holders thereof the “CULS Holders”)**

### **Recommended Proposal for CULS Holders in respect of Amendments to the Articles of Incorporation of the Company and Notice of Meeting of CULS Holders**

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**This document does not constitute or form part of any offer or invitation to purchase, otherwise acquire, subscribe for, sell, otherwise dispose of or issue, or any solicitation of any offer to sell, otherwise dispose of, issue, purchase, otherwise acquire or subscribe for, any security.**

This is not a prospectus but a circular to the registered holders of CULS. The distribution of this document in jurisdictions other than the United Kingdom may be restricted by the laws of those jurisdictions and therefore persons into whose possession this document comes should inform themselves about and observe any such restrictions. Failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

Unless otherwise defined herein, capitalised terms used in this document have the meanings given to them in the section entitled “Definitions” set out on pages 24 to 28 of this document.

Your attention is drawn to the letter from the Chairman of the Company which is set out on pages 4 to 23 in the “Chairman’s Letter” of this document which contains the unanimous recommendation of the Directors of the Company that CULS Holders vote in favour of the Extraordinary Resolution of CULS Holders to be proposed at the Meeting of CULS Holders as those Directors holding CULS intend to do so in respect of their own beneficial holdings. Your attention is also drawn to the section entitled “Form Accompanying this Document and Action to be Taken” set out in paragraph 6 of the “Chairman’s Letter” of this document. This document should be read in its entirety.

Notice of the Meeting of CULS Holders is set out at the end of this document. *CULS Holders should also be aware that Notices of Separate General Meetings and a Notice of an Extraordinary General Meeting are being sent separately to Shareholders in connection with the Proposals to be proposed at Separate General Meetings and an Extraordinary General Meeting of the Company by way of a Separate Circular to Shareholders.*

The Meeting of CULS Holders is to be held in England at 10.30 a.m. (London time) on 16 May 2017 at the offices of Ashurst LLP, Broadwalk House, 5 Appold Street, London EC2A 2HA, United Kingdom. A Form of Proxy will accompany the Circular to CULS Holders for use by the CULS Holders in connection with the Meeting of CULS Holders. To be valid, the Form of Proxy should be completed, signed and returned in accordance with the instructions printed thereon, so as to be received by the Company c/o Equiniti Limited, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA, United Kingdom as soon as possible and in any event not later than 48 hours before the appointed time for the holding of the Meeting of CULS Holders (excluding any part of a day which is non-working). Completion and return of the Form of Proxy will not preclude CULS Holders from attending and voting in person at the Meeting of CULS Holders should they so wish and be so entitled. CULS Holders are advised to review the instructions on page 23 of this document regarding the proper completion and return of the Form of Proxy.

Separate General Meetings and an Extraordinary General Meeting of the Company are to be held at the offices of Northern Trust International Fund Administration Services (Guernsey) Limited, Trafalgar Court, Les Banques, St Peter Port, Guernsey, Channel Islands.

A Separate General Meeting of Ordinary Shareholders is to be held at 10.35 a.m. (London time) on 16 May 2017 (or as soon thereafter as the Meeting of CULS Holders has been concluded or adjourned).

A Separate General Meeting of ZDP Shareholders is to be held at 10.40 a.m. (London time) on 16 May 2017 (or as soon thereafter as the Separate General Meeting of Ordinary Shareholders has been concluded or adjourned).

An Extraordinary General Meeting of the Company is to be held at 10.45 a.m. (London time) on 16 May 2017 (or as soon thereafter as the Separate General Meeting of ZDP Shareholders has been concluded or adjourned).

Forms of Proxy (together with instructions for their completion and return) will accompany a separate Circular to Shareholders for use by Shareholders in connection with the Separate General Meetings and the Extraordinary General Meeting.

#### **Cautionary note regarding forward-looking statements**

This document contains a number of “forward-looking statements”. Generally, the words “will”, “may”, “should”, “continue”, “believes”, “expects”, “intends”, “anticipates”, “forecast”, “plan” and “project” or in each case, their negative, or similar expressions identify forward-looking statements. Such statements reflect the relevant company’s current views with respect to future events and are subject to risks, assumptions and uncertainties that could cause the actual results to differ materially from those expressed or implied in the forward-looking statements. Many of these risks, assumptions and uncertainties relate to factors that are beyond the companies’ abilities to control or estimate precisely, such as future market conditions, changes in general economic and business conditions, introduction of competing products and services, lack of acceptance of new products or services and the behaviour of other market participants. Although the Company believes that the expectations reflected in such forward-looking statements are reasonable, no assurance can be given that such expectations will prove to have been correct. CULS Holders should not, therefore, place undue reliance on these forward-looking statements, which speak only as of the date of this document. Except as required by applicable law or regulation, the Company expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statements contained in this document to reflect any change in the Company’s expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based.

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## EXPECTED TIMETABLE

Publication and posting of: 20 April 2017

- this Circular to CULS Holders and the accompanying Notice of Meeting of CULS Holders and the Form of Proxy for use in connection with the Meeting of CULS Holders; and
- the Circular to Shareholders and the accompanying Notices of Separate General Meetings and the Notice of Extraordinary General Meeting and the Forms of Proxy for use in connection with the Separate General Meetings and the Extraordinary General Meeting

Latest time and date for receipt of the Form of Proxy for the Meeting of CULS Holders 10.30 a.m. (London time) on 12 May 2017

Latest time and date for receipt of the Form of Proxy for the Separate General Meeting of Ordinary Shareholders 10.35 a.m. (London time) on 12 May 2017

Latest time and date for receipt of the Form of Proxy for the Separate General Meeting of ZDP Shareholders 10.40 a.m. (London time) on 12 May 2017

Latest time and date for receipt of the Form of Proxy for the Extraordinary General Meeting 10.45 a.m. (London time) on 12 May 2017

Meeting of CULS Holders 10.30 a.m. (London time) on 16 May 2017

Separate General Meeting of Ordinary Shareholders 10.35 a.m. (London time) on 16 May 2017 (or as soon thereafter as the Meeting of CULS Holders has been concluded or adjourned)

Separate General Meeting of ZDP Shareholders 10.40 a.m. (London time) on 16 May 2017 (or as soon thereafter as the Separate General Meeting of Ordinary Shareholders has been concluded or adjourned)

Extraordinary General Meeting 10.45 a.m. (London time) on 16 May 2017 (or as soon thereafter as the Separate General Meeting of ZDP Shareholders has been concluded or adjourned)

Announcement of the results of the Meeting of CULS Holders, Separate General Meetings and the Extraordinary General Meeting 16 May 2017

### NOTES:

1. All references in this document are to London time unless otherwise stated.
2. The times and dates set out in the Expected Timetable above and mentioned throughout this document may be adjusted by the Company in which event details of the new times and dates will be notified to the Guernsey Financial Services Commission, the London Stock Exchange and, where appropriate, the Shareholders and the CULS Holders.
3. The Separate General Meetings and the Extraordinary General Meeting are to be held at the offices of Northern Trust International Fund Administration Services (Guernsey) Limited, Trafalgar Court, Les Banques, St Peter Port, Guernsey, Channel Islands.  
The Meeting of CULS Holders is to be held in England at the offices of Ashurst LLP at Broadwalk House, 5 Appold Street, London EC2A 2HA, United Kingdom.

## CHAIRMAN'S LETTER

### JZ CAPITAL PARTNERS LIMITED

*(Incorporated in Guernsey as a non-cellular company limited by shares under The Companies (Guernsey) Law 2008  
(as amended) with registered no. 48761)*

#### *Non-Executive Directors*

David Macfarlane (*Chairman*)  
Patrick Firth  
James Jordan  
Tanja Tibaldi  
Christopher Waldron

#### *Registered Office*

JZ Capital Partners Limited  
PO Box 255  
Trafalgar Court  
Les Banques  
St Peter Port  
Guernsey  
GY1 3QL

20 April 2017

Dear CULS Holder,

**Recommended Proposal for CULS Holders in respect of  
Amendments to the Articles of Incorporation of the Company  
and  
Notice of Meeting of CULS Holders**

#### **1. Discontinuation of Dividend Policy and Inception of New Strategy**

For the purposes of this document, the approval of the CULS Holders is being sought by way of Extraordinary Resolution of CULS Holders only in relation to the Proposal concerning the Articles Amendments as described below in this document. The approval of the Shareholders is being sought for that Proposal and each of the other Proposals (together being the Articles Amendments, the Buy Back Authorities and any CFC Related Party Transaction on the terms of the CFC Buy Back Arrangement, in each case, as described below in this document) by way of a separate Circular to Shareholders. Nothing in any Proposals contemplated herein shall require the conversion price of the CULS to be adjusted.

The Board recently launched a review of the Company's existing dividend policy, following careful consideration as to whether full value for Shareholders is being achieved.

Introduced in July 2012, the policy seeks to distribute out of profits in each financial year in the form of dividends an amount equal to approximately three per cent. of the Company's net assets for that financial year. The review was undertaken in view of the substantial discount to net asset value at which the Company's Ordinary Shares continue to trade.

Following the review, which included consultation with the Company's largest Shareholders, the Board has determined that the interests of Shareholders would be better served through a new strategy which would include the application of the Company's available distributable profits in the purchase by the Company of its Ordinary Shares.

Under the new strategy, purchases by the Company of its Ordinary Shares will be undertaken when opportunities in the market permit and as the Company's cash resources allow. Naturally the Board will have regard at the relevant time to the best interests of the Company in determining the application of cash resources and where other applications are required or seem appropriate, such as in other investments or the repayment of debt, the cash will be applied accordingly. In addition, the decision by the Company to undertake any purchase of its Ordinary Shares under the new strategy will be a matter determined by the Board with the consent of the Company's Investment Adviser.

The new strategy will be kept under review by the Board, particularly with regard to the level of the discount to net asset value of the Company's Ordinary Shares. When the discount no longer justifies the continuation of the strategy the Board will consider returning to the payment of dividends.

As a consequence of the proposed changes, the dividend policy will, subject to the approvals contemplated in this document, be discontinued and the Company will at the same time adopt the new strategy. Accordingly, the Company does not intend to declare or pay a second interim dividend to Ordinary Shareholders for the financial year ending 28 February 2017.

## **2. Related Proposals and Purpose of this Document**

Implementing the new strategy requires the Company to address a number of issues before it will have the ability to purchase its Ordinary Shares. Those issues arise from certain provisions contained in the Company's Articles and the composition of its Shareholder base, specifically certain of the Company's large Ordinary Shareholders who are also US Holders. Accordingly the principal purpose of this document is to set out and explain each of those issues together with a series of Proposals to address them and which if approved will allow the Company to purchase its Ordinary Shares including under the new strategy should the Company decide to do so. CULS Holders should be aware that if approved, the Proposals will also provide the Company with the flexibility to purchase its ZDP Shares although the Company does not currently have an intention to do so.

Each of the issues and the Proposals to address them are set out in detail in paragraphs 3 and 4 respectively of the "*Chairman's Letter*" of this document.

The Proposal concerning the Articles Amendments requires approval to be obtained from the CULS Holders. That Proposal and each of the other Proposals (together being the Articles Amendments, the Buy Back Authorities and any CFC Related Party Transaction on the terms of the CFC Buy Back Arrangement) require approval to be obtained from the Company's Shareholders. Details of such CULS Holder and Shareholder approvals are set out in paragraph 5 of the "*Chairman's Letter*" of this document.

Accordingly, in addition to the principal purpose of this document set out above, this document also provides CULS Holders with a Notice of Meeting of CULS Holders at which the Extraordinary Resolution of CULS Holders concerning the Articles Amendments will be proposed at that meeting and will be put forward to, and voted on by, the CULS Holders and explains why the Board considers the Articles Amendments to be in the best interests of the Company and the CULS Holders and explains why in respect of the Articles Amendments, the CULS Holders should:

- sanction, approve and adopt the New Articles in substitution for, and to the exclusion of the Company's existing Articles and each and every alteration, modification, abrogation or variation of the rights and privileges attaching or belonging to the Ordinary Shares of the Company as is, or may be, involved therein or effected thereby;
- authorise, direct, request and empower the CULS Trustee to give effect to and implement the matters referred to in the Extraordinary Resolution of CULS Holders and to execute and do all such other deeds, instruments, acts and things and take such steps as may be necessary or appropriate (in the sole and absolute discretion of the CULS Trustee) to carry out and give effect to the Extraordinary Resolution of CULS Holders;
- sanction and approve each and every abrogation, variation, modification, compromise or arrangement in respect of the rights of the CULS Holders appertaining to the CULS against the Company, whether or not such rights arise under the CULS Trust Deed, the terms and conditions of the CULS or otherwise, involved in or resulting from or to be effected by the sanctions referred to in the Extraordinary Resolution of CULS Holders or the entry into any document to give effect to and implement the Extraordinary Resolution of CULS Holders;
- indemnify, discharge, waive and exonerate the CULS Trustee from all liability for which it may have become or may become liable or responsible under the CULS Trust Deed or the CULS Trustee in respect of any act or omission in connection with the Extraordinary Resolution of CULS Holders, the Notice of Meeting of the CULS Holders, the Circular to CULS Holders and/or the matters contemplated hereby; and
- waive irrevocably any claim that they may have against the CULS Trustee arising as a result of any loss or damage which any CULS Holder may suffer or incur as a result of the CULS Trustee acting

upon the Extraordinary Resolution of CULS Holders (including, without limitation, circumstances where it is subsequently found that the Extraordinary Resolution of CULS Holders is not valid or binding on the CULS Holders or that there is a defect in the passing of the Extraordinary Resolution of CULS Holders) and further confirms that the CULS Holders will not seek to hold the CULS Trustee liable for any such loss or damage and that the CULS Trustee shall not be responsible to any person for acting upon the Extraordinary Resolution of CULS Holders.

*With respect to the Shareholders' approvals, CULS Holders should be aware that a separate Circular to Shareholders containing Notices of Separate General Meetings are also being sent to the Ordinary Shareholders and ZDP Shareholders at which the Resolutions to be proposed at those meetings will be put forward to and voted on by the Ordinary Shareholders and the ZDP Shareholders respectively. The separate circular to Shareholders will also contain a notice of Extraordinary General Meeting at which the Resolutions to be proposed at that meeting will be put forward to and voted on by the Shareholders in respect of which they are entitled to vote.*

The Extraordinary Resolution of CULS Holders to be proposed at the Meeting of CULS Holders and the Resolutions to be proposed at the Separate General Meetings and the Extraordinary General Meeting are the only resolutions to be proposed at each of those meetings.

### **3. Background to and reasons for the Proposals**

For the purposes of this document, the approval of the CULS Holders is being sought by way of Extraordinary Resolution of CULS Holders only in relation to the Proposal concerning the Articles Amendments as described in paragraph 4 below in this document. The approval of the Shareholders is being sought for that Proposal and each of the other Proposals (together being the Articles Amendments, the Buy Back Authorities and any CFC Related Party Transaction on the terms of the CFC Buy Back Arrangement, in each case, as described below in this document) by way of a separate Circular to Shareholders.

#### **3.1 Class rights of ZDP Shares**

The existing provisions of the Articles provide that, as a class right of the ZDP Shares, the Company is required to obtain the sanction of the ZDP Shareholders in order to pass a valid resolution to reduce the capital of the Company or to purchase Shares in the Company. Such a class right would require the Company to obtain the sanction of the ZDP Shareholders prior to each occasion that the Company sought to pass a valid resolution for any purchases of its Shares including any such purchases of its Ordinary Shares under the new strategy.

In order to address this issue, it is proposed that the Articles will be amended to permit, without the sanction of the ZDP Shareholders, the passing of any resolution(s) at any time and from time to time authorising the purchase of any class or classes of Shares by the Company made pursuant to any such resolution(s) so long as each such resolution shall be limited to:

- a general authority of Ordinary Shareholders to make Market Acquisitions of Shares where the maximum number of Shares in each class of Shares that may be purchased is equal to or less than 15 per cent. of the Shares of such class at the date of the respective notice of meeting in which such resolution is included (which is hereinafter referred to in this document as a Market Acquisition Authority); and
- an authority of Ordinary Shareholders pursuant to the Companies Law of the terms of a contract to be included in the Articles as prescribed therein for the Company to make Off-Market Acquisitions of Ordinary Shares in pursuance of the terms of that contract (which is hereinafter referred to in this document as an Off-Market Acquisition Authority).

Such resolutions (and any such purchase so authorised by such resolutions including the purchase and cancellation or holding in treasury (with or without subsequent cancellation) by the Company of any of its Shares) will be treated as being in accordance with the rights attaching to the ZDP Shares thereby not constituting an alteration, modification, abrogation or variation to the class rights of such ZDP Shares. For the avoidance of doubt, the Articles will also be amended to provide that any rights conferred upon the holders of Ordinary Shares will not be deemed to be varied,

modified or abrogated by the purchase or redemption, and cancellation or holding in treasury (with or without subsequent cancellation) by the Company of any of its Shares.

A resolution in respect of an Off-Market Acquisition Authority would be needed in conjunction with a resolution concerning a Market Acquisition Authority to allow the Company to purchase its Ordinary Shares and to reduce the risk of the Company being or becoming a Controlled Foreign Corporation. Further details in relation to the need for an Off-Market Acquisition Authority including for Controlled Foreign Corporation reasons and the terms of the above mentioned contract are set out in paragraphs 3.2, 3.3, 4.1 and 4.2 of the “*Chairman’s Letter*” of this document.

Any purchases of the Company’s Ordinary Shares under the new strategy are intended to be made pursuant to a Market Acquisition Authority, and subject to the passing of an Off-Market Acquisition Authority, in pursuance of the terms of the above mentioned contract as prescribed therein.

A Market Acquisition Authority will if approved authorise the Company to purchase up to a maximum number of Ordinary Shares and ZDP Shares representing approximately 14.99 per cent. of each class of those Shares. However, whilst any Market Acquisition Authority will provide the Company with the flexibility to purchase both of its Ordinary Shares and ZDP Shares, the Company does not currently have an intention to make purchases of its ZDP Shares. *In addition, should the Company decide to purchase any of its Ordinary Shares including under the new strategy, the Company’s intention is only to use any Market Acquisition Authority to purchase up to a number of Ordinary Shares (including, subject to the passing of an Off-Market Acquisition Authority, any Ordinary Shares purchased in pursuance of the terms of the above mentioned contract as prescribed therein) in respect of which the aggregate cost of such Ordinary Shares so purchased in any given period for which the Company has the requisite authorities to make such purchases is not more than an amount equal to three per cent. of the Company’s net assets (before dividends) as shown by the Company’s published audited accounts for the financial year prior to that period (“3 per cent. of NAV”). Such amount shall, for each given period after the expiry of the first, include the unused amount(s) (if any) of any prior period(s) in addition to the 3 per cent. of NAV for such period.*

For this purpose (and for the avoidance of doubt), for the periods: (i) from the requisite approvals contemplated in this document being obtained until the Annual General Meeting of the Company in 2018, the Company’s net assets shall be determined by reference to the financial year ending 28 February 2017; (ii) from the 2018 Annual General Meeting until the Annual General Meeting of the Company in 2019, the Company’s net assets shall be determined by reference to the financial year ending 28 February 2018; and (iii) from each Annual General Meeting thereafter until the Annual General Meeting of the following year, the relevant net assets shall be determined by reference to the preceding financial year.

The issue of the class rights of the ZDP Shares is intended to be addressed as part of the Proposal to approve certain amendments proposed to be made to the Articles which are hereinafter referred to in this document as the Articles Amendments. Details in relation to the Articles Amendments concerning the issue of the class rights of the ZDP Shares are set out in paragraph 4.1 of the “*Chairman’s Letter*” of this document.

### 3.2 **Controlled Foreign Corporation**

In general, a non-US corporation such as the Company would be treated as a Controlled Foreign Corporation only if its “US 10% Shareholders” (as defined below) collectively own during specified periods more than 50 per cent. of the total combined voting power or total value of the corporation’s stock. A “US 10% Shareholder” means any US Holder who owns, directly or indirectly through foreign entities, or is considered to own (by application of certain constructive ownership rules), 10 per cent. or more of the total combined voting power of all classes of stock of that non-US corporation (a “**US 10% Shareholder**”). If the Company were to be treated as a Controlled Foreign Corporation, US 10% Shareholders of the Company would be subject to adverse tax consequences.

Accordingly, the Articles include certain US ownership and transfer restrictions in relation to the Ordinary Shares in order to reduce the risk that the Company could be or become a Controlled Foreign Corporation. Specifically, the Articles impose an ownership limit on acquiring Ordinary

Shares after a grandfathering date of 19 April 2012 (the “**Grandfathering Date**”) if, immediately after such acquisition, a US Holder would Constructively Own more than 9.9 per cent. of the Ordinary Shares in issue (the “**9.9 per cent. limit**”). The 9.9 per cent. limit is subject to exceptions including, among others, to allow certain large Ordinary Shareholders who are also US Holders and who as at the Grandfathering Date each held more than the 9.9 per cent. limit but collectively less than 50 per cent. of the Company’s ordinary share capital (the “**Exceeding Shareholders**”) to acquire further Ordinary Shares in certain circumstances set forth in the Articles, provided that the Exceeding Shareholders’ aggregate percentage holding of Ordinary Shares after such acquisition does not exceed the greater of their aggregate percentage holding as of the Grandfathering Date and the combined aggregate limit (as defined below). The Exceeding Shareholders together, may never hold an aggregate percentage of the Ordinary Shares in issue at the relevant time greater than the percentage specified by the Board in an approval of the Board, and which in no event shall exceed 47 per cent. of the Ordinary Shares in issue at the relevant time (the “**combined aggregate limit**”).

In circumstances where the Company’s Ordinary Shares are acquired in contravention of the above US ownership and transfer restrictions, the Articles contain forced sale provisions requiring, among other things, the relevant Ordinary Shares to be sold or, failing that, placed in trust.

Whilst the restrictions are, as mentioned above, designed to reduce the Controlled Foreign Corporation risk, they are expressed as not applying to, nor do they cater for, any increases of percentage shareholdings resulting from reductions of capital or purchases of Shares by the Company. The Board has therefore needed to consider the impact of any possible future purchases of the Company’s Ordinary Shares including under the new strategy against the Controlled Foreign Corporation issue, together with the composition of its register of members and specifically its large Ordinary Shareholders who are also US Holders including their respective holdings of Ordinary Shares.

The Exceeding Shareholders are David W. Zalaznick and John (Jay) W. Jordan II (being the JZAI Founders) and Edgewater who together, as at 19 April 2017 (being the latest practicable date prior to the publication of this document), according to notifications made to the Company in accordance with the Disclosure and Transparency Rules, held 46.99 per cent. of the Company’s issued Ordinary Share capital. The Company also has a number of other large Ordinary Shareholders that are US Holders including a number of which that are subject to and according to such notifications are approaching the 9.9 per cent. limit.

*As a consequence of how Controlled Foreign Corporation status is determined and the existing (and prospective future) percentage holdings of the Exceeding Shareholders and the Company’s other large Ordinary Shareholders who are also US Holders, if the Company was to undertake a purchase of its Ordinary Shares including under the new strategy (in circumstances where the above US ownership and transfer restrictions do not apply to, nor cater for, any increases of percentage shareholdings resulting from such a purchase), then such a purchase could increase those Ordinary Shareholders’ percentage holdings of Ordinary Shares above the relevant thresholds for determining Controlled Foreign Corporation status such that the Company could be or become a Controlled Foreign Corporation and thereby potentially materialising the Controlled Foreign Corporation risk. That could be the case unless the Exceeding Shareholders and the Company’s other large Ordinary Shareholders who are also US Holders were party to such a transaction at a rate such that the relevant US ownership restrictions are observed.*

#### *CFC Buy Back Arrangement*

In order to address this issue for purchases of Ordinary Shares by the Company including under the new strategy and so as to allow the Company to effect such purchases and to reduce the risk of the Company being or becoming a Controlled Foreign Corporation, it is proposed that the Articles will be amended to include an arrangement which shall constitute a contract for the Company to make such purchases in pursuance of the terms of that contract as prescribed therein. That arrangement is hereinafter referred to in this document as the CFC Buy Back Arrangement.

The Articles as proposed to be amended to include the CFC Buy Back Arrangement will require an Off-Market Acquisition Authority in order to authorise any such purchases made in pursuance of its terms as prescribed therein. The CFC Buy Back Arrangement will also only apply in the case



of any purchase from time to time of Ordinary Shares by the Company made pursuant to a Market Acquisition Authority. Accordingly, any purchases by the Company of Ordinary Shares will be made pursuant to a Market Acquisition Authority and, subject to the passing of an Off-Market Acquisition Authority, in pursuance of the terms of the Articles as prescribed by the CFC Buy Back Arrangement to be included therein.

In relation to the CFC Buy Back Arrangement to be included in the Articles, the arrangement will apply to:

- each Exceeding Shareholder; and
- each other US Holder who the Board determines, in its absolute discretion, might breach the 9.9 per cent. limit immediately after giving effect to any such purchases pursuant to a Market Acquisition Authority (a “**CFC Limited Shareholder**” and, together with the Exceeding Shareholders, the “**CFC Buy Back Arrangement Shareholders**”).

In the case of any purchase of Ordinary Shares by the Company made pursuant to a Market Acquisition Authority, the CFC Buy Back Arrangement will require unless the Board determines otherwise, in its absolute discretion (and subject to the passing of an Off-Market Acquisition Authority) that each CFC Buy Back Arrangement Shareholder shall be required to sell to the Company (and the Company shall buy from each such CFC Buy Back Arrangement Shareholder) such number of their Ordinary Shares that the Board determines, in its absolute discretion, would be necessary or desirable in order to prevent any such purchases made pursuant to such Market Acquisition Authority from resulting in:

- for each Exceeding Shareholder, that Exceeding Shareholder increasing its percentage holding of Ordinary Shares; and
- for each CFC Limited Shareholder, that CFC Limited Shareholder exceeding the 9.9 per cent. limit,

(collectively, and together with the other terms set out in this section under the heading entitled “**CFC Buy Back Arrangement**”, the “**CFC Buy Back Arrangement**”).

The Ordinary Shares required to be purchased under the CFC Buy Back Arrangement (together, the “**CFC Buy Back Arrangement Shares**”) will be determined on a daily basis and executed following and as soon as reasonably practicable after completing the execution of all purchases of Ordinary Shares pursuant to such Market Acquisition Authority on that day on which such purchases pursuant to such Market Acquisition Authority are agreed.

The price that each CFC Buy Back Arrangement Shareholder will be entitled to receive and that will be paid by the Company to each of them in respect of each of their respective CFC Buy Back Arrangement Shares determined as being required to be purchased under the CFC Buy Back Arrangement in respect of any given day shall be the volume weighted average price payable per Ordinary Share in respect of the Ordinary Shares agreed to be purchased by the Company on that day pursuant to such Market Acquisition Authority (the “**CFC Buy Back Arrangement Price**”).

For the purpose of giving effect to purchases of CFC Buy Back Arrangement Shares under the CFC Buy Back Arrangement, any Director may (or the Board may appoint any person that the Board so authorises from time to time to) effect those purchases on behalf of each CFC Buy Back Arrangement Shareholder.

CULS Holders should note that the purpose of the CFC Buy Back Arrangement is to address the Controlled Foreign Corporation issue and is not being proposed for any other reason.

CULS Holders should also be aware that the CFC Buy Back Arrangement as far as it concerns any purchase from time to time by the Company of any of its Ordinary Shares from the CFC Buy Back Arrangement Shareholders who are Exceeding Shareholders (and who are also all Related Parties of the Company) on the terms of the CFC Buy Back Arrangement would be considered Related Party Transactions (insofar as the Listing Rules are applicable to the Company by virtue

of its voluntary compliance with the same). Any such Related Party Transactions are hereinafter referred to in this document as a CFC Related Party Transaction. Approval of any CFC Related Party Transaction on the terms of the CFC Buy Back Arrangement is one of the Proposals the subject of a Shareholder approval to be proposed as a Resolution at the Extraordinary General Meeting. Further details in relation to any such CFC Related Party Transaction are set out in paragraph 4.3 of the “*Chairman’s Letter*” of this document.

*US ownership and transfer restrictions*

In order to further address the Controlled Foreign Corporation issue for purchases of Ordinary Shares by the Company, it is also proposed that the Articles will be amended so that the above US ownership and transfer restrictions that relate to Controlled Foreign Corporations including the forced sale provisions apply to increases of percentage shareholdings resulting from such purchases and also to any reductions of capital relating to Ordinary Shares. The amendments will apply to any type of purchase by the Company of its Ordinary Shares if and to the extent that the terms of the CFC Buy Back Arrangement to be included in the Articles do not apply or have not been complied with as well as to any reductions of capital relating to Ordinary Shares by the Company.

Firstly, the Articles (if amended) would expand the ownership limit on holding Ordinary Shares if, as a consequence of a purchase of the Company’s Ordinary Shares or a reduction of capital relating to Ordinary Shares by the Company, a US Holder (other than an Exceeding Shareholder) would Constructively Own in excess of the 9.9 per cent. limit. Ordinary Shareholders who are also US Holders (other than, for the reasons below, the Exceeding Shareholders) will be subject to the 9.9 per cent. limit and their Ordinary Shares will therefore be subject to the forced sale provisions contained in the Articles if and to the extent that the effect of the purchase or reduction is to increase their percentage holdings of Ordinary Shares in excess of that limit.

Secondly, the Articles (if amended) would provide for an exception to the 9.9 per cent. limit allowing the Exceeding Shareholders to Constructively Own in excess of that limit if their aggregate percentage holdings of Ordinary Shares after a purchase of the Company’s Ordinary Shares or a reduction of capital relating to Ordinary Shares by the Company does not exceed the greater of their aggregate percentage holding as at the Grandfathering Date and the combined aggregate limit. The Ordinary Shares of the Exceeding Shareholders will be subject to the forced sale provisions contained in the Articles if and to the extent that the effect of the purchase or reduction is to increase the Exceeding Shareholders’ aggregate percentage holdings of Ordinary Shares in excess of that limit. The Ordinary Shares subject to such forced sale provisions shall be determined amongst the Exceeding Shareholders in proportion to the extent to which each Exceeding Shareholders’ proportion of the Ordinary Shares increased as a consequence of the purchase or reduction.

Thirdly, the Articles (if amended) would as a clarifying amendment make it clear that, with respect to the forced sale provisions relating to the US ownership and transfer restrictions (as those provisions currently apply and are proposed to apply), the relevant holder of any Ordinary Shares required to be placed in trust pursuant to those provisions shall have no rights in those Ordinary Shares except to receive an amount of proceeds from their sale of an amount not greater than their value on the fourteenth day from the date of contravening the relevant restrictions. Any sale proceeds in excess of that amount shall be donated to charity.

The above amendments proposed to be made to the Articles are intended to provide a further safeguard against the Controlled Foreign Corporation issue in circumstances where the Company purchases its Ordinary Shares by any means or undertakes a reduction of capital relating to Ordinary Shares in addition to the safeguard which is proposed to be provided by the CFC Buy Back Arrangement.

The existing provisions in the Articles, which allow the Company to decline to register a person as, or to require such person to cease to be, a holder of any class of ordinary shares or other equity securities of the Company if, among other reasons, they believe that such person would materially increase the risk that the Company could be or become a Controlled Foreign Corporation, will be retained. In circumstances where those provisions allow for a forced sale of such shares or securities such a sale is made at the best price reasonably obtainable at the relevant time. Such existing

provisions as already contained in the Articles provide additional flexibility for the Company to address the Controlled Foreign Corporation issue.

CULS Holders should note such forced sale provisions in respect of Ordinary Shares referred to above concern forced sales to third parties as opposed to mandatory purchases by the Company, which are provided for in the case of the CFC Buy Back Arrangement.

The Controlled Foreign Corporation issue is intended to be addressed as part of the Proposal to approve certain amendments proposed to be made to the Articles (being the Articles Amendments) and the Proposal to approve any CFC Related Party Transaction on the terms of the CFC Buy Back Arrangement. Further details in relation to the Articles Amendments concerning the Controlled Foreign Corporation issue are set out in paragraph 4.1 and details of any such CFC Related Party Transaction are set out in paragraph 4.3, in each case, of the “Chairman’s Letter” of this document.

*CULS Holders should be aware that there are certain risks related to the above measures to address the Controlled Foreign Corporation issue in the context of a purchase of Ordinary Shares or capital reduction relating to Ordinary Shares by the Company and the Proposals generally. Whilst the measures are aimed at reducing the risk of the Company thereby being or becoming a Controlled Foreign Corporation, the Company cannot provide any assurance that the Company will not be or become a Controlled Foreign Corporation. The Company’s treatment as a Controlled Foreign Corporation could have adverse tax consequences for US 10% Shareholders. CULS Holders should also be aware that the Company may decline to register a person as, or to require such person to cease to be, a holder of any class of ordinary shares or other equity securities of the Company because of, among other reasons, the US ownership and transfer restrictions that relate to Controlled Foreign Corporations contained in the Articles (including, for the avoidance of doubt in this paragraph, as contained in the Articles as proposed to be amended). Shareholders may be subject to forced sale provisions contained in the Articles in which case they could be forced to dispose of their securities. Shareholders may also be restricted by such provisions with respect to the persons to whom they are permitted to transfer their securities. In addition, any action taken by the Company for the purpose of forcing the sale of securities which the Company believes to be in breach of those restrictions could lead to potential claims and related costs. Although the Company considers that it would be acting in accordance with the powers that it has under the Articles and does not believe that any claim in respect of the exercise of forced sale provisions in accordance with the Articles would be valid as a matter of Guernsey law, there can be no assurance that claims will not be asserted, or that the Company will not incur costs in defending against or settling any such claims.*

*The risks set out above are the risks which are considered to be material but are not the only risks relating to the Company, the above measures to address the Controlled Foreign Corporation issue or the Proposals generally. There may be additional risks that the Company does not consider to be material or of which the Company is not aware. If any of these risks or the risks above were to materialise, such risks could have a material adverse effect on the Company’s financial condition, results of operations or net asset value, the price of the Company’s Shares and/or on the Company’s ability to meet its financial obligations.*

*CULS Holders should be aware that this document does not constitute tax advice and is not intended to be a substitute for tax advice and planning. CULS Holders must consult their own tax advisers concerning the laws of any applicable taxing jurisdiction in their particular situations of the acquisition, ownership and disposition of any of the Company’s securities. In particular, any CULS Holders that are also US Holders are urged to consult their own tax advisers about the application of the Controlled Foreign Corporation rules (including as a result of the Articles Amendments and any CFC Related Party Transaction on the terms of the CFC Buy Back Arrangement) to their particular situations.*

### **3.3 Market Acquisition Authority and Off-Market Acquisition Authority**

Any purchase of Shares by the Company will still require any other necessary authorities to affect any such purchase including, for any purchases of the Company’s Ordinary Shares under the new strategy, a Market Acquisition Authority and, in the case of any such purchases made in pursuance

of the terms of the Articles as prescribed by the CFC Buy Back Arrangement to be included therein, an Off-Market Acquisition Authority.

In order to address this issue, a Market Acquisition Authority and an Off-Market Acquisition Authority, which are hereinafter referred to in this document as the Market Acquisition Buy Back Authority and the Off-Market Acquisition Buy Back Authority respectively and together as the Buy Back Authorities are proposed to be sought at the Extraordinary General Meeting.

The Off-Market Acquisition Buy Back Authority is needed in conjunction with the Market Acquisition Buy Back Authority for reasons related to the Controlled Foreign Corporation issue explained in paragraph 3.2 of the “*Chairman’s Letter*” of this document. Specifically, the Articles as proposed to be amended to include the CFC Buy Back Arrangement, which applies in the case of purchases of Ordinary Shares by the Company made pursuant to a Market Acquisition Authority, also requires an Off-Market Acquisition Authority in order to authorise any such purchases made in pursuance of the terms of the Articles as prescribed by the CFC Buy Back Arrangement to be included therein.

Each of the Buy Back Authorities are intended by the Company to remain in place until at the Annual General Meeting of the Company in 2018 and so will not be put forward to, and voted on by, Ordinary Shareholders at the upcoming 2017 Annual General Meeting. However, it is intended by the Company for each of the Buy Back Authorities to be renewed at the 2018 Annual General Meeting and at each Annual General Meeting thereafter.

Accordingly, any purchases of the Company's Ordinary Shares under the new strategy are intended to be made pursuant to the Market Acquisition Buy Back Authority (or any future Market Acquisition Authority) and, subject to the passing of the Off-Market Acquisition Buy Back Authority (or any future Off-Market Acquisition Authority) in pursuance of the terms of the Articles as prescribed by the CFC Buy Back Arrangement to be included therein

The Market Acquisition Buy Back Authority (and any future Market Acquisition Authority) will if approved authorise the Company to purchase up to a maximum number of Ordinary Shares and ZDP Shares representing approximately 14.99 per cent. of each class of those Shares. However, as mentioned in paragraph 3.1 of the “*Chairman’s Letter*” of this document, the Company does not currently have an intention to make purchases of its ZDP Shares and, should the Company decide to purchase any of its Ordinary Shares including under the new strategy, the Company's intention is only to use the Market Acquisition Buy Back Authority (or any future Market Acquisition Authority) to purchase up to a number of Ordinary Shares (which shall include, subject to the passing of the Off-Market Acquisition Buy Back Authority (or any future Off-Market Acquisition Authority), any Ordinary Shares purchased in pursuance of the terms of the Articles as prescribed by the CFC Buy Back Arrangement to be included therein) subject to the parameters described in that paragraph.

CULS Holders should be aware that the decision by the Company to undertake any purchase of its Ordinary Shares so authorised by the Buy Back Authorities (or any future Market Acquisition Authority or any future Off-Market Acquisition Authority) including under the new strategy will be a matter determined by the Board with the consent of the Company’s Investment Adviser.

The issue of the required authorities to make purchases of Shares by the Company are intended to be addressed as part of the Proposal to authorise the Buy Back Authorities. Details in relation to the Buy Back Authorities are set out in paragraph 4.2 of the “*Chairman’s Letter*” of this document.

#### **4. Details of the Proposals for consideration by CULS Holders and shareholders**

For the purposes of this document, the approval of the CULS Holders is being sought by way of Extraordinary Resolution of CULS Holders only in relation to the Proposal concerning the Articles Amendments as described in paragraph 4.1 below in this document. The approval of the Shareholders is being sought for that Proposal and each of the other Proposals (together being the Articles Amendments, the Buy Back Authorities and any CFC Related Party Transaction on the terms of the CFC Buy Back Arrangement, in each case, as described below in this document) by way of a separate Circular to Shareholders.

#### 4.1 *Articles Amendments for consideration by CULS Holders and the Shareholders*

For the purposes of this document, the approval of the CULS Holders relating to the Proposal to approve the Articles Amendments is intended to address the issue of the class rights of the ZDP Shares and, together with the Proposal to approve any CFC Related Party Transaction on the terms of the CFC Buy Back Arrangement, the Controlled Foreign Corporation issue.

As such, the Company is proposing to amend the Articles by approving and adopting the New Articles in substitution for, and to the exclusion of, the Company's existing Articles.

The principal amendments that the Company proposes to make to the Articles are as set out below:

##### *Class rights of ZDP Shares*

- Altering, modifying, abrogating or varying the class rights of the ZDP Shares to allow, without the sanction of the ZDP Shareholders, the passing of any resolution(s) at any time and from time to time authorising the purchase of any class or classes of Shares by the Company made pursuant to any such resolution(s) so long as each such resolution shall be limited to:
  - a general authority of Ordinary Shareholders to make Market Acquisitions of Shares where the maximum number of Shares in each class of Shares that may be purchased is equal to or less than 15 per cent. of the Shares of such class at the date of the respective notice of meeting in which such resolution is included, being a Market Acquisition Authority; and
  - an authority of Ordinary Shareholders pursuant to the Companies Law of the terms of a contract to be included in the Articles as prescribed by the CFC Buy Back Arrangement to be included therein for the Company to make Off-Market Acquisitions of Ordinary Shares in pursuance of the terms of that contract, being an Off-Market Acquisition Authority.

Such resolutions (and any such purchase so authorised by such resolutions including the purchase and cancellation or holding in treasury (with or without subsequent cancellation) by the Company of any of its Shares) will be treated as being in accordance with the rights attaching to the ZDP Shares thereby not constituting an alteration, modification, abrogation or variation to the class rights of such ZDP Shares.

The Articles will also be amended to provide that any rights conferred upon the holders of Ordinary Shares will not be deemed to be varied, modified or abrogated by the purchase or redemption, and cancellation or holding in treasury (with or without subsequent cancellation) by the Company of any of its Shares.

##### *Controlled Foreign Corporation*

- Amending the Articles to require, unless the Board determines otherwise, in its absolute discretion (and subject to the passing of an Off-Market Acquisition Authority), that, in the case of a purchase from time to time of the Company's Ordinary Shares made pursuant to a Market Acquisition Authority, each CFC Buy Back Arrangement Shareholder shall be required to sell to the Company (and the Company shall buy from each such CFC Buy Back Arrangement Shareholder), such number of their Ordinary Shares that the Board determines, in its absolute discretion, would be necessary or desirable in order to prevent any such purchases made pursuant to such Market Acquisition Authority from resulting in: (i) for each Exceeding Shareholder, that Exceeding Shareholder increasing its percentage holding of Ordinary Shares; and (ii) for each CFC Limited Shareholder, that CFC Limited Shareholder exceeding the 9.9 per cent. limit. Such amendments will also provide that:
  - the Ordinary Shares required to be purchased under the CFC Buy Back Arrangement, being the CFC Buy Back Arrangement Shares, will be determined on a daily basis and executed following and as soon as reasonably practicable after completing the execution

of all purchases of Ordinary Shares pursuant to such Market Acquisition Authority on that day on which such purchases pursuant to such Market Acquisition Authority are agreed;

- the price that each CFC Buy Back Arrangement Shareholder will be entitled to receive and that will be paid by the Company to each of them in respect of each of their respective CFC Buy Back Arrangement Shares determined as being required to be purchased under the CFC Buy Back Arrangement in respect of any given day shall be the volume weighted average price payable per Ordinary Share in respect of the Ordinary Shares agreed to be purchased by the Company on that day pursuant to such Market Acquisition Authority, being the CFC Buy Back Arrangement Price; and
- for the purpose of giving effect to purchases of CFC Buy Back Arrangement Shares under the CFC Buy Back Arrangement, any Director may (or the Board may appoint any person that the Board so authorises from time to time to) effect those purchases on behalf of each CFC Buy Back Arrangement Shareholder.
- Amending the US ownership and transfer restrictions that relate to Controlled Foreign Corporations including the forced sale provisions to apply to increases of percentage shareholdings resulting from any purchases by the Company of its Ordinary Shares if and to the extent that the terms of CFC Buy Back Arrangement to be included in the Articles do not apply or have not been complied with as well as to any reductions of capital relating to Ordinary Shares by the Company including:
  - expanding the ownership limit on holding Ordinary Shares if, as a consequence of such a purchase or reduction, a US Holder (other than an Exceeding Shareholder) would Constructively Own in excess of the 9.9 per cent. limit;
  - providing for an exception to the 9.9 per cent. limit allowing the Exceeding Shareholders to Constructively Own in excess of that limit if their aggregate percentage holding of Ordinary Shares after such a purchase or reduction does not exceed the greater of their aggregate percentage holding as at the Grandfathering Date and the combined aggregate limit; and
  - making the forced sale provisions apply to any breach of the amended US ownership and transfer restrictions that relate to Controlled Foreign Corporations such that:
    - the Ordinary Shares of Ordinary Shareholders who are also US Holders (other than the Exceeding Shareholders) will be subject to the forced sale provisions contained in the Articles if and to the extent that the effect of such a purchase or reduction is to increase their percentage holdings of Ordinary Shares in excess of the 9.9 per cent. limit; and
    - the Ordinary Shares of the Exceeding Shareholders will be subject to the forced sale provisions contained in the Articles if and to the extent that the effect of such a purchase or reduction is to increase the Exceeding Shareholders' aggregate percentage holdings of Ordinary Shares in excess of the greater of their aggregate percentage holding as at the Grandfathering Date and the combined aggregate limit. The Ordinary Shares subject to such forced sale provisions shall be determined amongst the Exceeding Shareholders in proportion to the extent to which each Exceeding Shareholders' proportion of the Ordinary Shares increased as a consequence of the purchase or reduction.
- Amending the forced sale provisions relating to the US ownership and transfer restrictions (as those provisions currently apply and are proposed to apply) to make it clear that, the relevant holder of any Ordinary Shares required to be placed in trust pursuant to those provisions shall have no rights in those Ordinary Shares except to receive an amount of proceeds from their sale of an amount not greater than their value on the fourteenth day from the date of contravening the relevant restrictions. Any sale proceeds in excess of that amount shall be donated to charity.

A copy of the New Articles and a copy of the Company's existing Articles marked to show the Articles Amendments (and, in each case, containing the full terms of such proposed Articles Amendments) is on display and available on the Company's website at [www.jzcp.com](http://www.jzcp.com) and the National Storage Mechanism at [www.hemscott.com/nsm.do](http://www.hemscott.com/nsm.do) and will be available for inspection at the Company's registered office at PO Box 255, Trafalgar Court, Les Banques, St Peter Port, Guernsey, GY1 3QL and at the offices of Ashurst LLP at Broadwalk House, 5 Appold Street, London, EC2A 2HA, United Kingdom in each case, during the normal business hours on each business day from the date of this document until the close of the Meeting of CULS Holders to be held on 16 May 2017 including for 15 minutes prior to and after the Meeting of CULS Holders.

The CULS Holder approval required to approve the Articles Amendments is set out in paragraph 5.1 of the "*Chairman's Letter*" of this document. CULS Holders should be aware that in addition to the approval of CULS Holders required for the Articles Amendments, certain of the Shareholders approvals will also be needed to approve the Articles Amendments. Such Shareholder approvals are set out in paragraphs 5.2 to 5.4 of the "*Chairman's Letter*" of this document.

#### 4.2 ***Buy Back Authorities for consideration by Ordinary Shareholders***

The separate Proposals to authorise the Buy Back Authorities are intended to address the issue of the required authorities to make purchases of Shares by the Company.

As such, the Company is proposing to authorise the Buy Back Authorities, being the Market Acquisition Buy Back Authority and the Off-Market Acquisition Buy Back Authority.

The Off-Market Acquisition Buy Back Authority is needed in conjunction with the Market Acquisition Buy Back Authority for reasons related to the Controlled Foreign Corporation issue explained in paragraph 3.2 of the "*Chairman's Letter*" of this document. Specifically, the Articles as proposed to be amended to include the CFC Buy Back Arrangement, which applies in the case of purchases of Ordinary Shares by the Company made pursuant to a Market Acquisition Authority, also requires an Off-Market Acquisition Authority in order to authorise any such purchases made in pursuance of the terms of the Articles as prescribed by the CFC Buy Back Arrangement to be included therein.

As detailed in paragraph 1 of the "*Chairman's Letter*" of this document, the Board has determined that the interests of Shareholders would be better served through a new strategy which would include the application of the Company's available distributable profits in the purchase by the Company of its Ordinary Shares. Under the new strategy, purchases by the Company of its Ordinary Shares will be undertaken when opportunities in the market permit, and as the Company's cash resources allow. The Board will also have regard at the relevant time to the best interests of the Company in determining the application of cash resources and where other applications are required or seem appropriate, such as in other investments or the repayment of debt, the cash would be applied accordingly.

Any purchases of the Company's Ordinary Shares under the new strategy are intended to be made pursuant to the Market Acquisition Buy Back Authority (or any future Market Acquisition Authority) and, subject to the passing of the Off-Market Buy Back Acquisition Authority (or any future Off-Market Acquisition Authority), in pursuance of the terms of the Articles as prescribed by the CFC Buy Back Arrangement to be included therein.

CULS Holders should be aware that, as mentioned in paragraphs 3.1 and 3.3 of the "*Chairman's Letter*" of this document, whilst the Market Acquisition Buy Back Authority (and any future Market Acquisition Authority) will if approved authorise the Company to purchase up to a maximum number of Ordinary Shares and ZDP Shares representing approximately 14.99 per cent. of each class of those Shares, the Company does not currently have an intention to make purchases of its ZDP Shares. *In addition and also as mentioned in those paragraphs, should the Company decide to purchase any of its Ordinary Shares including under the new strategy, the Company's intention is only to use the Market Acquisition Buy Back Authority (or any future Market Acquisition Authority) to purchase up to a number of Ordinary Shares (which shall include, subject to the passing of the Off-Market Buy Back Acquisition Authority (or any future Off-Market Acquisition Authority), any Ordinary Shares purchased in pursuance of the terms of the Articles as prescribed by the CFC Buy Back Arrangement*

*to be included therein) in respect of which the aggregate cost of such Ordinary Shares so purchased in any given period for which the Company has the requisite authorities to make such purchases is not more than an amount equal to 3 per cent. of NAV for that period. Such amount shall, for each given period after the expiry of the first, include the unused amount(s) (if any) of any prior period(s) in addition to the 3 per cent. of NAV for such period.*

For this purpose (and for the avoidance of doubt), for the periods: (i) from the requisite approvals contemplated in this document being obtained until the Annual General Meeting of the Company in 2018, the Company's net assets shall be determined by reference to the financial year ending 28 February 2017; (ii) from the 2018 Annual General Meeting until the Annual General Meeting of the Company in 2019, the Company's net assets shall be determined by reference to the financial year ending 28 February 2018; and (iii) from each Annual General Meeting thereafter until the Annual General Meeting of the following year, the relevant net assets shall be determined by reference to the preceding financial year.

The decision by the Company to undertake any purchase of its Ordinary Shares so authorised by the Buy Back Authorities (or any future Market Acquisition Authority or any Off-Market Acquisition Authority) including under the new strategy will be a matter determined by the Board with the consent of the Company's Investment Adviser.

Shares so authorised to be purchased by the Buy Back Authorities will be either:

- cancelled immediately on completion of the purchase; or
- held as treasury shares as permitted by the Companies Law.

As at 19 April 2017 (being the latest practicable date prior to the publication of this document), the Company has no warrants or options in issue and that remain outstanding to subscribe for new Shares in the Share capital of the Company. The Company does however have £38,861,140 CULS in issue as at 19 April 2017. The CULS are convertible into Ordinary Shares in accordance with their terms.

**Nothing in any of the Proposals contemplated herein shall require the conversion price of the CULS to be adjusted.**

#### *Market Acquisition Buy Back Authority*

The Market Acquisition Buy Back Authority will generally and unconditionally authorise the Company for the purposes of the Companies Law to make Market Acquisitions of any of its Shares in the capital of the Company. Specifically, it will give the Company authority to make Market Acquisitions of any of its Shares up to a maximum number of Shares in each class of Shares in the capital of the Company, being 12,577,736 Ordinary Shares and 1,784,967 ZDP Shares, representing approximately 14.99 per cent. of each class of Shares in issue as at 19 April 2017 (being the latest practicable date prior to publication of this document).

Under the Market Acquisition Buy Back Authority, the minimum price that may be paid for each Share of any class is 1 pence which amount shall be exclusive of expenses. And the maximum price (exclusive of expenses) that may be paid for each Share of any class is an amount equal to the higher of:

- 105 per cent. of the average of the middle market quotations for a Share of that class as derived from the daily Official List of the London Stock Exchange for the five business days immediately preceding the day on which such Share is contracted to be purchased; and
- the higher of the price of the last independent trade of a Share of that class and the highest current independent bid for a Share of that class on the trading venues where the purchase is carried out.

The Market Acquisition Buy Back Authority will be in substitution for all subsisting authorities to the extent unused by the Company. Unless previously renewed, revoked or varied, the Market Acquisition Buy Back Authority will expire at the conclusion of the Annual General Meeting of the Company in 2018 or on 30 June 2018, whichever is the earlier (and, for the avoidance of doubt, it is not intended for a separate Market Acquisition Authority to be put forward to, and voted on



by, Ordinary Shareholders at the upcoming 2017 Annual General Meeting). However, the Company may, before the Market Acquisition Buy Back Authority expires, make a contract to purchase Shares of any class of Shares in the capital of the Company that would or might be executed wholly or partly after the expiry of the Market Acquisition Buy Back Authority, and may make purchases of Shares of that class pursuant to it as if the Market Acquisition Buy Back Authority had not expired. The Company intends for the Market Acquisition Buy Back Authority to be renewed at the Annual General Meeting of the Company in 2018 and at each Annual General Meeting thereafter.

The Shareholder approval required to authorise the Market Acquisition Buy Back Authority is set out in paragraph 5.4 of the “*Chairman’s Letter*” of this document.

#### *Off-Market Acquisition Buy Back Authority*

The Off-Market Acquisition Buy Back Authority will authorise pursuant to the Companies Law the terms of a contract to be included in the Articles as prescribed by the CFC Buy Back Arrangement to be included therein for the Company to make Off-Market Acquisitions of Ordinary Shares in pursuance of the terms of that contract.

The terms of the CFC Buy Back Arrangement will, as mentioned above, be included in the Articles which shall constitute a contract for the Company to make purchases of Ordinary Shares in pursuance of the terms of that contract as prescribed therein. The Articles as proposed to be amended to include the CFC Buy Back Arrangement will require the Off-Market Acquisition Buy Back Authority in order to authorise any such purchases made in pursuance of its terms as prescribed by the CFC Buy Back Arrangement to be included therein and will apply in the case of any purchase from time to time of Ordinary Shares by the Company made pursuant to a Market Acquisition Authority such that the Off-Market Acquisition Buy Back Authority will be needed in conjunction with the Market Acquisition Buy Back Authority.

Further terms of the CFC Buy Back Arrangement are as set out in paragraph 3.2 and details of any CFC Related Party Transaction on the terms of the CFC Buy Back Arrangement required to be approved by Ordinary Shareholders in connection with that arrangement are as set out in paragraph 4.3, in each case, of the “*Chairman’s Letter*” of this document.

Unless previously renewed, revoked or varied, the Off-Market Acquisition Buy Back Authority will expire at the conclusion of the Annual General Meeting of the Company in 2018 or on 30 June 2018, whichever is the earlier (and, for the avoidance of doubt, it is not intended for a separate Off-Market Acquisition Authority to be put forward to, and voted on by, Ordinary Shareholders at the upcoming 2017 Annual General Meeting). The Company intends for the Off-Market Acquisition Buy Back Authority to be renewed at the Annual General Meeting of the Company in 2018 and at each Annual General Meeting thereafter.

The Shareholder approval required to authorise the Off-Market Acquisition Buy Back Authority is set out in paragraph 5.4 of the “*Chairman’s Letter*” of this document.

#### **4.3 *Any CFC Related Party Transaction for consideration by Ordinary Shareholders***

The CFC Buy Back Arrangement as far as it concerns any purchase at any time and from time to time by the Company of any of its Ordinary Shares from the CFC Buy Back Arrangement Shareholders who are Exceeding Shareholders on the terms of the CFC Buy Back Arrangement would be considered Related Party Transactions (insofar as the Listing Rules are applicable to the Company by virtue of its voluntary compliance with the same). This is because the Exceeding Shareholders would be considered Related Parties of the Company and the CFC Buy Back Arrangement insofar as it concerns purchases from the Exceeding Shareholders would be considered to be transactions or arrangements between the Company and Related Parties.

Specifically, in the case of the Exceeding Shareholders, the Investment Adviser is the Company’s investment adviser and, under the Listing Rules, would therefore be considered a Related Party of the Company. As founders and principals of the Investment Adviser, the JZAI Founders are associates of the Investment Adviser and would also be considered Related Parties of the Company under the Listing Rules. In addition, the JZAI Founders are considered to be Related Parties of the

Company under the Listing Rules as they are each entitled to exercise, or exercise the control of, 10 per cent. or more of the votes able to be cast at a general meeting of the Company. Separately, Edgewater is considered to be a Related Party of the Company under the Listing Rules as it too is entitled to exercise, or exercise the control of, 10 per cent. or more of the votes able to be cast at a general meeting of the Company. In the case of the CFC Buy Back Arrangement, insofar as it concerns purchases from the Exceeding Shareholders, such purchases would be considered to be transactions or arrangements between the Company and Related Parties. Accordingly, the Exceeding Shareholders as Related Parties and the CFC Buy Back Arrangement insofar as it concerns purchases from the Exceeding Shareholders as transactions or arrangements between the Company and Related Parties would be considered Related Party Transactions (insofar as the Listing Rules are applicable to the Company by virtue of its voluntary compliance with the same).

The Proposal to approve any CFC Related Party Transaction resulting from any purchase at any time and from time to time by the Company of any of its Ordinary Shares from the Exceeding Shareholders as Related Parties on the terms of the CFC Buy Back Arrangement is, together with the Proposal to approve the Articles Amendments, intended to address the Controlled Foreign Corporation issue.

As such, the Company is proposing to approve any such CFC Related Party Transaction which, together with the approval of the Articles Amendments, will allow the CFC Buy Back Arrangement to be effected. As explained further in paragraph 3.2 of the “*Chairman’s Letter*” of this document, the CFC Buy Back Arrangement is designed to reduce the risk of the Company thereby being or becoming a Controlled Foreign Corporation. The terms of the CFC Buy Back Arrangement are as set out in paragraph 3.2 of the “*Chairman’s Letter*” of this document.

The Shareholder approval required to approve any CFC Related Party Transaction on the terms of the CFC Buy Back Arrangement, is set out in paragraph 5.4 of the “*Chairman’s Letter*” of this document.

**The Shareholder approval being sought is to apply to any CFC Related Party Transaction resulting from any purchase at any time and from time to time by the Company of any of its Ordinary Shares from the Exceeding Shareholders as Related Parties on the terms of the CFC Buy Back Arrangement. Accordingly, whilst the Company intends to renew the Off-Market Acquisition Buy Back Authority at the Annual General Meeting of the Company in 2018 and any future Off-Market Acquisition Authority at each Annual General Meeting thereafter (which would be needed for the purpose of being able to effect the CFC Buy Back Arrangement), the Shareholder approval required to approve any such CFC Related Party Transaction will not be required to be sought again (assuming such approval is passed at the Extraordinary General Meeting). This is because such Shareholder approval will apply to and approve any such CFC Related Party Transaction resulting from any future purchase at any time and from time to time whether effecting that arrangement is authorised by the Off-Market Acquisition Buy Back Authority (or any future Off-Market Acquisition Authority).**

Each of the Exceeding Shareholders (being the JZAI Founders and Edgewater), referred to in this document for the purpose of any CFC Related Party Transaction on the terms of the CFC Buy Back Arrangement as the CFC Related Parties, have undertaken not to vote on, and have each taken all reasonable steps to ensure that their respective associates will not vote on, the Shareholder approval required to approve any such CFC Related Party Transaction.

*CULS Holders should also refer to the risks as set out in paragraph 3.2 of the “Chairman’s Letter” of this document.*

## **5. Shareholder and CULS Holder approvals, irrevocable undertakings and Meetings**

In the case of the Proposal relating to the Articles Amendments only, the approval of CULS Holders is being sought. Each of the other Proposals, being the Articles Amendments, the Buy Back Authorities and any CFC Related Party Transaction on the terms of the CFC Buy Back Arrangement, are subject to certain Shareholder approvals.

Such CULS Holder approval is to be proposed at the Meeting of the CULS Holders. Details of the Meeting of CULS Holders together with the relevant Extraordinary Resolution of the CULS Holders to be proposed at that meeting are set out in paragraph 5.1 of the “*Chairman’s Letter*” of this document.

The Shareholder approvals are to be proposed at the Separate General Meetings and the Extraordinary General Meeting. Details of the Separate General Meetings and the Extraordinary General Meeting, together with the relevant Resolutions to be proposed at those meetings are set out in paragraphs 5.2 to 5.4 of the “*Chairman’s Letter*” of this document. In connection with these Proposals, a separate Circular to Shareholders containing Notices of Separate General Meetings together with a Notice of Extraordinary General Meeting is being sent separately to Shareholders.

For the avoidance of doubt, the Extraordinary Resolution of CULS Holders to be proposed at the Meeting of CULS Holders and the Resolutions to be proposed at the Separate General Meetings and the Extraordinary General Meeting are the only resolutions to be proposed at each of those meetings.

### 5.1 *Meeting of CULS Holders*

The Articles Amendments are subject to the approval of CULS Holders and are intended to be proposed as an Extraordinary Resolution of CULS Holders at the Meeting of CULS Holders.

The Meeting of CULS Holders will be held at 10.30 a.m. (London time) on 16 May 2017 at the offices of Ashurst LLP at Broadwalk House, 5 Appold Street, London EC2A 2HA, United Kingdom for the purpose considering and, if thought fit, passing the Extraordinary Resolution of CULS Holders.

A Notice of Meeting of CULS Holders is set out at the end of this document. The Notice of Meeting of CULS Holders will contain the relevant Extraordinary Resolution of CULS Holders to be considered and, if thought fit, passed at the Meeting of CULS Holders and concerns:

- sanctioning, approving and adopting the New Articles of Incorporation of the Company in substitution for, and to the exclusion of the Company’s existing Articles of the Company and each and every alteration, modification, abrogation or variation of the rights and privileges attaching or belonging to the Ordinary Shares of the Company as is, or may be, involved therein or effected thereby;
- authorising, directing, requesting and empowering the CULS Trustee to give effect to and implement the matters referred to in the Extraordinary Resolution of CULS Holders and to execute and do all such other deeds, instruments, acts and things and take such steps as may be necessary or appropriate (in the sole and absolute discretion of the CULS Trustee) to carry out and give effect to the Extraordinary Resolution of CULS Holders;
- sanctioning and approving each and every abrogation, variation, modification, compromise or arrangement in respect of the rights of the CULS Holders appertaining to the CULS against the Company, whether or not such rights arise under the CULS Trust Deed, the terms and conditions of the CULS or otherwise, involved in or resulting from or to be effected by the sanctions referred to in the Extraordinary Resolution of CULS Holders or the entry into any document to give effect to and implement the Extraordinary Resolution of CULS Holders;
- indemnifying, discharging, waiving and exonerating the CULS Trustee from all liability for which it may have become or may become liable or responsible under the CULS Trust Deed or the CULS Trustee in respect of any act or omission in connection with the Extraordinary Resolution of CULS Holders, the Notice of Meeting of the CULS Holders, the Circular to CULS Holders and/or the matters contemplated thereby; and
- irrevocably waiving any claim that the CULS Holders may have against the CULS Trustee arising as a result of any loss or damage which any CULS Holder may suffer or incur as a result of the CULS Trustee acting upon the Extraordinary Resolution of CULS Holders (including, without limitation, circumstances where it is subsequently found that the Extraordinary Resolution of CULS Holders is not valid or binding on the CULS Holders or that there is a defect in the passing of the Extraordinary Resolution of CULS Holders) and further confirms that the CULS Holders will not seek to hold the CULS Trustee liable for

any such loss or damage and that the CULS Trustee shall not be responsible to any person for acting upon the Extraordinary Resolution of CULS Holders.

**CULS Holders should be aware the Company has received irrevocable undertakings to vote in favour of the Extraordinary Resolution of the CULS Holders representing 22.14 per cent. of the voting rights of the CULS entitled to vote on the Extraordinary Resolution of the CULS Holders.**

**As mentioned in paragraph 4.2 of the “Chairman’s Letter” of this document, nothing in any of the Proposals contemplated herein shall require the conversion price of the CULS to be adjusted.**

#### **5.2 *Separate General Meeting of Ordinary Shareholders***

The Articles Amendments are subject to the approval of Ordinary Shareholders at a Separate General Meeting of Ordinary Shareholders.

A Separate General Meeting of Ordinary Shareholders will be held at 10.35 a.m. (London time) on 16 May 2017 (or as soon thereafter as the Meeting of CULS Holders has been concluded or adjourned) at the offices of Northern Trust International Fund Administration Services (Guernsey) Limited, Trafalgar Court, Les Banques, St Peter Port, Guernsey, Channel Islands for the purpose considering and, if thought fit, passing the Resolution to be proposed at that meeting.

A Notice of Separate General Meeting of Ordinary Shareholders is set out in the Circular to Shareholders. The relevant Resolution is contained in that Notice and concerns the approval of the passing of the Articles Amendment Resolution to be proposed at the Extraordinary General Meeting (being Resolution 1) and the sanction of each and every alteration, modification, abrogation or variation of the rights and privileges attaching or belonging to the Ordinary Shares as is, or may be, involved therein or effected thereby.

The Resolution is intended to be proposed as an Extraordinary Resolution. Ordinary Shareholders only will be entitled to vote on the Resolution and, for the avoidance of doubt, CULS Holders and ZDP Shareholders will not be entitled to vote on the Resolution. **CULS Holders should be aware the Company has received irrevocable undertakings to vote in favour of the Resolution representing 74.82 per cent. of the voting rights of the Ordinary Shares entitled to vote on that Resolution.**

#### **5.3 *Separate General Meeting of ZDP Shareholders***

The Articles Amendments are subject to the approval of ZDP Shareholders at a Separate General Meeting of ZDP Shareholders.

The Separate General Meeting of ZDP Shareholders will be held at 10.40 a.m. (London time) on 16 May 2017 (or as soon thereafter as the Separate General Meeting of Ordinary Shareholders has been concluded or adjourned) at the offices of Northern Trust International Fund Administration Services (Guernsey) Limited, Trafalgar Court, Les Banques, St Peter Port, Guernsey, Channel Islands for the purpose considering and, if thought fit, passing the Resolution to be proposed at that meeting.

A Notice of Separate General Meeting of ZDP Shareholders is set out in the Circular to Shareholders. The relevant Resolution is contained in that Notice and concerns the approval of the passing of the Articles Amendment Resolution to be proposed at the Extraordinary General Meeting (being Resolution 1) and the sanction of each and every alteration, modification, abrogation or variation of the rights and privileges attaching or belonging to the ZDP Shares as is, or may be, involved therein or effected thereby.

The Resolution is intended to be proposed as an Extraordinary Resolution. ZDP Shareholders only will be entitled to vote on the Resolution and, for the avoidance of doubt, CULS Holders and Ordinary Shareholders will not be entitled to vote on the Resolution. Irrevocable undertakings have not been received in respect of this Resolution.

#### 5.4 *Extraordinary General Meeting*

The Articles Amendments are subject to the approval of Ordinary Shareholders and the ZDP Shareholders, the separate Buy Back Authorities are subject to the approval of Ordinary Shareholders and any CFC Related Party Transaction on the terms of the CFC Buy Back Arrangement is subject to the approval of Ordinary Shareholders, in each case, at an Extraordinary General Meeting.

The Extraordinary General Meeting will be held at 10.45 a.m. (London time) on 16 May 2017 (or as soon thereafter as the Separate General Meeting of ZDP Shareholders has been concluded or adjourned) at the offices of Northern Trust International Fund Administration Services (Guernsey) Limited, Trafalgar Court, Les Banques, St Peter Port, Guernsey, Channel Islands for the purpose considering and, if thought fit, passing the Resolutions to be proposed at that meeting.

A Notice of Extraordinary General Meeting is set out in the Circular to Shareholders. The relevant Resolutions are contained in that Notice and concern the following:

##### *Articles Amendment Resolution*

The approval and adoption of the New Articles in substitution for, and to the exclusion of, the Company's existing Articles. The Resolution is referred to in this document as the Articles Amendment Resolution and is intended to be proposed as Resolution 1 at the Extraordinary General Meeting.

The Articles Amendment Resolution is intended to be proposed as an Extraordinary Resolution. All Shareholders (being Ordinary Shareholders and ZDP Shareholders) will be entitled to vote on the Articles Amendment Resolution and, for the avoidance of doubt CULS Holders will not be entitled to vote on that Resolution. **CULS Holders should be aware the Company has received irrevocable undertakings to vote in favour of the Articles Amendment Resolution representing 65.52 per cent. of the voting rights of the Ordinary Shares and the ZDP Shares entitled to vote on that Resolution.**

The Articles Amendment Resolution is conditional on the passing of the resolution to be proposed at the Meeting of CULS Holders and each of the Resolutions to be proposed at the Separate General Meetings. It is also conditional on the passing of the CFC Related Party Transaction Resolution to be proposed at the Extraordinary General Meeting (being Resolution 4).

##### *Market Acquisition Buy Back Authority Resolution*

The authorisation of the Company to make Market Acquisitions of any of its Shares up to a maximum number of Shares in each class of Shares in the capital of the Company, being 12,577,736 Ordinary Shares and 1,784,967 ZDP Shares, representing approximately 14.99 per cent. of each class of Shares in issue as at 19 April 2017 (being the latest practicable date prior to publication of this document). The parameters applicable to any such Market Acquisitions are stated in paragraph 4.2 of the "*Chairman's Letter*" and in the Notice of Extraordinary General Meeting. The Resolution is referred to in this document as the Buy Back Authority Resolution and is intended to be proposed as Resolution 2 at the Extraordinary General Meeting.

The Buy Back Authority Resolution is intended to be proposed as an Ordinary Resolution. Ordinary Shareholders only will be entitled to vote on the Market Acquisition Buy Back Authority Resolution and, for the avoidance of doubt, CULS Holders and ZDP Shareholders will not be entitled to vote on that Resolution. **CULS Holders should be aware the Company has received irrevocable undertakings to vote in favour of the Market Acquisition Buy Back Authority Resolution representing 74.82 per cent. of the voting rights of the Ordinary Shares entitled to vote on that Resolution.**

This Market Acquisition Buy Back Authority Resolution is conditional on the passing of the Articles Amendment Resolution which is to be proposed at the Extraordinary General Meeting (being Resolution 1).

#### *Off-Market Acquisition Buy Back Authority Resolution*

The authorisation pursuant to the Companies Law of the terms of a contract to be included in the Articles as prescribed by the CFC Buy Back Arrangement to be included therein for the Company to make Off-Market Acquisitions of Ordinary Shares in pursuance of the terms of that contract. The parameters applicable to any such Off-Market Acquisitions are stated in paragraph 4.2 of the “*Chairman’s Letter*” and in the Notice of Extraordinary General Meeting. The Resolution is referred to in this document as the Off-Market Buy Back Authority Resolution and is intended to be proposed as Resolution 3 at the Extraordinary General Meeting.

The Off-Market Buy Back Authority Resolution is intended to be proposed as an Extraordinary Resolution. Ordinary Shareholders only will be entitled to vote on the Off-Market Acquisition Buy Back Authority Resolution and, for the avoidance of doubt, CULS Holders and ZDP Shareholders will not be entitled to vote on that Resolution. **CULS Holders should be aware the Company has received irrevocable undertakings to vote in favour of the Off-Market Acquisition Buy Back Authority Resolution representing 74.82 per cent. of the voting rights of the Ordinary Shares entitled to vote on that Resolution.**

This Off-Market Acquisition Buy Back Authority Resolution is conditional on the passing of the Articles Amendment Resolution which is to be proposed at the Extraordinary General Meeting (being Resolution 1).

#### *CFC Related Party Transaction Resolution*

The approval of any CFC Related Party Transaction resulting from any purchase at any time and from time to time by the Company of any of its Ordinary Shares from a CFC Related Party on the terms of the CFC Buy Back Arrangement. The Resolution is referred to in this document as the CFC Related Party Transaction Resolution and is intended to be proposed as Resolution 4 at the Extraordinary General Meeting.

**For the avoidance of doubt and as mentioned in paragraph 4.3 of the “*Chairman’s Letter*” of this document, the Shareholder approval being sought in the form of the CFC Related Party Transaction Resolution is to apply to any CFC Related Party Transaction resulting from any purchase at any time and from time to time by the Company of any of its Ordinary Shares from a CFC Related Party on the terms of the CFC Buy Back Arrangement. Accordingly, whilst the Company intends to renew the Off-Market Acquisition Buy Back Authority (and any future Off-Market Acquisition Authority) (which would be needed for the purpose of being able to effect the CFC Buy Back Arrangement), the Shareholder approval required to approve any such CFC Related Party Transaction will not be required to be sought again (assuming such approval is passed at the Extraordinary General Meeting). This is because such Shareholder approval will apply to and approve any CFC Related Party Transaction resulting from any future purchase at any time and from time to time whether effecting that arrangement is authorised by the Off-Market Acquisition Buy Back Authority (or any future Off-Market Acquisition Authority).**

The CFC Related Party Transaction Resolution is intended to be proposed as an Ordinary Resolution. Ordinary Shareholders only will be entitled to vote on the CFC Related Party Transaction Resolution and, for the avoidance of doubt CULS Holders and ZDP Shareholders will not be entitled to vote on that Resolution. However, any Ordinary Shareholder who is a CFC Related Party, being the JZAI Founders and Edgewater as the Exceeding Shareholders, have undertaken not to vote, and have taken all reasonable steps to ensure that their respective associates will not vote, on the CFC Related Party Transaction Resolution. **CULS Holders should be aware the Company has received irrevocable undertakings to vote in favour of the CFC Related Party Transaction Resolution representing 52.50 per cent. of the voting rights of the Ordinary Shares entitled to vote on that Resolution.**

#### **5.5 *Discontinuation of Dividend Policy***

CULS Holders should also be aware that the discontinuation of the Company’s existing dividend policy is not the subject of any of the Proposals nor of any of the approvals contemplated in this document. The discontinuation of the dividend policy is however conditional on such approvals, being the CULS Holder approval and the Shareholder approvals. As a consequence of the

Company's new strategy (which will be adopted at the same time as the discontinuation of its existing dividend policy) as described in paragraph 1 of the "Chairman's Letter" of this document, the Company does not intend to declare or pay a second interim dividend to Ordinary Shareholders for the financial year ending 28 February 2017.

## **6. Form Accompanying this document and Action to be taken**

Accompanying this document is a Form of Proxy for use in connection with the Meeting of CULS Holders.

*CULS Holders should read the whole of this document and not rely on this paragraph 6 of the "Chairman's Letter" of this document before deciding what action to take.*

*CULS Holders are also advised to review the instructions on the Form of Proxy itself regarding the proper completion and return of the Form of Proxy for use at and in connection with the Meeting of CULS Holders.*

### ***Meeting of CULS Holders***

Accompanying this document is a Form of Proxy for use in connection with the Meeting of CULS Holders. If you are a CULS Holder, whether or not you intend to be present at the Meeting of CULS Holders, you are asked to complete, sign and return the Form of Proxy in accordance with the instructions printed thereon, so as to be received by the Company, c/o Equiniti Limited, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA, United Kingdom as soon as possible and in any event not later than 48 hours before the appointed time for the holding of the Meeting of CULS Holders (excluding any part of a day which is non-working). The completion and return of the Form of Proxy will not preclude CULS Holders from attending and voting in person at the Meeting of CULS Holders if they so wish and are so entitled.

*CULS Holders should also be aware that the separate Circular to Shareholders containing the Notice of Separate General Meetings and the Notice of Extraordinary General Meeting will include equivalent information in relation to the separate General Meetings and the Extraordinary General Meeting including information containing the Forms of Proxy that will accompany that Circular to Shareholders and the action to be taken by Shareholders in relation to those meetings.*

## **7. Recommendation**

The Board considers the Proposal concerning the Articles Amendments and the Extraordinary Resolution of CULS Holders to be in the best interests of the Company, the Shareholders and the CULS Holders.

Accordingly, the Board unanimously recommends that the CULS Holders vote in favour of the Extraordinary Resolution of CULS Holders to be proposed at the Meeting of CULS Holders in respect of which they are entitled to vote, as the Directors intend to do in respect of their own beneficial holdings, which in aggregate total £18,350 in nominal amount of CULS and represent 0.05 per cent. of the CULS outstanding as at the date of this document.

Yours faithfully,

**David Macfarlane**  
*Chairman*

## DEFINITIONS

The following definitions apply throughout this document, the Notice of Meeting of CULS Holders and the accompanying Form of Proxy unless the context otherwise requires.

<b>“£”</b>	the lawful currency of the United Kingdom;
<b>“3 per cent. of NAV”</b>	has the meaning set out in paragraph 3.1 of the “ <i>Chairman’s Letter</i> ” of this document;
<b>“9.9 per cent. limit”</b>	has the meaning set out in paragraph 3.2 of the “ <i>Chairman’s Letter</i> ” of this document;
<b>“Articles”</b>	the articles of incorporation of the Company, as amended from time to time;
<b>“Articles Amendments”</b>	the amendments to the Articles described in paragraph 4.1 of the “ <i>Chairman’s Letter</i> ” of this document;
<b>“Articles Amendment Resolution”</b>	Resolution 1 to be proposed at the Extraordinary General Meeting as set out in the Notice of Extraordinary General Meeting;
<b>“Board” or “Directors”</b>	the directors of the Company as at the date of this document whose names are set out on page 4 of the “ <i>Chairman’s Letter</i> ” of this document;
<b>“Buy Back Authorities”</b>	the Market Acquisition Buy Back Authority and the Off-Market Acquisition Buy Back Authority;
<b>“CFC Buy Back Arrangement”</b>	the arrangement described in paragraph 3.2 of the “ <i>Chairman’s Letter</i> ” of this document;
<b>“CFC Buy Back Arrangement Price”</b>	has the meaning set out in paragraph 3.2 of the “ <i>Chairman’s Letter</i> ” of this document;
<b>“CFC Buy Back Arrangement Shareholders”</b>	has the meaning set out in paragraph 3.2 of the “ <i>Chairman’s Letter</i> ” of this document;
<b>“CFC Buy Back Arrangement Shares”</b>	has the meaning set out in paragraph 3.2 of the “ <i>Chairman’s Letter</i> ” of this document;
<b>“CFC Limited Shareholder”</b>	has the meaning set out in paragraph 3.2 of the “ <i>Chairman’s Letter</i> ” of this document;
<b>“CFC Related Party”</b>	a Related Party of the Company in respect of any CFC Related Party Transaction and who are the Exceeding Shareholders;
<b>“CFC Related Party Transaction”</b>	the Related Party Transactions relating to the approval of any transaction described in paragraph 4.3 of the “ <i>Chairman’s Letter</i> ” of this document;
<b>“CFC Related Party Transaction Resolution”</b>	Resolution 4 to be proposed at the Extraordinary General Meeting as set out in the Notice of Extraordinary General Meeting;
<b>“Circular to Shareholders”</b>	the circular to Shareholders containing the Notices of the Separate General Meetings and the Notice of Extraordinary General Meeting, which is being sent separately to Shareholders in connection with the Proposals;
<b>“Circular to CULS Holders”</b>	this document and the Notice of Meeting to CULS Holders;
<b>“combined aggregate limit”</b>	has the meaning set out in paragraph 3.2 of the “ <i>Chairman’s Letter</i> ” of this document;



<b>“Companies Law”</b>	The Companies (Guernsey) Law 2008 (as amended);
<b>“Company”</b>	JZ Capital Partners Limited (with registered number 48761);
<b>“Constructively Own” or “Constructive Ownership”</b>	ownership of the share capital by a person, whether the interest in the share capital is held directly or indirectly (including by a nominee), and shall include interests that would be treated as owned through the application of section 318(a) of the US Code, as modified by section 958(b) of the US Code;
<b>“Controlled Foreign Corporation” or “CFC”</b>	a “controlled foreign corporation” within the meaning of the US Code;
<b>“CREST”</b>	the paperless settlement system operated by Euroclear governed by the CREST Regulations and any successor system or operator for the purposes of the CREST Regulations;
<b>“CREST Manual”</b>	the current version of the CREST Manual which at the date of this document is available on <a href="http://www.euroclear.co.uk/CREST">www.euroclear.co.uk/CREST</a> ;
<b>“CREST Regulations”</b>	the Uncertificated Securities Regulations 2001 (S.I. 2001, No. 3755);
<b>“CULS”</b>	the 6.00 per cent. convertible unsecured subordinated loan stock due 2021 of the Company in an aggregate nominal amount of £38,861,140 in issue as at the date of this document;
<b>“CULS Holders”</b>	holders of CULS;
<b>“CULS Trust Deed”</b>	the trust deed constituting the CULS dated 30 July 2014 made between the Company and the CULS Trustee, as trustee;
<b>“CULS Trustee”</b>	The Law Debenture Trust Corporation p.l.c.;
<b>“Disclosure and Transparency Rules”</b>	the disclosure rules and the transparency rules made by the FCA pursuant to section 73A of the FSMA, as amended;
<b>“Edgewater”</b>	Edgewater Growth Capital Partners, including its parallel and affiliated funds;
<b>“Euroclear”</b>	Euroclear UK & Ireland Limited, the operator of CREST;
<b>“Exceeding Shareholders”</b>	has the meaning set out in paragraph 3.2 of the “ <i>Chairman’s Letter</i> ” of this document and who are the JZAI Founders and Edgewater;
<b>“Extraordinary General Meeting”</b>	the extraordinary general meeting of the Company to be held at 10.45 a.m. (London time) on 16 May 2017 (or as soon thereafter as the Separate General Meeting of ZDP Shareholders has been concluded or adjourned) at the offices of Northern Trust International Fund Administration Services (Guernsey) Limited, Trafalgar Court, Les Banques, St Peter Port, Guernsey, Channel Islands, including any adjournment thereof, notice of which is set out in the Notice of Extraordinary General Meeting;
<b>“Extraordinary Resolution”</b>	has the meaning given to it in the Articles, which states that an Extraordinary Resolution is a resolution passed by a majority of not less than three quarters of the votes recorded, including, where there is a poll, any votes cast by proxy, and as defined as a special resolution pursuant to the Companies Law;

<b>“Extraordinary Resolution of CULS Holders”</b>	means a resolution passed at a meeting of CULS Holders duly convened and held in accordance with the provisions contained in the CULS Trust Deed and carried by a majority consisting of not less than three-fourths of the persons voting thereat upon a show of hands or, if a poll is duly demanded, by a majority consisting of not less than three-fourths of the votes given on the such poll;
<b>“FCA”</b>	the Financial Conduct Authority;
<b>“Form(s) of Proxy”</b>	the forms of proxy accompanying this document for use in connection with the Meeting of CULS Holders and/or accompanying the Circular to Shareholders for use in connection with the Separate General Meetings and the Extraordinary General Meeting (or any of them as the case may be and as the context may require);
<b>“FSMA”</b>	the Financial Services and Markets Act 2000, as amended;
<b>“Grandfathering Date”</b>	has the meaning set out in paragraph 3.2 of the “ <i>Chairman’s Letter</i> ” of this document;
<b>“JZAI” or “Investment Adviser”</b>	Jordan/Zalaznick Advisers, Inc.;
<b>“JZAI Founders”</b>	David W. Zalaznick and John (Jay) W. Jordan II together;
<b>“Listing Rules”</b>	the listing rules made by the FCA pursuant to section 73A of the FSMA, as amended;
<b>“London Stock Exchange”</b>	the London Stock Exchange plc;
<b>“Market Acquisitions”</b>	has the meaning given to it in the Companies Law;
<b>“Market Acquisition Authority”</b>	a general authority of Ordinary Shareholders to make Market Acquisitions of Shares where the maximum number of Shares in each class of Shares that may be purchased is equal to or less than 15 per cent. of the Shares of such class at the date of the respective notice of meeting in which such resolution is included;
<b>“Market Acquisition Buy Back Authority”</b>	the Market Acquisition Authority being sought at the Extraordinary General Meeting described in paragraph 4.2 of the “ <i>Chairman’s Letter</i> ” of this document;
<b>“Market Acquisition Buy Back Authority Resolution”</b>	Resolution 2 to be proposed at the Extraordinary General Meeting as set out in the Notice of Extraordinary General Meeting;
<b>“Meeting of CULS Holders”</b>	the meeting of the CULS Holders to be held at 10.30 a.m. (London time) on 16 May 2017 at the offices of Ashurst LLP at Broadwalk House, 5 Appold Street, London EC2A 2HA, United Kingdom, including any adjournment thereof, notice of which is set out in this document;
<b>“New Articles”</b>	the proposed articles of incorporation of the Company. details of which are set out in paragraph 4.1 of the “ <i>Chairman’s Letter</i> ” of this document;
<b>“Notice of Extraordinary General Meeting”</b>	the notice of Extraordinary General Meeting set out in the Circular to Shareholders;
<b>“Notice of Meeting of CULS Holders”</b>	the notice of Meeting of CULS Holders as set out in this document;

<b>“Notice of Separate General Meeting of Ordinary Shareholders”</b>	the notice of Separate General Meeting of Ordinary Shareholders set out in the Circular to Shareholders;
<b>“Notice of Separate General Meeting of ZDP Shareholders”</b>	the notice of Separate General Meeting of ZDP Shareholders set out in the Circular to Shareholders;
<b>“Notices”</b>	the Notice of Meeting of CULS Holders, the Notices of the Separate General Meetings and the Notice of Extraordinary General Meeting (or any of them as the case may be and as the context may require);
<b>“Notices of the Separate General Meetings”</b>	the Notice of Separate General Meeting of Ordinary Shareholders and the Notice of Separate General Meeting of ZDP Shareholders (or any of them as the case may be and as the context may require);
<b>“Off-Market Acquisitions”</b>	acquisitions other than under a Market Acquisition;
<b>“Off-Market Acquisition Authority”</b>	an authority of Ordinary Shareholders pursuant to the Companies Law of the terms of a contract to be included in the Articles as prescribed by the CFC Buy Back Arrangement to be included therein for the Company to make Off-Market Acquisitions of Ordinary Shares in pursuance of the terms of that contract;
<b>“Off-Market Acquisition Buy Back Authority”</b>	an authority of Ordinary Shareholders pursuant to the Companies Law of the terms of a contract to be included in the Articles as prescribed by the CFC Buy Back Arrangement to be included therein for the Company to make Off-Market Acquisitions of Ordinary Shares in pursuance of the terms of that contract;
<b>“Off-Market Acquisition Buy Back Authority Resolution”</b>	Resolution 3 to be proposed at the Extraordinary General Meeting as set out in the Notice of Extraordinary General Meeting;
<b>“Official List”</b>	the list maintained by the UK Listing Authority pursuant to Part VI of the FSMA, as amended;
<b>“Ordinary Resolutions”</b>	a resolution passed by a majority of more than 50 per cent. of the votes cast, whether in person or by proxy;
<b>“Ordinary Shareholders”</b>	holders of Ordinary Shares;
<b>“Ordinary Shares”</b>	the ordinary shares of no par value in the capital of the Company;
<b>“Proposals”</b>	the proposals in relation to the Articles Amendments, the Buy Back Authorities and any CFC Related Party Transaction on the terms of the CFC Buy Back Arrangement and as more fully described in this document;
<b>“Related Party”</b>	has the meaning given to it in the Listing Rules insofar as they apply to the Company by virtue of its voluntary compliance with the Listing Rules;
<b>“Related Party Transaction”</b>	has the meaning given to it in the Listing Rules insofar as they apply to the Company by virtue of its voluntary compliance with the Listing Rules;
<b>“Resolutions”</b>	the resolutions to be proposed at the Separate General Meetings as set out in the Notices of the Separate General Meetings and resolutions 1 to 4 (inclusive) to be proposed at the Extraordinary General Meeting as set out in the Notice of Extraordinary General Meeting (or any of them as the case may be and as the context may require);

<b>“Separate General Meeting of Ordinary Shareholders”</b>	the separate general meeting of Ordinary Shareholders to be held at 10.35 a.m. (London time) on 16 May 2017 (or as soon thereafter as the Meeting of CULS Holders has been concluded or adjourned) at the offices of Northern Trust International Fund Administration Services (Guernsey) Limited, Trafalgar Court, Les Banques, St Peter Port, Guernsey, Channel Islands, including any adjournment thereof, notice of which is set out in the Notice of Separate General Meeting of Ordinary Shareholders;
<b>“Separate General Meeting of ZDP Shareholders”</b>	the separate general meeting of ZDP Shareholders to be held at 10.40 a.m. (London time) on 16 May 2017 (or as soon thereafter as the Separate General Meeting of Ordinary Shareholders has been concluded or adjourned) at the offices of Northern Trust International Fund Administration Services (Guernsey) Limited, Trafalgar Court, Les Banques, St Peter Port, Guernsey, Channel Islands, including any adjournment thereof, notice of which is set out in the Notice of Separate General Meeting of ZDP Shareholders;
<b>“Separate General Meetings”</b>	the Separate General Meeting of Ordinary Shareholders and the Separate General Meeting of ZDP Shareholders (or any of them as the case may be and as the context may require);
<b>“Shareholders”</b>	holders of Shares;
<b>“Shares”</b>	the Ordinary Shares and/or the ZDP Shares (as the case may be and as the context may require);
<b>“UK” or “United Kingdom”</b>	the United Kingdom of Great Britain and Northern Ireland;
<b>“UK Listing Authority”</b>	the FCA acting in its capacity as competent authority for the purposes of Part VI of the FSMA;
<b>“US”</b>	The United States of America, its territories and possessions any state of the United States and the District of Columbia;
<b>“US Code”</b>	The United States Internal Revenue Code of 1986, as amended;
<b>“US 10% Shareholder”</b>	has the meaning set out in paragraph 3.2 of the “ <i>Chairman’s Letter</i> ” of this document;
<b>“US Holder”</b>	has the meaning assigned to “United States Person” in Section 957(c) of the US Code;
<b>“ZDP Shares”</b>	the zero dividend redeemable preference shares of no par value in the capital of the Company issued on or around 22 June 2009 and exchanged on or around 1 October 2015; and
<b>“ZDP Shareholders”</b>	holders of ZDP Shares.

**JZ CAPITAL PARTNERS LIMITED**  
**(the “Company”)**  
**(registered number 48761)**

**NOTICE OF MEETING**  
*to each of the holders of the outstanding*

**£38,861,140 6.00 per cent. convertible unsecured subordinated loan stock due 2021**  
**(the “CULS” and the holders thereof, the “CULS Holders”)**  
**ISIN: GG00BP46PR08, Sedol: BP46PR0**

NOTICE IS HEREBY GIVEN that a meeting of CULS Holders (the “**Meeting**”) of the Company will be held at 10.30 a.m. (London time) on 16 May 2017 at the offices of Ashurst LLP, Broadwalk House, 5 Appold Street, London EC2A 2HA, United Kingdom to consider and, if thought fit, pass the following resolution at the Meeting which is intended to be proposed as an Extraordinary Resolution in accordance with the provisions of a trust deed dated 30 July 2014 as amended or supplemented from time to time (the “**Trust Deed**”) made between the Company and The Law Debenture Trust Corporation p.l.c., as trustee (the “**Trustee**”) for the CULS Holders and such CULS are issued with the benefit of and subject to the terms and conditions of the CULS attached thereto (the “**Conditions**”). The CULS are convertible into Ordinary Shares of the Company in accordance with the Conditions.

Unless the context otherwise requires, words and expressions defined in this Notice shall have the same meaning given in the circular to CULS Holders dated 20 April 2017 published by the Company (the “**Circular to the CULS Holders**”) and the Trust Deed, as applicable.

**Extraordinary resolution**

THAT this meeting of the holders (the “**CULS Holders**”) of those of the £38,861,140 6.00 per cent. convertible unsecured subordinated loan stock due 2021 (the “**CULS**”) of JZ Capital Partners Limited (the “**Company**”) presently outstanding constituted by the trust deed dated 30 July 2014 (as amended, varied or supplemented from time to time) (the “**Trust Deed**”) between the Company and The Law Debenture Trust Corporation p.l.c. (the “**Trustee**”) hereby:

- (a) sanctions and approves the adoption of new Articles of Incorporation of the Company in substitution for, and to the exclusion of the existing Articles of Incorporation of the Company (as further specified in a circular to CULS Holders dated 20 April 2017 (as amended, varied or supplemented from time to time) (the “**Circular to CULS Holders**”) and each and every alteration, modification, abrogation or variation of the rights and privileges attaching or belonging to the ordinary shares of the Company as is, or may be, involved therein or effected thereby;
- (b) authorises, directs, requests and empowers the Trustee to give effect to and implement the matters referred to in this Extraordinary Resolution and to execute and do, all such other deeds, instruments, acts and things and take such steps as may be necessary or appropriate (in the sole and absolute discretion of the Trustee) to carry out and give effect to this Extraordinary Resolution;
- (c) sanctions and approves each and every abrogation, variation, modification, compromise or arrangement in respect of the rights of the CULS Holders appertaining to the CULS against the Company, whether or not such rights arise under the Trust Deed, the terms and conditions of the CULS or otherwise, involved in or resulting from or to be effected by the sanctions referred to in this Extraordinary Resolution or the entry into any document to give effect to and implement this Extraordinary Resolution;
- (d) indemnifies, discharges, waives and exonerates the Trustee from all liability for which it may have become or may become liable or responsible under the Trust Deed or the CULS in respect of any act or omission in connection with this Extraordinary Resolution, the notice of meeting of the CULS Holders, the Circular to CULS Holders and/or the matters contemplated thereby; and
- (e) waives irrevocably any claim that the CULS Holders may have against the Trustee arising as a result of any loss or damage which any CULS Holder may suffer or incur as a result of the Trustee

acting upon this Extraordinary Resolution (including, without limitation, circumstances where it is subsequently found that this Extraordinary Resolution is not valid or binding on the CULS Holders or that there is a defect in the passing of this Extraordinary Resolution) and further confirms that the CULS Holders will not seek to hold the Trustee liable for any such loss or damage and that the Trustee shall not be responsible to any person for acting upon this Extraordinary Resolution.

By order of the Board

Northern Trust International Fund Administration Services (Guernsey) Limited (*Secretary*)

Trafalgar Court

Les Banques

St Peter Port

Guernsey

GY1 3QL

Full reasons and background to, and the reasons for, the Extraordinary Resolution are contained in the Circular to the CULS Holders, copies of which are available upon request from the Company and/or Equiniti Limited. Copies of the Trust Deed (including the Conditions) are available for inspection at the specified offices of the Company and Equiniti Limited.

The attention of the CULS Holders is particularly drawn to the quorum required for the Meeting and any adjourned Meeting which is set out in the paragraph "*General provisions relating to the meeting*" below.

The Trustee expresses no opinion as to the merits of the Circular to CULS Holders. It has however, authorised to be stated that on the basis of the information set out in the Circular to the CULS Holders and this Notice, it has no objection to the Extraordinary Resolution referred to above being submitted to the CULS Holders for their consideration. The Trustee has not been involved in formulating the proposals set out in the Circular to the CULS Holders and makes no representation that all relevant information has been disclosed to CULS Holders in the Circular to the CULS Holders and this Notice. The Trustee urges CULS Holders who are in any doubt as to the legal impact of the implementation of the Extraordinary Resolution to seek their own independent legal, financial or other advice.

The terms and conditions of the Circular to the CULS Holders are without prejudice to the right of a CULS Holder to attend and vote at the Meeting as set out in this Notice and the Trust Deed.

The distribution of the Circular to the CULS Holders in certain jurisdictions may be restricted by law. Persons into whose possession this Circular to the CULS Holders comes must inform themselves about and observe any such restrictions.

Date: 20 April 2017

**Notes re your Form of Proxy and voting at the Meeting of CULS Holders:**

When considering what action you should take, you should seek your own financial advice from your stockbroker, bank manager, solicitor, accountant or other independent financial adviser authorised under the Financial Services and Markets Act 2000, as amended, if you are a resident in the United Kingdom or, if not, from another appropriately authorised financial adviser without delay.

If you sell or otherwise transfer or have sold or otherwise transferred all of your registered holding of CULS, please send this document, together with the Form of Proxy, as soon as possible to the purchaser or transferee, or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for delivery to the purchaser or transferee. However, such documents should not be sent in or into any jurisdiction if to do so would constitute a violation of the relevant laws of such jurisdiction. If you sell or otherwise transfer or have sold or otherwise transferred part of your registered holding of CULS, please consult the stockbroker, bank or other agent through whom the sale or transfer was effected.

**Rights to attend and vote**

The provisions governing the convening and holding of the Meeting are set out in Schedule 4 to the Trust Deed, a copy of which is available for inspection by the CULS Holders during the normal business hours at the specified office of the Company and Equiniti Limited at Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA, United Kingdom. In accordance with the Trust Deed, only the CULS Holders are entitled to attend and vote on all matters at this Meeting if they are registered on the CULS register of members or are CULS Holders with securities being held in uncertificated form through the issuance of dematerialised depositary interests which are issued, held, settled and transferred through CREST ("**Participating CULS Holder**").

The Trust Deed 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 cast), a person must be present and for the time being and be entered in the CULS Register or by proxy or (in the case of a CULS Holder which is a corporation) by its duly authorised representative.

A CULS Holder not wishing to attend and vote at the Meeting in person may either deliver a proxy notice (the “**Form of Proxy**”) in accordance with the instructions in the paragraph “*Proxies*” below or a Participating CULS Holder who wishes to appoint a proxy through the CREST electronic system shall follow the instructions as set out in the paragraph “*CREST*” below.

Certain of the CULS are represented by certificates endorsed thereon the Conditions and as evidenced by the CULS Register, maintained at the Company’s offices shall show the number of CULS in issue, the date of issue and any subsequent transfers, changes of ownership thereof and the names and addresses of the CULS Holders and persons deriving title under them.

Any person who wishes to attend and vote at the Meeting and whose beneficial interest in CULS are held in the name of a broker, dealer, commercial bank, trust company or other nominee institution (including CREST depository interests) must contact such nominee promptly and instruct or make arrangements with such nominee to vote in accordance with the customary procedures of the clearing systems on behalf of such person. The deadlines set by any custodial entity and each clearing system for the submission of votes to the Extraordinary Resolution may be earlier than the relevant deadlines specified in this Notice of Meeting.

#### **General provisions relating to the Meeting**

- (i) The quorum at the Meeting for passing the Extraordinary Resolution shall be CULS Holders holding or representing in the aggregate one twentieth in nominal amount of the CULS for the time being outstanding. The Meeting shall be dissolved if within 15 minutes (or a longer period not exceeding 30 minutes as the chairman may decide) a quorum is not present.
- (ii) To be passed at the Meeting, the Extraordinary Resolution requires a majority of no less than 75% of votes cast upon a show of hands or if a poll is duly demanded, by a majority of no less than 75% of the votes given on such poll. On a poll, every CULS Holder who is so present shall have one vote in respect of each £10 in nominal amount of CULS of which he is the CULS Holder or in respect of which he is the proxy or duly authorised representative. On a poll, votes may be given either personally or by proxy or (in the case of a CULS Holder which is a corporation) by its duly authorised representative and a CULS Holder entitled to more than one vote need not (if he votes) use all his votes or cast all the votes he uses in the same way.
- (iii) In a case of equality of votes, the chairman shall on both a show of hands and on a poll have a casting vote in addition to any other votes which he may have.
- (iv) If passed, each Extraordinary Resolution will be binding upon on CULS Holders, whether or not present at the Meeting and whether or not voting.
- (v) The Company shall give notice of the results of the Meeting by way of announcement not more than 14 days after the result is known but failure to do so shall not invalidate any resolution passed thereon.
- (vi) This Notice and all non-contractual obligations arising out of or in connection with it are governed by, and shall be construed in accordance with, English law.

#### **Proxies**

A CULS Holder entitled to attend and vote may appoint a proxy or proxies who need not be a CULS Holder to attend and vote instead of him or her. A CULS Holder may appoint more than one proxy in relation to the Meeting, provided that each proxy is appointed to exercise the rights attached to different CULS held by him or her. The Form of Proxy is in such form as approved by the Trustee.

If it is desired to appoint a proxy or proxies, the name(s) of the proxy or proxies must be inserted in the space provided on the Form of Proxy in writing by either the CULS Holder or his attorney duly authorised in writing, or, if the CULS Holder is a corporation, either under its common seal or under the hand of an officer or attorney duly authorised. The Form of Proxy is deemed to confer authority to demand or join in demanding a poll.

Please indicate with an “X” in the appropriate box on the Form of Proxy how you wish your vote to be cast in respect of the Extraordinary Resolution at the Meeting. If you do not insert an “X” in the appropriate box on the Form of Proxy, your proxy will vote or abstain at his or her discretion.

The Form of Proxy appointing a proxy and the power of attorney or other authority (if any) under which it is signed or a notarially certified copy of that power of authority must be delivered to the Company c/o Equiniti Limited at Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA, United Kingdom not less than 48 hours before the time appointed for holding the Meeting (excluding any part of a day which is non-working), or in the event that the meeting is adjourned, not less than 48 hours before the time for holding the adjourned meeting (excluding any part of a day which is non-working) or for the taking of the poll at which the person named in the instrument proposes to vote and in default the Form of Proxy shall not be treated as valid. The Form of Proxy shall be valid after the expiry of 12 months from the date named in it as the date of its execution.

If the proxy is being appointed in relation to less than your full voting entitlement, please enter in the appropriate box on the Form of Proxy the number and nominal amount of CULS in relation to which they are authorised to act as your proxy. If the box is left blank, your proxy will be deemed to be authorised in respect of your full voting entitlement (or if the Form of Proxy has been issued in respect of a designated account for a member, 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 by telephone on 0371 384 2030, if calling from within the United Kingdom, or on +44 121 415 7047, if calling from outside the United Kingdom or you may photocopy the Form of Proxy. Calls to the +44 121 415 7047 number from outside the United Kingdom will be charged at applicable international rates. Different charges may apply to calls from mobile telephones. Lines are open 8.30 a.m. to 5.30 p.m. (London time) Monday to Friday (excluding public holidays). Please insert in the space provided and in the appropriate box on the Form of Proxy (see above) the proxy holder’s name and the number and nominal amount of CULS in relation to which they are authorised to act as your proxy. Please also indicate with an “X” in the appropriate box on the Form of Proxy if the proxy instruction is one of the multiple instructions being given. All Forms of Proxy must be signed and should be returned together in the same envelope.

The Form of Proxy may be sent by post or transmitted to the Company c/o Equiniti Limited. “By post” means by registered post, recorded delivery service or ordinary letter post and “transmitted” means transmitted by electronic communication. Accordingly, you may send the Form of Proxy by post to Equiniti Limited at Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA, United Kingdom or transmit it by email to proxy.votes@equiniti.com (and in the case of email with the original to follow by post to Equiniti Limited). In the case of email, should the original Form of Proxy not be received by post the electronic version shall still be treated as valid (provided it is returned before the proxy cut-off as detailed above).

If you are sending the Form of Proxy by post from outside the United Kingdom, you will need to place the Form of Proxy in a reply paid envelope and post the envelope to Equiniti Limited. In order to ensure that the Form of Proxy is received before the proxy cut-off

date as detailed above, you should also transmit the Form of Proxy by email.

To change your proxy instructions, simply submit a new proxy appointment using the method set out above. If you submit more than one valid proxy appointment, the appointment received last before the latest time for the receipt of proxies will take precedence. Please note that the cut-off time for receipt of proxy appointments also applies in relation to amended instructions; any amended proxy appointment received after the relevant cut-off time will be disregarded.

The appointment of a proxy, by instrument in writing or electronically, will not preclude a member so entitled from attending the Meeting and voting in person should they wish to do so.

#### **Joint holders**

All joint holders of CULS should be named but the signature of any one is sufficient. In all cases, names must be entered as they appear on the CULS Register.

Where there are joint registered holders of any CULS, such persons shall not have the right of voting individually in respect of such CULS but shall elect one of their number to represent them and to vote whether in person or by proxy in their name. In default of such election, the person whose name stands first on the CULS Holders shall alone be entitled to vote.

The vote of the senior who tenders a vote whether in person or by proxy shall be accepted to the exclusion of the votes of the other joint CULS Holders and, for this purpose, the seniority shall be determined by the order in which the names stand in the CULS Register in respect of that joint holding.

#### **CREST**

Participating CULS Holders 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, which can be viewed at [www.euroclear.com](http://www.euroclear.com). CREST personal members or other CREST sponsored members, and those Participating CULS Holders 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. Any person who wishes to attend and vote at the Meeting and whose beneficial interest in CULS is held in the name of a broker, dealer, commercial bank, trust company or other nominee institution (including CREST depository interests) must contact such nominee promptly and instruct or make arrangements to appoint a proxy or proxies through the CREST electronic proxy appointment service.

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 instructions given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by Equiniti Limited (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 Equiniti Limited 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.

Participating CULS Holders 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 Participating CULS Holder concerned to take (or, if the Participating CULS Holders 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, Participating CULS Holders 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 CREST Regulations.

#### **Corporate representatives**

Any corporation which is a CULS Holder may by resolution of its directors or other governing body authorise such person as it thinks fit to act as its representative at the Meeting and the person so authorised shall be entitled to exercise on behalf of the corporation he or she represents the same powers (other than to appoint a proxy) as that corporation could exercise if it were an individual member.

Representatives of a CULS Holder that are corporations will have to produce evidence of their proper appointment when attending the Meeting. Please contact Equiniti Limited if you need any further guidance on this.

#### **Limitations of electronic addresses**

You may not use any electronic address provided in either this Notice or any related documents (including the Form of Proxy) to communicate with the Company for any purposes other than those expressly stated.

#### **The address of the website where certain information on the Meeting is available**

A copy of this Notice can be found on the Company’s website at [www.jzcp.com](http://www.jzcp.com).



