

**THIS DOCUMENT AND IN THE CASE OF ORDINARY SHAREHOLDERS THE ACCOMPANYING FORM OF PROXY AND TENDER FORM ARE IMPORTANT AND REQUIRE YOUR IMMEDIATE ATTENTION. If you are in any doubt as to the action you should take or the contents of this document, you should consult 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 Shares, please send this document, together in the case of Ordinary Shareholders with the accompanying Form of Proxy (but not the personalised Tender Form) 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, forwarded or transmitted in, into or from any Restricted Jurisdiction. If you sell or otherwise transfer or have sold or otherwise transferred part of your registered holding of Shares, 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.

**IF ELIGIBLE ORDINARY SHAREHOLDERS DO NOT WISH TO TENDER ANY OF THEIR ORDINARY SHARES PURSUANT TO THE TENDER OFFER, THEY SHOULD NOT COMPLETE OR RETURN A TENDER FORM OR SUBMIT A TTE INSTRUCTION IN CREST.**

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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)*

**Proposed return of capital to Ordinary Shareholders  
of up to US\$30 million by way of Tender Offer and resultant Off-Market Acquisitions  
to purchase Ordinary Shares at US\$9.39 per Ordinary Share**

**and**

**Recommended Proposals to approve  
The Company's proposed disposals of ownership interests in each of  
Jordan Health Products, LLC ("Avante"), MERS Holdings, LLC ("MERS") and Tech  
Industries, LLP ("Orizon") to Edgewater Growth Capital Partners and related additional  
investments in Avante, MERS and Orizon**

**and**

**Amendments to the Articles of Incorporation of the Company**

**and**

**Notice of Extraordinary General Meeting**

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### ***Tender Offer and resultant Off-Market Acquisitions***

The Company is proposing to make a return of capital to Ordinary Shareholders of up to US\$30 million (translated into Pounds Sterling at the Buy Back Exchange Rate), being the Buy Back Amount, by way of a Tender Offer and resultant Off-Market Acquisitions to purchase Ordinary Shares at US\$9.39 per

Ordinary Share (also translated into Pounds Sterling at the Buy Back Exchange Rate), being the Tender Price. The maximum number of Ordinary Shares that may be bought back by the Company pursuant to the same will depend on the Buy Back Exchange Rate (being the USD/GBP exchange rate quoted by Bloomberg as at market close on the Tender Closing Date referred to below) but will be determined by such number of Ordinary Shares as is equal to the Buy Back Amount divided by the Tender Price, being the Maximum Buy Back Shares.

A Currency Election Facility is also being made available to Eligible Ordinary Shareholders under which those Shareholders will be able to elect (subject to the terms and conditions of the Currency Election Facility) to receive the Tender Offer consideration in US Dollars or Pounds Sterling (the default) at the Buy Back Exchange Rate (after deduction of any transaction or dealings costs associated with the conversion). The Ordinary Shares an Eligible Ordinary Shareholder successfully tenders will as a default be settled in Pounds Sterling. If an Eligible Ordinary Shareholder wishes instead to elect to receive the cash settlement in US Dollars then they should complete Box 3A of the Tender Form (in respect of Ordinary Shares held in certificated form) or submit a TTE Instruction (in respect of Ordinary Shares held in uncertificated form (that is, in CREST)) in respect of which they wish to receive the consideration relating to the Ordinary Shares they have successfully elected to tender. Further details of the Currency Election Facility are set out in paragraph 9 of Part III ("*Terms and Conditions of the Tender Offer*") of this document.

The Tender Offer will close at 1.00 p.m. on 23 August 2019, being the Tender Closing Date, unless extended in accordance with paragraph 10 of Part III ("*Terms and Conditions of the Tender Offer*") of this document. The Tender Offer is only available to Eligible Ordinary Shareholders in respect of the Ordinary Shares held at 6.00 p.m. on 23 August 2019, being the Tender Record Date.

A Tender Form will accompany this document for use by Eligible Ordinary Shareholders who hold their Ordinary Shares in certificated form (that is, not in CREST) and who wish to tender their Ordinary Shares for purchase by the Company pursuant to the Tender Offer. Such Eligible Ordinary Shareholders should ensure that in accordance with instructions printed thereon their completed Tender Form and share certificate(s) and/or other document(s) of title in respect of their Ordinary Shares being tendered are returned to the Receiving Agent by post to Equiniti Limited, Corporate Actions, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA, United Kingdom or by hand (during normal business hours only) to Equiniti Limited, Corporate Actions, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA, United Kingdom as soon as possible and in any event, in order to be valid, so as to be received not later than 1.00 p.m. on the Tender Closing Date.

Eligible Ordinary Shareholders who hold their Ordinary Shares in uncertificated form (that is, in CREST) should not complete and return the Tender Form and should submit the relevant TTE Instruction(s) in CREST as described in paragraph 3.3 of Part III ("*Terms and Conditions of the Tender Offer*") of this document as soon as possible and in any event, in order to be valid, not later than 1.00 p.m. on the Tender Closing Date.

Eligible Ordinary Shareholders are advised to review the instructions, which are set out in the section entitled "*Tender Form Accompanying this Document and Action to be Taken*" and paragraph 4.1 of Part I ("*Chairman's Letter*") of this document, regarding the proper completion and return of the Tender Form and/or the proper submission of the relevant TTE Instruction(s) in CREST. Eligible Ordinary Shareholders who do not wish to participate in the Tender Offer do not need to complete and return the Tender Form or submit the relevant TTE Instruction(s) in CREST.

The Tender Offer is not being made, directly or indirectly, in or into any Restricted Jurisdiction. The distribution of this document and the accompanying Tender Form in jurisdictions other than the United Kingdom, Guernsey or the United States may be restricted by the laws of those jurisdictions and therefore persons into whose possession this document or the accompanying Tender Form come 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. This document and the accompanying Tender Form are not being, nor may they be, directly or indirectly, sent, forwarded or transmitted, in, into or from any Restricted Jurisdiction, and persons receiving this document or the accompanying Tender Form (including, without limitation, trustees, nominees or custodians) must not send, forward or transmit them in, into or from any Restricted Jurisdiction, as to do so may invalidate any purported acceptance of the Tender Offer. Any person (including, without limitation, trustees, nominees or custodians) who would or otherwise intends to, or who may have a contractual or legal obligation to,

forward this document or the accompanying Tender Form to any jurisdiction outside the United Kingdom, Guernsey or the United States, should read the section entitled "*Overseas Shareholders*" in paragraph 12 of Part III ("*Terms and Conditions of the Tender Offer*") of this document and should seek appropriate advice before taking any action.

This document is not a prospectus but a shareholder circular. This document does not constitute an offer to purchase, or solicitation of an offer to sell, Ordinary Shares in any jurisdiction in which, or to or from any person to or from whom, it is unlawful to make such offer or solicitation under applicable securities laws.

**You should read the whole of this document and, if applicable, the accompanying Tender Form. In particular, your attention is drawn to the Letter from the Chairman of the Company which is set out in Part I ("*Chairman's Letter*") of this document and the risk factors relating to the Tender Offer set out in Part II ("*Risk Factors Relating to the Tender Offer*") of this document. Eligible Ordinary Shareholders should also refer to the section entitled "*Tender Form Accompanying this Document and Action to be Taken*" and paragraph 4.1 of Part I ("*Chairman's Letter*") of this document, which explains the Tender Form accompanying this document, the relevant TTE Instruction(s) and the action to be taken by Eligible Ordinary Shareholders in respect thereof. In addition, Eligible Ordinary Shareholders should refer to Part III ("*Terms and Conditions of the Tender Offer*") and Part IV ("*Taxation*") of this document.**

In relation to the resultant Off-Market Acquisitions of Ordinary Shares, certain US Ordinary Shareholders have irrevocably undertaken not to participate in the Tender Offer and will instead have Ordinary Shares bought back from them as a result of the Tender Offer via Off-Market Acquisitions pursuant to, and as required by, the terms of the Articles of Incorporation of the Company. Further details of these arrangements are set out in paragraphs 1 and 2.3 of Part I ("*Chairman's Letter*") of this document.

#### ***Recommended Proposals and Extraordinary General Meeting***

In addition to the Tender Offer and resultant Off-Market Acquisitions, the Board is also seeking Shareholder approval for certain recommended Proposals at an Extraordinary General Meeting to be convened by the Company. The Proposals relate to the Company's proposed disposals of ownership interests in Avante, MERS and Orizon to Edgewater Growth Capital Partners and related additional investments in each of those entities with Edgewater. The Proposals also concern amendments to the Company's Articles of Incorporation relating to the voting methodology for the calculation of eligible votes for the appointment and removal of Directors in order for the Company to remain a "foreign private issuer" for US securities law purposes.

**Your attention is therefore also drawn to the Letter from the Chairman of the Company set out in Part I ("*Chairman's Letter*") of this document which contains the unanimous recommendation of the Directors of the Company that Ordinary Shareholders vote in favour of the Proposals in the form of the Resolutions to be proposed at the Extraordinary General Meeting of the Company in respect of which they are entitled to vote as the Directors intend to do in respect of their own beneficial holdings. Your attention is also drawn to the section entitled "*Proxy Form Accompanying this Document and Action to be Taken*" and paragraph 4.1 of Part I ("*Chairman's Letter*") of this document, which explains the Form of Proxy accompanying this document and the action to be taken by Ordinary Shareholders in respect thereof. Again, you should read the whole of this document and, if applicable, the accompanying Form of Proxy, both of which should be read in conjunction with the Notice of Extraordinary General Meeting.**

The Notice of Extraordinary General Meeting of the Company is set out at the end of this document. The Notice provides all Shareholders with notice of the Extraordinary General Meeting. Shareholders are advised that Ordinary Shareholders only have the right to attend and vote on the Resolutions to be proposed at the Extraordinary General Meeting in respect of which they are entitled to vote. For the avoidance of doubt, ZDP Shareholders do not have the right to attend or vote at the Extraordinary General Meeting.

The Extraordinary General Meeting of the Company is to be held at 12.30 p.m. on 16 August 2019. The Extraordinary General Meeting is to be held at the offices of Northern Trust International Fund Administration Services (Guernsey) Limited, Trafalgar Court, Les Banques, St Peter Port, Guernsey GY1 3QL, Channel Islands.

A Form of Proxy will accompany this document for use by Ordinary Shareholders in connection with the Extraordinary General Meeting. 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 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 Extraordinary General Meeting (excluding any part of a day which is non-working). Completion and return of the Form of Proxy will not preclude Ordinary Shareholders from attending and voting in person at the Extraordinary General Meeting should they so wish and be so entitled to vote. Ordinary Shareholders are advised to review the instructions which are set out in the section entitled "*Proxy Form Accompanying this Document and Action to be Taken*" and paragraph 4.1 of Part I ("*Chairman's Letter*") of this document regarding the proper completion and return of the Form of Proxy.

Shareholders should also note that the Avante-MERS and Orizon Proposals referred to above are Related Party Transactions of the Company (insofar as the Listing Rules are applicable to the Company by virtue of its voluntary compliance with the same). However, whilst the Listing Rules provide for written confirmation to be obtained from a sponsor that the terms of a Related Party Transaction are fair and reasonable as far as shareholders are concerned, such a confirmation has not been received (for reasons explained in paragraph 3.2 of the Letter from the Chairman of the Company set out in Part I ("*Chairman's Letter*") of this document) for the Avante-MERS and Orizon Proposals. The Company's investment adviser, Jordan/Zalaznick Advisers, Inc. ("**JZAI**" or the "**Investment Adviser**") has instead provided written confirmation to the Company that the terms of those Proposals are fair and reasonable as far as Ordinary Shareholders are concerned. Save for that exception, the Avante-MERS and Orizon Proposals are otherwise being treated by the Company in accordance with the Listing Rules including the requirement to obtain Shareholder approval. Shareholders should be aware that JZAI is the Company's Investment Adviser and is acting solely for the Company in that capacity and for no one else in connection with the Avante-MERS and Orizon Proposals and will not be responsible to anyone other than the Company including for providing advice in relation to those Proposals or any other matter referred to in this document.

#### **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. Shareholders 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.

Unless otherwise defined herein, capitalised terms used in this document have the meanings given to them in the section entitled "*Definitions*" set out in Part VII ("*Definitions*") of this document.

26 July 2019

## NOTICE FOR US ORDINARY SHAREHOLDERS

The Tender Offer relates to securities in a non-US company which is incorporated in Guernsey and is subject to the disclosure requirements, rules and practices applicable to companies listed in the United Kingdom, which differ from those of the United States in certain material respects. This document has been prepared in accordance with UK style and practice for the purpose of complying with English law, Guernsey law and the rules of the FCA (insofar as such rules are applicable to the Company by virtue of its voluntary compliance with the same), and US Ordinary Shareholders should read this document in its entirety, including this notice and the section entitled "*Certain U.S. Federal Income Tax Consequences*" in paragraph 3 of Part IV ("*Taxation*") of this document. The Tender Offer is not subject to the disclosure and other procedural requirements of Regulation 14D under the Securities Exchange Act of 1934, as amended (the "**US Exchange Act**"). The Tender Offer will be made in the United States in accordance with the requirements of Regulation 14E under the US Exchange Act. US Ordinary Shareholders should note that the Company is not listed on a US securities exchange and is not subject to the periodic reporting requirements of the US Exchange Act and is not required to, and does not, file any reports with the Securities and Exchange Commission (the "**SEC**") thereunder.

It may be difficult for US Ordinary Shareholders to enforce certain rights and claims arising in connection with the Tender Offer under US federal securities laws since the Company is located outside the United States and most of its officers and directors may reside outside the United States. It may not be possible to sue a non-US company or its officers or directors in a non-US court for violations of US securities laws. It also may not be possible to compel a non-US company or its affiliates to subject themselves to a US court's judgment.

The sale of Ordinary Shares pursuant to the Tender Offer will be a taxable transaction for U.S. federal income tax purposes. The paragraph headed "*Certain U.S. Federal Income Tax Consequences*" in paragraph 3 of Part IV ("*Taxation*") of this document further sets forth a summary of certain material U.S. federal income tax consequences of the disposition of Ordinary Shares pursuant to the Tender Offer by a US Holder (as defined in the paragraph headed "*Certain U.S. Federal Income Tax Consequences*" in paragraph 3 of Part IV ("*Taxation*") of this document) who holds Ordinary Shares as capital assets for U.S. federal income tax purposes. Each US Holder should consult its own tax adviser regarding the U.S. federal, state and local tax consequences of the Tender Offer based on its particular circumstances.

**Neither the SEC nor any US state securities commission has approved or disapproved of this transaction or passed upon the merits of fairness of such transaction or passed upon the adequacy of the information contained in this document. Any representation to the contrary is a criminal offence.**

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## EXPECTED TIMETABLE OF PRINCIPAL EVENTS

### TENDER OFFER AND RESULTANT OFF-MARKET ACQUISITIONS

Publication and posting of this document and the accompanying Tender Form for use by Eligible Ordinary Shareholders who hold their Ordinary Shares in certificated form in connection with the Tender Offer  Tender Offer opens	26 July 2019
Latest time and date for receipt of the Tender Form and TTE Instructions / the Tender Closing Date	1.00 p.m. on 23 August 2019
Tender Record Date	6.00 p.m. on 23 August 2019
Announcement of the results of the Tender Offer and expected resultant Off-Market Acquisitions	27 August 2019
CREST accounts credited with uncertificated Ordinary Shares unsuccessfully tendered	By 28 August 2019 (or as promptly as practicable thereafter)
Purchase of Ordinary Shares successfully tendered pursuant to the Tender Offer	29 August 2019
CREST accounts credited in respect of proceeds for uncertificated Ordinary Shares purchased pursuant to the Tender Offer	By 3 September 2019 (or as promptly as practicable thereafter)
Cheques despatched for certificated Ordinary Shares purchased pursuant to the Tender Offer	By 5 September 2019 (or as promptly as practicable thereafter)
Despatch of balance share certificate(s) and/or other document(s) of title for unsold certificated Ordinary Shares and share certificate(s) and/or other document(s) of title for unsuccessful tenders of certificated Ordinary Shares	By 5 September 2019 (or as promptly as practicable thereafter)
Purchase of Ordinary Shares via resultant Off-Market Acquisitions pursuant to, and as required by, the terms of the Company's Articles of Incorporation as a result of the Tender Offer	Immediately after completion of the Tender Offers (or as promptly as practicable thereafter)
Payments in respect of Ordinary Shares purchased pursuant to the resultant Off-Market Acquisitions	Immediately after completion of the Tender Offers (or as promptly as practicable thereafter)

### RECOMMENDED PROPOSALS AND EXTRAORDINARY GENERAL MEETING

Publication and posting of this document and the accompanying Form of Proxy for use by Ordinary Shareholders in connection with the Extraordinary General Meeting	26 July 2019
Latest time and date for receipt of the Form of Proxy for the Extraordinary General Meeting	12.30 p.m. on 14 August 2019
Extraordinary General Meeting	12.30 p.m. on 16 August 2019
Announcement of the results of the Extraordinary General Meeting	16 August 2019

**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 of Principal Events above and mentioned throughout this document may be adjusted by the Company in its sole and absolute discretion in which event details of the new times and dates will be notified, where required, to the Guernsey Financial Services Commission, the London Stock Exchange and Shareholders.
3. The Extraordinary General Meeting is to be held at the offices of Northern Trust International Fund Administration Services (Guernsey) Limited, Trafalgar Court, Les Banques, St Peter Port, Guernsey GY1 3QL, Channel Islands.



## **TENDER FORM ACCOMPANYING THIS DOCUMENT AND ACTION TO BE TAKEN**

Accompanying this document is a Tender Form for use by Eligible Ordinary Shareholders who hold their Ordinary Shares in certificated form (that is, not in CREST) in connection with the Tender Offer.

**IF ELIGIBLE ORDINARY SHAREHOLDERS DO NOT WISH TO TENDER ANY OF THEIR ORDINARY SHARES PURSUANT TO THE TENDER OFFER, THEY SHOULD NOT COMPLETE OR RETURN THE TENDER FORM OR SUBMIT A TTE INSTRUCTION IN CREST.**

**SHAREHOLDERS SHOULD READ THE WHOLE OF THIS DOCUMENT, WHICH CONTAINS, AMONG OTHER THINGS, THE MATERIAL TERMS OF THE TENDER OFFER, AND NOT JUST THIS SECTION OF THIS DOCUMENT ENTITLED "*TENDER FORM ACCOMPANYING THIS DOCUMENT AND ACTION TO BE TAKEN*", INCLUDING IN THE CASE OF ELIGIBLE ORDINARY SHAREHOLDERS BEFORE DECIDING WHAT ACTION TO TAKE.**

**ELIGIBLE ORDINARY SHAREHOLDERS ARE ALSO ADVISED TO REVIEW THE INSTRUCTIONS SET OUT IN PARAGRAPH 4.1 OF PART I ("*CHAIRMAN'S LETTER*") OF THIS DOCUMENT REGARDING THE PROPER COMPLETION AND RETURN OF THE TENDER FORM AND/OR THE PROPER SUBMISSION OF THE RELEVANT TTE INSTRUCTION(S) IN CREST. IN ADDITION, ELIGIBLE ORDINARY SHAREHOLDERS WHO HOLD THEIR ORDINARY SHARES IN CERTIFICATED FORM ARE ADVISED TO REVIEW THE INSTRUCTIONS ON THE TENDER FORM ITSELF REGARDING THE SAME.**

**For Eligible Ordinary Shareholders to tender their Ordinary Shares which are held in certificated form (that is, not in CREST) pursuant to the Tender Offer:**

Complete and return the Tender Form in accordance with the instructions printed thereon to the Receiving Agent by post to Equiniti Limited, Corporate Actions, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA, United Kingdom or by hand (during normal business hours only) to Equiniti Limited, Corporate Actions, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA, United Kingdom, as soon as possible and, in any event, in order to be valid so as to be received not later than 1.00 p.m. on 23 August 2019, being the Tender Closing Date. Eligible Ordinary Shareholders who hold their Ordinary Shares in certificated form should also return their share certificate(s) and/or other document(s) of title in respect of their Ordinary Shares being tendered. Note that the Tender Form will accompany this document for use by Eligible Ordinary Shareholders who hold their Ordinary Shares in certificated form in connection with the Tender Offer. All other Shareholders (including Eligible Ordinary Shareholders who hold their Ordinary Shares in uncertificated form (that is, in CREST)) should disregard the Tender Form.

**For Eligible Ordinary Shareholders to tender their Ordinary Shares which are held in uncertificated form (that is, in CREST) pursuant to the Tender Offer and elect to receive cash settlement in Pounds Sterling:**

Such Eligible Ordinary Shareholders should send (or, if they are a CREST Sponsored Member, procure that their CREST Sponsor sends) a TTE Instruction to Euroclear as soon as possible and, in any event, in order to be valid, not later than 1.00 p.m. on 23 August 2019, being the Tender Closing Date. The TTE Instruction, which must be properly authenticated in accordance with Euroclear's specification and must contain, in addition to other information that is required for the TTE Instruction to settle in CREST, the following details:

- the corporate action number of the Tender Offer. This is allocated by Euroclear and will be available on screen from Euroclear;
- the number of Ordinary Shares to be transferred to an escrow balance;
- the Member Account ID of the Eligible Ordinary Shareholder;
- the Participant ID of the Eligible Ordinary Shareholder;

- the Participant ID of the Escrow Agent, which is the Receiving Agent in its capacity as a CREST receiving agent. This is 6RA24;
- the Member Account ID of the Escrow Agent. This is RA307901;
- the intended settlement date for the transfer to escrow. This should be as soon as possible and, in any event, by no later than 1.00 p.m. on the Tender Closing Date;
- the ISIN of the Ordinary Shares, which is GG00B403HK58;
- input with the standard delivery instruction, priority 80; and
- a contact name and telephone number in the shared note field.

**For Eligible Ordinary Shareholders to tender their Ordinary Shares which are held in uncertificated form (that is, in CREST) pursuant to the Tender Offer and elect to receive cash settlement in US Dollars:**

Such Eligible Ordinary Shareholders should send (or, if they are a CREST Sponsored Member, procure that their CREST Sponsor sends) a TTE Instruction to Euroclear as soon as possible and, in any event, in order to be valid, not later than 1.00 p.m. on 23 August 2019, being the Tender Closing Date. The TTE Instruction, which must be properly authenticated in accordance with Euroclear's specification and must contain, in addition to other information that is required for the TTE Instruction to settle in CREST, the following details:

- the corporate action number of the Tender Offer. This is allocated by Euroclear and will be available on screen from Euroclear;
- the number of Ordinary Shares to be transferred to an escrow balance;
- the Member Account ID of the Eligible Ordinary Shareholder;
- the Participant ID of the Eligible Ordinary Shareholder;
- the Participant ID of the Escrow Agent, which is the Receiving Agent in its capacity as a CREST receiving agent. This is 6RA24;
- the Member Account ID of the Escrow Agent. This is RA307902;
- the intended settlement date for the transfer to escrow. This should be as soon as possible and, in any event, by no later than 1.00 p.m. on the Tender Closing Date;
- the ISIN of the Ordinary Shares, which is GG00B403HK58;
- input with the standard delivery instruction, priority 80; and
- a contact name and telephone number in the shared note field.

Full details of the action to be taken are set out in this document and in the instructions on the respective forms. The attention of Overseas Shareholders is drawn to the section entitled "*Overseas Shareholders*" in paragraph 12 of Part III ("*Terms and Conditions of the Tender Offer*") of this document.

**Eligible Ordinary Shareholders should note that once tendered, Ordinary Shares may not be sold, transferred, charged or otherwise disposed of other than in accordance with the Tender Offer.**

If you have any queries in relation to your shareholding(s), please contact Equiniti Limited on 0371 384 2509, if calling from within the United Kingdom, or on +44 121 415 0860, if calling from outside the United Kingdom. Calls to the +44 121 415 0860 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 in England and Wales). Please note that Equiniti Limited cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes.

## **PROXY FORM ACCOMPANYING THIS DOCUMENT AND ACTION TO BE TAKEN**

In the case of Ordinary Shareholders, a Form of Proxy will accompany this document for use by Ordinary Shareholders in connection with the Extraordinary General Meeting of the Company.

**IF YOU CURRENTLY ONLY HOLD ZDP SHARES, YOU SHOULD DISREGARD THE FORM OF PROXY FOR USE IN CONNECTION WITH THE EXTRAORDINARY GENERAL MEETING.**

**SHAREHOLDERS SHOULD READ THE WHOLE OF THIS DOCUMENT, WHICH CONTAINS, AMONG OTHER THINGS, THE MATERIAL TERMS OF THE RECOMMENDED PROPOSALS, AND NOT JUST THIS SECTION OF THIS DOCUMENT ENTITLED "*PROXY FORM ACCOMPANYING THIS DOCUMENT AND ACTION TO BE TAKEN*", INCLUDING IN THE CASE OF ORDINARY SHAREHOLDERS BEFORE DECIDING WHAT ACTION TO TAKE.**

**ORDINARY SHAREHOLDERS ARE ALSO ADVISED TO REVIEW THE INSTRUCTIONS SET OUT IN PARAGRAPH 4.1 OF PART I ("*CHAIRMAN'S LETTER*") OF THIS DOCUMENT REGARDING THE PROPER COMPLETION AND RETURN OF THE FORM OF PROXY. IN ADDITION, ORDINARY SHAREHOLDERS ARE ADVISED TO REVIEW THE INSTRUCTIONS ON THE FORMS OF PROXY THEMSELVES REGARDING THE SAME.**

**For Ordinary Shareholders to complete and return the Form of Proxy for the purpose of the Extraordinary General Meeting:**

If you are an Ordinary Shareholder, whether or not you intend to be present at the Extraordinary General Meeting, 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 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 Extraordinary General Meeting (excluding any part of a day which is non-working). The completion and return of the Form of Proxy will not preclude Ordinary Shareholders from attending and voting in person at the Extraordinary General Meeting if they so wish and are so entitled.

## **PART I – 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)  
James Jordan  
Tanja Tibaldi  
Christopher Waldron  
Sharon Parr

#### **Registered Office**

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

26 July 2019

Dear Shareholder,

**Proposed return of capital to Ordinary Shareholders  
of up to US\$30 million by way of Tender Offer and resultant Off-Market Acquisitions  
to purchase Ordinary Shares at US\$9.39 per Ordinary Share**

**and**

**Recommended Proposals to approve  
The Company’s proposed disposals of ownership interests in each of  
Jordan Health Products, LLC ("Avante"), MERS Holdings, LLC ("MERS") and Tech  
Industries, LLP ("Orizon") to Edgewater Growth Capital Partners and related additional  
investments in Avante, MERS and Orizon**

**and**

**Amendments to the Articles of Incorporation of the Company**

**and**

**Notice of Extraordinary General Meeting**

#### **1. Introduction**

The principal purpose of this letter is to set out and explain:

- details of a Tender Offer pursuant to which the Company proposes to return capital to Ordinary Shareholders of up to US\$30 million via the Tender Offer and resultant Off-Market Acquisitions by purchasing Ordinary Shares at US\$9.39 per Ordinary Share, in each case, such US Dollar amounts to be translated into Pounds Sterling;
- the Avante-MERS and Orizon Proposals, each as Related Party Transactions of the Company, and to approve the Company's proposed disposals of ownership interests in each of Jordan Health Products, LLC ("**Avante**"), MERS Holdings, LLC ("**MERS**") and Tech Industries, LLP ("**Orizon**") to Edgewater Growth Capital Partners and related additional investments in each of those entities with Edgewater; and
- certain amendments to the Articles of Incorporation of the Company, and to approve the adoption of the New Articles in substitution for, and to the exclusion of, the Company's existing Articles.

*Tender Offer and resultant Off-Market Acquisitions*

On 8 May 2019, the Company announced a series of strategic initiatives including, among others, that the Board would be seeking Shareholder approval for the return, by way of a tender offer (or series of tender offers), of approximately US\$100 million in capital to Ordinary Shareholders at a maximum discount to NAV of five per cent. On 29 May 2019, the Company posted a circular to Shareholders seeking such Shareholder approval for, among other things, a Market Acquisition Authority and an Off-Market Acquisition Authority in order to carry out a tender offer (or series of tender offers) in relation to the Company's Ordinary Shares (the "**Tender Offer Authority Circular**"), and which were subsequently approved at an extraordinary general meeting of the Company held on 27 June 2019 (the "**Tender Offer Extraordinary General Meeting**").

In the Tender Offer Authority Circular, Shareholders were informed that following the Tender Offer Extraordinary General Meeting and at the time the Company decided to undertake a tender offer, a separate circular would be sent to Shareholders setting out the details of the tender offer including the eligibility of Ordinary Shareholders entitled to participate, how those Eligible Ordinary Shareholders could participate and the tender offer terms and conditions.

The Board is now pleased to announce in this document the details of a Tender Offer pursuant to which the Company proposes to return capital to Ordinary Shareholders via the Tender Offer and resultant Off-Market Acquisitions of up to US\$30 million (translated into Pounds Sterling at the Buy Back Exchange Rate), being the Buy Back Amount, by purchasing Ordinary Shares at US\$9.39 per Ordinary Share (also translated into Pounds Sterling at the Buy Back Exchange Rate), being the Tender Price. The maximum number of Ordinary Shares that may be bought back by the Company pursuant to the same will depend on the Buy Back Exchange Rate (being the USD/GBP exchange rate quoted by Bloomberg as at market close on the Tender Closing Date referred to below) but will be determined by such number of Ordinary Shares as is equal to the Buy Back Amount divided by the Tender Price, being the Maximum Buy Back Shares.

The Tender Price of US\$9.39 per Ordinary Share is equivalent to 95 per cent. of the Company's nearest monthly NAV publicly available at the time of announcing the Tender Offer in line with the Buy Back Authorities approved by Ordinary Shareholders at the Tender Offer Extraordinary General Meeting and the Company's previously stated intention to undertake tender offers at prices no wider than a five per cent. discount to NAV.

As the requisite Buy Back Authorities needed to carry out the Tender Offer have already been obtained at the Tender Offer Extraordinary General Meeting, the purpose of this document insofar as it concerns the Tender Offer is to set out the terms and conditions of the Tender Offer. It also contains details of the procedure that should be followed by Eligible Ordinary Shareholders who wish to participate in the Tender Offer. In addition, Shareholders are reminded that, as one of the Buy Back Authorities, the Company has in place an Off-Market Acquisition Authority which allows the Company to make resultant Off-Market Acquisitions of Ordinary Shares (where required) from certain US Ordinary Shareholders as a result of the Tender Offer. Such resultant Off-Market Acquisitions are to be made pursuant to, and as required by, the terms of the Company's Articles of Incorporation and are expected to be made at the same Tender Price. As certain US Ordinary Shareholders have irrevocably undertaken not to participate in the Tender Offer, those Shareholders will instead have Ordinary Shares bought back from them as a result of the Tender Offer via the resultant Off-Market Acquisitions under the Articles. This document therefore also sets out further details in respect of the arrangements for those Off-Market Acquisitions.

The Tender Offer is being made to Eligible Ordinary Shareholders on the register of members of the Company as at 6.00 p.m. on 23 August 2019, being the Tender Record Date. The Tender Offer will unless extended close at 1.00 p.m. on 23 August 2019, being the Tender Closing Date. Eligible Ordinary Shareholders may participate in the Tender Offer by tendering all or some of their Ordinary Shares at the Tender Price of US\$9.39 per Ordinary Share (translated into Pounds Sterling at the Buy Back Exchange Rate) and tenders may be made at the Tender Price only. Each Eligible Ordinary Shareholder will be entitled to sell pursuant to the Tender Offer up to their Tender Offer Entitlement. An Eligible Ordinary Shareholder's Tender Offer Entitlement will depend on the Buy Back Exchange Rate but will be determined by such percentage of the Ordinary Shares registered in his, her or its name at 6.00 p.m. on the Tender Record Date that is equal to approximately the Maximum Buy Back Shares divided by the existing issued Ordinary Share capital of the Company multiplied by one hundred (100), rounded down to the nearest whole number of Ordinary Shares. Eligible Ordinary Shareholders will also have an opportunity to sell more than their Tender Offer Entitlement to the extent that other Eligible Ordinary Shareholders tender less than their Tender Offer Entitlement (or do not wish to participate in the Tender

Offer in respect of their Tender Offer Entitlement), and subject to a cap that the Company has set as the limit for the maximum number of Ordinary Shares that the Company may purchase pursuant to the Tender Offer.

That cap set as the limit for the maximum number of Ordinary Shares that may be purchased by the Company pursuant to the Tender Offer will be such number of Ordinary Shares as is equal to the Maximum Tender Offer Shares, which is to be determined by reference to a proportion of the Buy Back Amount equivalent to an amount of up to US\$12,930,012 (translated into Pounds Sterling at the Buy Back Exchange Rate) that the Company is proposing to return to Ordinary Shareholders via the Tender Offer, being the Tender Offer Amount. The Maximum Tender Offer Shares will depend on the Buy Back Exchange Rate but will be determined by such number of Ordinary Shares as is equal to the Tender Offer Amount divided by the Tender Price. **The cap has been set by the Company having regard to the fact that certain US Ordinary Shareholders have irrevocably undertaken not to participate in the Tender Offer. Specifically, it has been set by reference to a Tender Offer Amount that would be needed by the Company if all Eligible Ordinary Shareholders (other than those US Ordinary Shareholders) were to sell their Tender Offer Entitlements (or otherwise have them taken up as excess by other Eligible Ordinary Shareholders). As such, the cap of the Maximum Tender Offer Shares is less than the number of Ordinary Shares which would otherwise be purchased by the Company were all Eligible Ordinary Shareholders (including those US Ordinary Shareholders) to sell their full Tender Offer Entitlements.**

The rationale for this is because, as mentioned above, the US Ordinary Shareholders who have irrevocably undertaken not to participate in the Tender Offer will instead have Ordinary Shares bought back from them as a result of the Tender Offer via the resultant Off-Market Acquisitions pursuant to, and as required by, the terms of the Company's Articles of Incorporation. As such, the remaining proportion of the Buy Back Amount (referred to below) and the number of Ordinary Shares which would otherwise have been available for repurchase from those US Ordinary Shareholders through the Tender Offer (and were they to have sold their full Tender Offer Entitlements) may instead be made available to them via the resultant Off-Market Acquisitions. As the resultant Off-Market Acquisitions are made in response to the Tender Offer, the ultimate number of Ordinary Shares repurchased by the Company pursuant to such Off-Market Acquisitions (and therefore the amount of the remaining proportion of the Buy Back Amount needed to repurchase such Ordinary Shares) will depend on the number of Ordinary Shares repurchased via the Tender Offer. However, assuming the Maximum Tender Offer Shares are bought back pursuant to the Tender Offer, then the full amount of the remaining proportion of the Buy Back Amount will be used and those US Ordinary Shareholders will have such number of Ordinary Shares repurchased from them pursuant to the resultant Off-Market Acquisitions which would have otherwise been equivalent to their Tender Offer Entitlements. As a consequence, the resultant Off-Market Acquisitions also have a limit for the maximum number of Ordinary Shares that may be purchased by the Company pursuant to such Off-Market Acquisitions, being such number of Ordinary Shares as is equal to the Maximum Off-Market Acquisition Shares. The Maximum Off-Market Acquisition Shares is to be determined by reference to the remaining proportion of the Buy Back Amount which is equivalent to an amount of up to US\$17,069,988 (translated into Pounds Sterling at the Buy Back Exchange Rate) that the Company is proposing to return to Ordinary Shareholders via the resultant Off-Market Acquisitions, being the Off-Market Acquisition Amount (and also being the amount that would be needed by the Company for such Off-Market Acquisitions if the Maximum Tender Offer Shares are bought back pursuant to the Tender Offer). The Maximum Off-Market Acquisition Shares will similarly depend on the Buy Back Exchange Rate but will be determined by such number of Ordinary Shares as is equal to the Off-Market Acquisition Amount divided by the Tender Price.

On the above basis, the overall maximum number of Ordinary Shares that the Company may purchase pursuant to the Tender Offer and resultant Off-Market Acquisitions is the aggregate of the Maximum Tender Offer Shares and the Maximum Off-Market Acquisition Shares (that is, as earlier mentioned, the Maximum Buy Back Shares, being such number of Ordinary Shares as is equal to the Buy Back Amount of US\$30 million divided by the Tender Price of US\$9.39 per Ordinary Share, in each case, such US Dollar amounts translated into Pounds Sterling at the Buy Back Exchange Rate). The Maximum Buy Back Shares would, based on an illustrative Buy Back Exchange Rate as at the Latest Practicable Date of 1 USD : 0.80 GBP, represent approximately 3,194,888 Ordinary Shares and 3.96 per cent. of the existing Ordinary Share capital of the Company (which, as at the Latest Practicable Date, was 80,666,838 Ordinary Shares). If the maximum number of Ordinary Shares is purchased pursuant to the Tender Offer and resultant Off-Market Acquisitions, that will result in an amount equal to the aggregate of the Tender Offer Amount of US\$12,930,012 and the Off-Market Acquisition Amount of US\$17,069,988, being

equivalent to the Buy Back Amount of US\$30 million (in each case, such US Dollar amounts translated into Pounds Sterling at the Buy Back Exchange Rate), being returned by the Company to Ordinary Shareholders. The actual number of Ordinary Shares repurchased by the Company pursuant to the Tender Offer and expected resultant Off-Market Acquisitions, together with the amounts to be expended on repurchasing the same is intended to be announced by the Company by way of a Regulatory Information Service on 27 August 2019.

A Currency Election Facility is also being made available to Eligible Ordinary Shareholders, under which those Shareholders will be able to elect (subject to the terms and conditions of the Currency Election Facility) to receive the Tender Offer consideration in US Dollars or Pounds Sterling (the default) at the Buy Back Exchange Rate (after deduction of any transaction or dealings costs associated with the conversion). The Ordinary Shares an Eligible Ordinary Shareholder successfully tenders will as a default be settled in Pounds Sterling. If an Eligible Ordinary Shareholder wishes instead to elect to receive the cash settlement in US Dollars then they should complete Box 3A of the Tender Form (in respect of Ordinary Shares held in certificated form) or submit a TTE Instruction (in respect of Ordinary Shares held in uncertificated form (that is, in CREST)) in respect of which they wish to receive the consideration relating to the Ordinary Shares they have successfully elected to tender. Further details of the Currency Election Facility are set out in paragraph 9 of Part III ("*Terms and Conditions of the Tender Offer*") of this document.

Eligible Ordinary Shareholders do not have to tender any of their Ordinary Shares if they do not wish to do so. Eligible Ordinary Shareholders who do not wish to participate in the Tender Offer do not need to take any action. Shareholders should also note that the Board makes no recommendation to Eligible Ordinary Shareholders as to whether they should tender Ordinary Shares in the Tender Offer or whether they should participate in the Company's proposed return of capital through either the Tender Offer or the resultant Off-Market Acquisitions. Whether Eligible Ordinary Shareholders decide to tender Ordinary Shares or participate in the resultant Off-Market Acquisitions will depend, among other things, on their view of the Company's financial position and prospects and their own individual circumstances, including their tax position. Eligible Ordinary Shareholders who are in any doubt as to the action they should take should consult an appropriate independent professional adviser without delay. In addition, Shareholders are advised that the Tender Offer is not expected to require the conversion price of the Company's CULS (its convertible unsecured subordinated loan stock) to be adjusted.

#### *Avante-MERS and Orizon Proposals*

In addition to the Tender Offer and resultant Off-Market Acquisitions, the Board is also seeking Shareholder approval for the Company's proposed disposals of ownership interests in each of Avante, MERS and Orizon to Edgewater, a Related Party of the Company, and related additional investments in each of those entities with Edgewater.

The Avante-MERS Proposal concerns: (i) the Company's proposed disposals to Edgewater of 80 per cent. of its ownership interest in Avante (being equivalent to a 40 per cent. ownership interest in Avante) and 80 per cent. of its ownership interest in MERS (being equivalent to a 20 per cent. ownership interest in MERS); and (ii) the Company making, at its discretion, related additional investments in Avante and MERS jointly with Edgewater in response to calls for capital contributions from Avante and MERS respectively. Shareholders should also note that Avante itself has an ownership interest of 50 per cent. in MERS and accordingly the Company will in effect be disposing of a further 20 per cent indirect ownership interest in MERS through its disposal of ownership interests in Avante. The Company's disposals of ownership interests in each of Avante and MERS form part of the same transaction and accordingly the consideration for the disposals is an aggregate amount of approximately US\$37.5 million. Similarly, the Orizon Proposal concerns: (i) the Company's proposed disposal to Edgewater of 80 per cent. of its ownership interest in Orizon (being equivalent to a 9.5 per cent. ownership interest in Orizon) for consideration of approximately US\$28 million; and (ii) the Company making, at its discretion, related additional investments in Orizon jointly with Edgewater in response to calls for capital contributions from Orizon.

Each of the Avante-MERS and Orizon Proposals would be considered Related Party Transactions of the Company under Chapter 11 of the Listing Rules (with which the Company voluntarily complies and insofar as the Listing Rules are applicable to the Company by virtue of its voluntary compliance). As such, Shareholder approval is required for the Proposals which will be sought at an Extraordinary General Meeting of the Company.

Shareholders should, however, also note that with respect to each of the Avante-MERS and Orizon Proposals, whilst the Listing Rules provide for written confirmation to be obtained from a sponsor that the terms of a Related Party Transaction are fair and reasonable as far as shareholders are concerned, such a confirmation has not been received (for reasons explained further below) in relation to those Proposals. The Company's Investment Adviser, JZAI has instead provided written confirmation to the Company that the terms of those Proposals are fair and reasonable as far as Ordinary Shareholders are concerned. Save for that exception, the Avante-MERS and Orizon Proposals are otherwise being treated by the Company in accordance with the Listing Rules including the requirement to obtain Shareholder approval. Shareholders are reminded that the Company also departed from the same requirement for similar reasons in relation to the Deflecto and Water Treatment Proposals last year, both of which were approved by Shareholders.

#### *Articles Amendments*

Lastly, the Board is also seeking Shareholder approval for the Company to amend the existing Articles of Incorporation of the Company by approving and adopting the New Articles in substitution for, and to the exclusion of, the Company's existing Articles. The Articles Amendments concern amendments to the Articles relating to the methodology for the calculation of eligible votes for the appointment and removal of Directors in order for the Company to remain a "foreign private issuer" for US securities law purposes. Shareholder approval for the Articles Amendments will also be sought at an Extraordinary General Meeting of the Company.

In addition to the principal purpose of this letter set out above, this document also:

- provides Ordinary Shareholders with notice of the Extraordinary General Meeting at which the Resolutions to be proposed at that meeting concerning the Avante-MERS and Orizon Proposals and the Articles Amendments will be put forward to, and voted on by, the Ordinary Shareholders in respect of which they are entitled to vote;
- provides ZDP Shareholders with details of those Proposals by providing notice of the Extraordinary General Meeting, although ZDP Shareholders do not have the right to attend or vote at the Extraordinary General Meeting; and
- explains why the Board:
  - considers those Proposals and the Resolutions to be proposed at the Extraordinary General Meeting to be in the best interests of the Company and the Ordinary Shareholders;
  - unanimously recommends that Ordinary Shareholders vote in favour of the Resolutions to be proposed at the Extraordinary General Meeting in respect of which they are entitled to vote, as the Directors intend to do in respect of their own beneficial holdings; and
  - considers the terms of the Avante-MERS and Orizon Proposals which concern Related Party Transactions of the Company (insofar as the Listing Rules are applicable to the Company by virtue of its voluntary compliance with the same) to be fair and reasonable as far as the Ordinary Shareholders are concerned.

Shareholders should read the whole of this document and not just rely on the summarised information set out in this letter. Further details of the Tender Offer and the Proposals are set out below.

## **2. Tender Offer and resultant Off-Market Acquisitions**

### **2.1 Background to and reasons for the Tender Offer and resultant Off-Market Acquisitions**

As mentioned above, on 8 May 2019, the Company announced a series of strategic initiatives including, among others, that the Board would be seeking Shareholder approval for the return, by way of a tender offer (or series of tender offers), of approximately US\$100 million in capital to Ordinary Shareholders at a maximum discount to NAV of five per cent. The Board concluded at that time, and remains of the view, that the interests of all Shareholders would be better served by these strategic initiatives including the use of tender offers. Since then, the Company has sought and obtained Shareholder Approval at the Tender Offer Extraordinary General Meeting held on 27 June 2019 for the Buy Back Authorities needed to carry out a tender offer (or series of tender offers).



The Board is now pleased to announce the details of a Tender Offer pursuant to which the Company proposes to return capital to Ordinary Shareholders via the Tender Offer and resultant Off-Market Acquisitions of up to US\$30 million (translated into Pounds Sterling at the Buy Back Exchange Rate), being the Buy Back Amount, by purchasing Ordinary Shares at US\$9.39 per Ordinary Share (also translated into Pounds Sterling at the Buy Back Exchange Rate), being the Tender Price. The maximum number of Ordinary Shares that may be bought back by the Company pursuant to the same will depend on the Buy Back Exchange Rate (being the USD/GBP exchange rate quoted by Bloomberg as at market close on the Tender Closing Date referred to below) but will be determined by such number of Ordinary Shares as is equal to the Buy Back Amount divided by the Tender Price, being the Maximum Buy Back Shares.

The Tender Price of US\$9.39 per Ordinary Share is equivalent to 95 per cent. of the Company's nearest monthly NAV publicly available at the time of announcing the Tender Offer, which is in line with the Buy Back Authorities approved by Ordinary Shareholders at the Tender Offer Extraordinary General Meeting and the Company's previously stated intention to undertake tender offers at prices no wider than a five per cent. discount to NAV. The Board has also determined, as previously outlined in the Tender Offer Authority Circular, that it intends to undertake periodic returns of capital in the future through further tender offers of Ordinary Shares, again at prices no wider than a five per cent. discount to the nearest monthly NAV of reference publicly available at the time of announcing the relevant tender offer. As such, the Company may in the future and following the completion of this Tender Offer announce details of further tender offers to be undertaken by the Company.

In addition to the Tender Price of US\$9.39 per Ordinary Share representing a discount of five per cent. to the relevant NAV, the Tender Price would also, based on an illustrative Buy Back Exchange Rate as at the Latest Practicable Date of 1 USD : 0.80 GBP, represent a premium of 56.17 per cent. to the closing price of GBP 4.81 per Ordinary Share as at the Latest Practicable Date.

As mentioned above and detailed further below, the price at which the Ordinary Shares are to be purchased pursuant to the resultant Off-Market Acquisitions that result from the Tender Offer are expected to be the same as the Tender Price.

The benefits of the Tender Offer, compared to other available options for a return of capital to Ordinary Shareholders, include that the Tender Offer:

- (a) provides those Eligible Ordinary Shareholders who wish to sell Ordinary Shares with the opportunity to realise a return at the Tender Price of US\$9.39 per Ordinary Share (translated into Pounds Sterling at the Buy Back Exchange Rate);
- (b) enables those Eligible Ordinary Shareholders who do not wish to receive capital at this time to maintain their full investment in the Company so that they might benefit from any future capital growth or any narrowing of the discount to the Company's NAV at which its Ordinary Shares continue to trade;
- (c) is available to all Eligible Ordinary Shareholders regardless of the size of their shareholdings; and
- (d) provides an opportunity to all Eligible Ordinary Shareholders to participate in the return of capital by offering them a guaranteed Tender Offer Entitlement to participate under the terms and conditions of the Tender Offer.

In addition, the Tender Offer will provide each Eligible Ordinary Shareholder with an opportunity to sell up to their Tender Offer Entitlement and to receive their share of the capital which the Company is proposing to return up to an amount equivalent to their Tender Offer Entitlement. Eligible Ordinary Shareholders will also have an opportunity to sell more than their Tender Offer Entitlement to the extent that other Eligible Ordinary Shareholders tender less than their Tender Offer Entitlement (or do not wish to participate in the Tender Offer in respect of their Tender Offer Entitlement), and subject to a cap of the Maximum Tender Offer Shares that the Company has set as the limit for the maximum number of Ordinary Shares that the Company may purchase pursuant to the Tender Offer.

From the Company's perspective, the Company undertaking the Tender Offer and resultant Off-Market Acquisitions (together with other potential factors, such as positive investment performance and further

successful realisations) may also help to contribute to the narrowing of the discount to the Company's NAV at which its Ordinary Shares continue to trade. Shareholders should however note that there is no guarantee that the Tender Offer and resultant Off-Market Acquisitions will have such an impact and/or a sustained impact on narrowing the prevailing discount.

## 2.2 Details of the Tender Offer

The Board is proposing that the Company should, pursuant to the Tender Offer and resultant Off-Market Acquisitions, purchase from Eligible Ordinary Shareholders Ordinary Shares, which would result in an amount of up to the Buy Back Amount of US\$30 million (translated into Pounds Sterling at the Buy Back Exchange Rate) being returned by the Company to Ordinary Shareholders at the Tender Price of US\$9.39 per Ordinary Share (also translated into Pounds Sterling at the Buy Back Exchange Rate). The maximum number of Ordinary Shares that may be bought back by the Company pursuant to the same will depend on the USD/GBP Buy Back Exchange Rate quoted by Bloomberg as at market close on the Tender Closing Date (referred to below) but will be determined by such number of Ordinary Shares as is equal to the Buy Back Amount divided by the Tender Price, being the Maximum Buy Back Shares.

The Tender Offer is conditional on:

- (a) the Board being satisfied on reasonable grounds that the Company will, immediately after completion of the Tender Offer and resultant Off-Market Acquisitions, satisfy the solvency test prescribed by the Guernsey Companies Law; and
- (b) the Tender Offer not having been terminated in accordance with the terms and conditions of the Tender Offer prior to 1.00 p.m. on 23 August 2019, being the Tender Closing Date.

If these conditions are not satisfied, the Tender Offer will lapse and the Company will not purchase any Ordinary Shares pursuant to the Tender Offer.

The Tender Offer is open to all Eligible Ordinary Shareholders on the register of members of the Company as at 6.00 p.m. on the Tender Record Date, who may participate in the Tender Offer by tendering all or some of their Ordinary Shares at the Tender Price of US\$9.39 per Ordinary Share (translated into Pounds Sterling at the Buy Back Exchange Rate) and tenders may be made at the Tender Price only. Each Eligible Ordinary Shareholder will be entitled to sell pursuant to the Tender Offer up to their Tender Offer Entitlement. An Eligible Ordinary Shareholder's Tender Offer Entitlement will depend on the Buy Back Exchange Rate but will be determined by such percentage of the Ordinary Shares registered in his, her or its name at 6.00 p.m. on the Tender Record Date that is equal to approximately the Maximum Buy Back Shares divided by the existing issued Ordinary Share capital of the Company multiplied by one hundred (100), rounded down to the nearest whole number of Ordinary Shares. Any resulting fractional entitlements of Eligible Ordinary Shareholders will be aggregated and used to satisfy surplus tenders as explained below. For illustrative purposes, the Tender Offer Entitlement of Eligible Ordinary Shareholders and the Tender Price in Pounds Sterling at a range of Buy Back Exchange Rates are set out in the table below.

Buy Back Exchange Rate	Tender Price	Approximate Tender Offer Entitlement (%)
1 USD : 0.75 GBP	GBP7.04	3.96%
1 USD : 0.80 GBP	GBP7.51	3.96%
1 USD : 0.85 GBP	GBP7.98	3.96%

Pursuant to the Tender Offer, Eligible Ordinary Shareholders will also have an opportunity to sell more than their Tender Offer Entitlement to the extent that other Eligible Ordinary Shareholders tender less than their Tender Offer Entitlement (or do not wish to participate in the Tender Offer in respect of their Tender Offer Entitlement), and subject to a cap of the Maximum Tender Offer Shares that the Company has set as the limit for the maximum number of Ordinary Shares that the Company may purchase pursuant to the Tender Offer. If any Eligible Ordinary Shareholders have tendered less than their Tender Offer Entitlement, surplus tenders will be accepted in proportion to the number of additional Ordinary Shares tendered but so that the total number of Ordinary Shares purchased pursuant to the Tender Offer does

not exceed that cap set as the limit for the Maximum Tender Offer Shares. The process for which Individual Excess Tenders will be scaled back, if necessary, is described further in paragraph 2.19 of Part III ("*Terms and Conditions of the Tender Offer*") of this document.

As mentioned above, the cap set as the limit for the maximum number of Ordinary Shares that may be bought back by the Company pursuant to the Tender Offer will be such number of Ordinary Shares as is equal to the Maximum Tender Offer Shares, which is to be determined by reference to a proportion of the Buy Back Amount equivalent to an amount of up to US\$12,930,012 (translated into Pounds Sterling at the Buy Back Exchange Rate) that the Company is proposing to return to Ordinary Shareholders via the Tender Offer, being the Tender Offer Amount. The Maximum Tender Offer Shares will depend on the Buy Back Exchange Rate but will be determined by such number of Ordinary Shares as is equal to the Tender Offer Amount divided by the Tender Price. **As earlier mentioned, the cap has been set by the Company having regard to the fact that certain US Ordinary Shareholders have irrevocably undertaken not to participate in the Tender Offer. Specifically, it has been set by reference to a Tender Offer Amount that would be needed by the Company if all Eligible Ordinary Shareholders (other than those US Ordinary Shareholders) were to sell their Tender Offer Entitlements (or otherwise have them taken up as excess by other Eligible Ordinary Shareholders). As such, the cap of the Maximum Tender Offer Shares is less than the number of Ordinary Shares which would otherwise be purchased by the Company were all Eligible Ordinary Shareholders (including those US Ordinary Shareholders) to sell their full Tender Offer Entitlement.**

The rationale for this is because, as earlier explained, the US Ordinary Shareholders who have irrevocably undertaken not to participate in the Tender Offer will instead have Ordinary Shares bought back from them as a result of the Tender Offer via the resultant Off-Market Acquisitions pursuant to, and as required by, the terms of the Company's Articles of Incorporation. As such, the remaining proportion of the Buy Back Amount (referred to below) and the number of Ordinary Shares which would otherwise have been available for repurchase from those US Ordinary Shareholders through the Tender Offer (and were they to have sold their full Tender Offer Entitlements) may instead be made available to them via the resultant Off-Market Acquisitions. As the resultant Off-Market Acquisitions are made in response to the Tender Offer, the ultimate number of Ordinary Shares repurchased by the Company pursuant to such Off-Market Acquisitions (and therefore the amount of the remaining proportion of the Buy Back Amount needed to repurchase such Ordinary Shares) will depend on the number of Ordinary Shares repurchased via the Tender Offer. For example, if the Maximum Tender Offer Shares are not bought back pursuant to the Tender Offer, then the amount of the remaining proportion of the Buy Back Amount will not be used in full and the relevant US Ordinary Shareholders will have a lesser number of Ordinary Shares repurchased from them pursuant to the resultant Off-Market Acquisitions than what would have otherwise been equivalent to their Tender Offer Entitlements. However, assuming the Maximum Tender Offer Shares are bought back pursuant to the Tender Offer, then the full amount of the remaining proportion of the Buy Back Amount will be used and those US Ordinary Shareholders will have such number of Ordinary Shares repurchased from them pursuant to the resultant Off-Market Acquisitions which would have otherwise been equivalent to their Tender Offer Entitlements. As a consequence, the resultant Off-Market Acquisitions also have a limit for the maximum number of Ordinary Shares that may be purchased by the Company pursuant to such Off-Market Acquisitions, being such number of Ordinary Shares as is equal to the Maximum Off-Market Acquisition Shares. The Maximum Off-Market Acquisition Shares is to be determined by reference to the remaining proportion of the Buy Back Amount which is equivalent to an amount of up to US\$17,069,988 (translated into Pounds Sterling at the Buy Back Exchange Rate) that the Company is proposing to return to Ordinary Shareholders via the resultant Off-Market Acquisitions, being the Off-Market Acquisition Amount (and also being the amount that would be needed by the Company for such Off-Market Acquisitions if the Maximum Tender Offer Shares are bought back pursuant to the Tender Offer). The Maximum Off-Market Acquisition Shares will similarly depend on the Buy Back Exchange Rate but will be determined by such number of Ordinary Shares as is equal to the Off-Market Acquisition Amount divided by the Tender Price.

Accordingly, on the above basis, the overall maximum number of Ordinary Shares that the Company may purchase pursuant to the Tender Offer and resultant Off-Market Acquisitions is the aggregate of the Maximum Tender Offer Shares and the Maximum Off-Market Acquisition Shares (that is, as earlier mentioned, the Maximum Buy Back Shares, being such number of Ordinary Shares as is equal to the Buy Back Amount of US\$30 million divided by the Tender Price of US\$9.39 per Ordinary Share, in each case, such US Dollar amounts translated into Pounds Sterling at the Buy Back Exchange Rate). The Maximum Buy Back Shares would, based on an illustrative Buy Back Exchange Rate as at the Latest Practicable Date of 1 USD : 0.80 GBP, represent approximately 3,194,888 Ordinary Shares and 3.96 per

cent. of the existing Ordinary Share capital of the Company (which, as at the Latest Practicable Date, was 80,666,838 Ordinary Shares). If the maximum number of Ordinary Shares is purchased pursuant to the Tender Offer and resultant Off-Market Acquisitions, that will result in an amount equal to the aggregate of the Tender Offer Amount of US\$12,930,012 and the Off-Market Acquisition Amount of US\$17,069,988, being equivalent to the Buy Back Amount of US\$30 million (in each case, such US Dollar amounts translated into Pounds Sterling at the Buy Back Exchange Rate), being returned by the Company to Ordinary Shareholders. The actual number of Ordinary Shares repurchased by the Company pursuant to the Tender Offer and expected resultant Off-Market Acquisitions, together with the amounts to be expended on repurchasing the same is intended to be announced by the Company by way of a Regulatory Information Service on 27 August 2019.

It is intended that Ordinary Shares purchased under the Tender Offer will be cancelled. The issued Ordinary Share capital of the Company assuming cancellation of the maximum number of Ordinary Shares that may be purchased thereunder would be equal to the existing issued Ordinary Share capital of the Company (which, as at the Latest Practicable Date, was 80,666,838 Ordinary Shares) less the Maximum Tender Offer Shares. Based on an illustrative Buy Back Exchange Rate as at the Latest Practicable Date of 1 USD : 0.80 GBP, the number of Maximum Tender Offer Shares purchased under the Tender Offer would be approximately 1,376,998 Ordinary Shares and the Company's resulting issued Ordinary Share capital assuming cancellation would be approximately 79,289,840 Ordinary Shares. Again, the actual number of Ordinary Shares so repurchased and resulting issued Ordinary Share capital is intended to be announced by the Company by way of a Regulatory Information Service on 27 August 2019.

Eligible Ordinary Shareholders who hold Ordinary Shares in certificated form (that is, not in CREST) may only make a tender on the accompanying Tender Form, which is personal to the Eligible Ordinary Shareholder(s) named on it and may not be assigned or transferred. Eligible Ordinary Shareholders who hold Ordinary Shares in uncertificated form (that is, in CREST) may only make a tender by way of an electronic tender in the form of a TTE Instruction.

A Tender Form and/or a TTE Instruction once submitted cannot be withdrawn, without the consent of the Company. To be valid, a Tender Form and/or a TTE Instruction must be received by the Receiving Agent, and in the case of a TTE Instruction must settle, no later than 1.00 p.m. on 23 August 2019, being the Tender Closing Date. For the avoidance of doubt, the Tender Offer will close at 1.00 p.m. on the Tender Closing Date, unless extended in accordance with paragraph 10 of Part III ("*Terms and Conditions of the Tender Offer*") of this document.

In respect of Ordinary Shares held in certificated form, the purchase of the Ordinary Shares successfully tendered pursuant to the Tender Offer is expected to occur on 29 August 2019. Cheques for the consideration will be despatched by post by 2 September 2019 (or as promptly as practicable thereafter), at the risk of the person entitled thereto. Cash consideration payable to Eligible Ordinary Shareholders who hold Ordinary Shares in uncertificated form (that is, in CREST) will be credited to the relevant CREST accounts by 3 September 2019 (or as promptly as practicable thereafter). A Currency Election Facility is also being made available to Eligible Ordinary Shareholders under which Eligible Ordinary Shareholders will be able to elect (subject to the terms and conditions of the Currency Election Facility) to receive the Tender Offer consideration in US Dollars or Pounds Sterling (the default) at the Buy Back Exchange Rate (after deduction of any transaction or dealings costs associated with the conversion). The Ordinary Shares an Eligible Ordinary Shareholder successfully tenders will as a default be settled in Pounds Sterling. If an Eligible Ordinary Shareholder wishes instead to elect to receive the cash settlement in US Dollars then they should complete Box 3A of the Tender Form (in respect of Ordinary Shares held in certificated form) or submit a TTE Instruction (in respect of Ordinary Shares held in uncertificated form (that is, in CREST)) in respect of which they wish to receive the consideration relating to the Ordinary Shares they have successfully elected to tender. Further details of the settlement arrangements of the Tender Offer and the Currency Election Facility are set out in paragraphs 4 and 9 respectively of Part III ("*Terms and Conditions of the Tender Offer*") of this document.

Eligible Ordinary Shareholders do not have to tender any of their Ordinary Shares if they do not wish to do so. Eligible Ordinary Shareholders who do not wish to participate in the Tender Offer do not need to take any action. The rights of Eligible Ordinary Shareholders who choose not to tender their Ordinary Shares will be unaffected save in the case of those US Ordinary Shareholders who are subject to the resultant Off-Market Acquisitions.

Full details of the Tender Offer, including the terms and conditions on which it is being made, are set out in Part III ("*Terms and Conditions of the Tender Offer*") of this document.

### 2.3 Resultant Off-Market Acquisitions

As mentioned above, as one of the Buy Back Authorities approved by Shareholders at the Tender Offer Extraordinary General Meeting, the Company has in place an Off-Market Acquisition Authority which allows the Company to make resultant Off-Market Acquisitions of Ordinary Shares (where required) from certain US Ordinary Shareholders as a result of the Tender Offer (and specifically as a result of Market Acquisitions of Ordinary Shares made under the Market Acquisition Authority to be used for the purpose of the Tender Offer).

Such resultant Off-Market Acquisitions are to be made pursuant to, and as required by, the terms of a contract included in the Company's Articles of Incorporation and as prescribed by an arrangement included within the Articles referred to as the CFC Buy Back Arrangement. The purpose of any such resultant Off-Market Acquisitions and the CFC Buy Back Arrangement is to allow the Company to make acquisitions of its own Ordinary Shares (including Market Acquisitions by way of the Tender Offer) in a way that reduces the risk of the Company being or becoming a Controlled Foreign Corporation.

The resultant Off-Market Acquisitions and the CFC Buy Back Arrangement apply to certain US Ordinary Shareholders including David W. Zalaznick and affiliates, John (Jay) W. Jordan II and affiliates and Edgewater (each being an Exceeding Ordinary Shareholder) and certain other US Ordinary Shareholders who the Board determines might otherwise constructively own more than 9.9 per cent. of the Company's Ordinary Shares in issue after the Company has made an acquisition of its Ordinary Shares pursuant to a Market Acquisition Authority including Leucadia Financial Corporation (each being a 9.9 per cent. Ordinary Shareholder). Where the Company makes an acquisition of its Ordinary Shares pursuant to a Market Acquisition Authority (including in the present case by way of the Tender Offer), the CFC Buy Back Arrangement requires (unless the Board determines otherwise) those large US Ordinary Shareholders to whom the CFC Buy Back Arrangement applies to sell to the Company (and the Company to buy from those large US Ordinary Shareholders) such number of Ordinary Shares that the Board determines would be necessary or desirable in order to prevent any such Market Acquisitions from resulting in: (i) for each Exceeding Ordinary Shareholder, that Exceeding Ordinary Shareholder increasing its percentage holding of Ordinary Shares; and (ii) for each 9.9 per cent. Ordinary Shareholder, that 9.9 per cent. Ordinary Shareholder exceeding the 9.9 per cent. limit.

The resultant Off-Market Acquisitions and the CFC Buy Back Arrangement are relevant to the Tender Offer because, as earlier mentioned, certain US Ordinary Shareholders have irrevocably undertaken not to participate in the Tender Offer. Those US Ordinary Shareholders who will not be so participating in respect of any of their Tender Offer Entitlements are David W. Zalaznick and affiliates, John (Jay) W. Jordan II and affiliates, and Edgewater (each as Exceeding Ordinary Shareholders) and Leucadia Financial Corporation (as a 9.9 per cent. Ordinary Shareholder). As a consequence of each of these US Ordinary Shareholders not having Ordinary Shares bought back from them via the Tender Offer, the CFC Buy Back Arrangement will instead require that as a result of the Tender Offer they have Ordinary Shares bought back from them via the resultant Off-Market Acquisitions pursuant to the Articles. Each of the above US Ordinary Shareholders have provided irrevocable undertakings not to participate in the Tender Offer in respect of their Tender Offer Entitlements as detailed further below in paragraph 2.5 of this letter.

Shareholders should note that such resultant Off-Market Acquisitions from the relevant US Ordinary Shareholders will be effected in accordance with the CFC Buy Back Arrangement included in the Articles and only insofar as is necessary or desirable to prevent the Market Acquisitions under the Tender Offer from: (i) in the case of the Exceeding Ordinary Shareholders, increasing their respective percentage holdings of Ordinary Shares; and (ii) in the case of Leucadia Financial Corporation as a 9.9 per cent. Ordinary Shareholder, increasing its percentage holding of Ordinary Shares to in excess of the 9.9 per cent. limit as a consequence of the resultant Off-Market Acquisitions. As such, the US Ordinary Shareholders are not expected to have Ordinary Shares bought back from them in excess of what would have otherwise been equal to their Tender Offer Entitlements under the Tender Offer. In addition, the price at which the Ordinary Shares of the US Ordinary Shareholders are to be purchased pursuant to the resultant Off-Market Acquisitions is the CFC Buy Back Arrangement Price. The CFC Buy Back Arrangement Price is the volume weighted average price payable per Ordinary Share agreed to be purchased by the Company on the relevant trading day pursuant to a Market Acquisition Authority (i.e.

the Market Acquisitions made by way of the Tender Offer which are to be undertaken at a fixed Tender Price of US\$9.39 (translated into Pounds Sterling at the Buy Back Exchange Rate)). The CFC Buy Back Arrangement Price is therefore expected to be the same as the Tender Price.

Shareholders are also reminded that any Related Party Transactions of the Company resulting from it acquiring Ordinary Shares from any of the Exceeding Ordinary Shareholders, as Related Parties of the Company, on the terms of the CFC Buy Back Arrangement were approved as part of the authorities granted at the extraordinary general meeting of the Company held on 16 May 2017. Further details of the CFC Buy Back Arrangement are also included in both the Tender Offer Authority Circular and a separate circular published by the Company dated 20 April 2017.

As also earlier explained above, the sizing of the Tender Offer and resultant Off-Market Acquisitions has been set by the Company having regard to the fact that the above US Ordinary Shareholders have irrevocably undertaken not to participate in the Tender Offer. Specifically, the proportion of the Buy Back Amount allocated for use in connection with the resultant Off-Market Acquisitions (referred to below) and the number of Ordinary Shares which would otherwise have been available for repurchase from the relevant US Ordinary Shareholders through the Tender Offer (and were they to have sold their full Tender Offer Entitlements) may instead be made available to them via the resultant Off-Market Acquisitions. As the resultant Off-Market Acquisitions are made in response to the Tender Offer, the ultimate number of Ordinary Shares repurchased by the Company pursuant to such Off-Market Acquisitions (and therefore the amount of the proportion of the Buy Back Amount allocated to such Off-Market Acquisitions and needed to repurchase such Ordinary Shares) will depend on the number of Ordinary Shares repurchased via the Tender Offer. However, assuming the Maximum Tender Offer Shares are bought back pursuant to the Tender Offer, then the full amount of the proportion of the Buy Back Amount allocated to the resultant Off-Market Acquisitions will be used and those US Ordinary Shareholders will have such number of Ordinary Shares repurchased from them pursuant to such Off-Market Acquisitions which would have otherwise been equivalent to their Tender Offer Entitlements. As a consequence and for those reasons earlier explained above, the resultant Off-Market Acquisitions have a limit for the maximum number of Ordinary Shares that may be purchased by the Company pursuant to such Off-Market Acquisitions, being such number of Ordinary Shares as is equal to the Maximum Off-Market Acquisition Shares. The Maximum Off-Market Acquisition Shares is to be determined by reference to the proportion of the Buy Back Amount allocated to the resultant Off-Market Acquisitions which is equivalent to an amount of up to US\$17,069,988 (translated into Pounds Sterling at the Buy Back Exchange Rate), being the Off-Market Acquisition Amount (and also being the amount that would be needed by the Company for such Off-Market Acquisitions if the Maximum Tender Offer Shares are bought back pursuant to the Tender Offer). The Maximum Off-Market Acquisition Shares will depend on the Buy Back Exchange Rate but will be determined by such number of Ordinary Shares as is equal to the Off-Market Acquisition Amount divided by the Tender Price.

It is also intended that Ordinary Shares purchased under the resultant Off-Market Acquisitions will be cancelled. The issued Ordinary Share capital of the Company assuming cancellation of the maximum number of Ordinary Shares that may be purchased thereunder would be equal to the existing issued Ordinary Share capital of the Company (which, as at the Latest Practicable Date, was 80,666,838 Ordinary Shares) less the Maximum Off-Market Acquisition Shares. Based on an illustrative Buy Back Exchange Rate as at the Latest Practicable Date of 1 USD : 0.80 GBP, the number of Maximum Off-Market Acquisition Shares purchased under the Tender Offer would be approximately 1,817,890 Ordinary Shares and the Company's resulting issued Ordinary Share capital assuming cancellation would be approximately 78,848,948 Ordinary Shares. As such, in the case of cancellation of the maximum number of Ordinary Shares that may be purchased under the Tender Offer as well as the resultant Off-Market Acquisitions, the Company's overall resulting issued Ordinary Share capital would be equal to such existing issued Ordinary Share capital of the Company, less the Maximum Tender Offer Shares, less the Maximum Off-Market Acquisition Shares. Accordingly, based on the above illustrative Buy Back Exchange Rate, the number of the Maximum Tender Offer Shares and the Maximum Off-Market Acquisition Shares (being the Maximum Buy Back Shares) purchased under the Tender Offer and resultant Off-Market Acquisitions would be approximately 3,194,888 Ordinary Shares and the Company's overall resulting issued Ordinary Share capital assuming cancellation would be approximately 77,471,950 Ordinary Shares. Again, the actual number of Ordinary Shares so repurchased and resulting issued Ordinary Share capital is intended to be announced by the Company by way of a Regulatory Information Service on 27 August 2019.

The resultant Off-Market Acquisitions are conditional on completion of the Tender Offer and the Company's purchase of Ordinary Shares thereunder. . Settlement in relation to the resultant Off-Market Acquisitions including payment of any consideration for Ordinary Shares purchased pursuant thereto is expected to be made immediately after completion of the Tender Offer (or as promptly as practicable thereafter). Payment of any such consideration will be made in US Dollars (at the Buy Back Exchange Rate) unless otherwise agreed with the Company to be paid in Pounds Sterling.

#### **2.4 Tender Offer Extraordinary General Meeting**

As mentioned above, the Company has sought and obtained Shareholder Approval at the Tender Offer Extraordinary General Meeting held on 27 June 2019 for the Buy Back Authorities (being a Market Acquisition Authority and an Off-Market Acquisition Authority) needed to carry out a tender offer (or series of tender offers). As such, the Company intends to use that Market Acquisition Authority so granted to undertake the Market Acquisition of Ordinary Shares for the purpose of the Tender Offer and that Off-Market Acquisition Authority so granted to undertake the Off-Market Acquisition of Ordinary Shares for the purpose of the resultant Off-Market Acquisitions. Further details of the Buy Back Authorities are included in the Tender Offer Authority Circular. The Buy Back Authorities for which the Company has sought and obtained Shareholder Approval for at the Company's last Annual General Meeting will not be used for the purpose of the Tender Offer and resultant Off-Market Acquisitions.

#### **2.5 Irrevocable Undertakings**

Also as mentioned above, David W. Zalaznick and affiliates, John (Jay) W. Jordan II and affiliates and Edgewater (each as Exceeding Ordinary Shareholders) and Leucadia Financial Corporation (as a 9.9 per cent. Ordinary Shareholder) have irrevocably undertaken not to participate in the Tender Offer. As such, each of them have provided irrevocable undertakings not to participate in the Tender Offer in respect of their Tender Offer Entitlements.

The Exceeding Ordinary Shareholders and Leucadia Financial Corporation will, as above, instead have Ordinary Shares bought back from them as a result of the Tender Offer via resultant Off-Market Acquisitions pursuant to, and as required by, the terms of the Company's Articles and the CFC Buy Back Arrangement included therein.

As a consequence of these arrangements, the Exceeding Ordinary Shareholders will have such number of Ordinary Shares bought back from them as is necessary or desirable to prevent the Market Acquisitions under the Tender Offer from increasing their respective percentage holdings of Ordinary Shares. Comparatively, Leucadia Financial Corporation will have such number of Ordinary Shares bought back from it as is necessary or desirable to prevent the Market Acquisitions under the Tender Offer from increasing its percentage holding of Ordinary Shares (by reference to constructive ownership) to more than 9.9 per cent. of the Company's Ordinary Shares in issue.

As such, immediately following the Tender Offer and resultant Off-Market Acquisitions (and assuming no change in the Shareholders' respective shareholdings of Ordinary Shares between the Latest Practicable Date and completion of the Tender Offer and such Off-Market Acquisitions), it is expected that:

- Edgewater should maintain its existing percentage holding of Ordinary Shares at approximately 21.9 per cent;
- each of David W. Zalaznick and affiliates and John (Jay) W. Jordan II and affiliates should maintain their existing respective percentage holdings of Ordinary Shares at approximately 12.6 per cent. each; and
- Leucadia Financial Corporation, as already having an existing percentage holding of Ordinary Shares of approximately 9.9 per cent, should also maintain its existing percentage holding of Ordinary Shares at approximately 9.9 per cent.

For the avoidance of doubt, the above US Ordinary Shareholders are not expected to have Ordinary Shares bought back from them as a consequence of the Off-Market Acquisitions in excess of what would have otherwise been equal to their Tender Offer Entitlements under the Tender Offer.

## 2.6 Overseas Shareholders

The Tender Offer is not available to certain Overseas Shareholders. The attention of Overseas Shareholders is drawn to the section entitled "*Overseas Shareholders*" in paragraph 12 of Part III ("*Terms and Conditions of the Tender Offer*") of this document.

## 2.7 Risk Factors

Before taking any decision in relation to the Tender Offer, Eligible Ordinary Shareholders are advised to read Part II ("*Risk Factors Relating to the Tender Offer*") of this document which sets out certain risks that are non-exhaustive but are considered to be material to the decision of those Shareholders as to whether or not to participate in the Tender Offer.

## 2.8 Taxation

Eligible Ordinary Shareholders who sell Ordinary Shares in the Tender Offer may, depending on their individual circumstances, incur a liability to taxation.

The attention of Eligible Ordinary Shareholders is drawn to Part IV ("*Taxation*") of this document which sets out a general guide to certain aspects of current law and tax authority practice in respect of UK, Guernsey and US taxation. The tax consequences of accepting the Tender Offer will, however, depend on the individual circumstances of an Eligible Ordinary Shareholder.

**Eligible Ordinary Shareholders who are in any doubt as to their tax position or who are subject to tax in a jurisdiction other than the United Kingdom, Guernsey or the United States (and who may therefore be subject to the tax laws and requirements of that other jurisdiction) should consult an appropriate professional adviser without delay. Further, Part IV ("*Taxation*") of this document does not include any tax considerations or advice for those Eligible Ordinary Shareholders who may have Ordinary Shares bought back from them by way of the resultant Off-Market Acquisitions. Any such Eligible Ordinary Shareholders should also consult an appropriate professional adviser without delay.**

## 2.9 Notification of Interests

Under the Disclosure and Transparency Rules, certain substantial Ordinary Shareholders are required to notify the Company and the FCA of the percentage of voting rights they hold as Ordinary Shareholders or through their direct or indirect holding of financial instruments within the limits referred to in the Disclosure and Transparency Rules. Following the completion of the Tender Offer and resultant Off-Market Acquisitions, the percentage of voting rights held by an Ordinary Shareholder may change, which may give rise to an obligation on the Ordinary Shareholder to notify the Company and the FCA within two trading days of becoming aware (or being deemed to have become aware) of such change. If you are in any doubt as to whether you should notify the Company and the FCA or as to the form of that notification, please consult your solicitor or other professional adviser.

## 2.10 Takeover Code

Shareholders should note the following important information relating to certain provisions of the Takeover Code, to which the Company is subject.

Under Rule 9 of the Takeover Code, any person or group of persons deemed to be acting in concert who acquires an interest (as defined in the Takeover Code) in shares which, taken together with any shares in which he, she or it is already interested, carry 30 per cent. or more of the voting rights of a company which is subject to the Takeover Code, is normally required to make a general offer to the remaining shareholders of that company to acquire their shares. Rule 9 of the Takeover Code also provides that any person or group of persons deemed to be acting in concert who is interested in shares which in the aggregate carry between 30 per cent. and 50 per cent. of the voting rights of a company which is subject to the Takeover Code will normally be unable to acquire, either individually or together, any further shares carrying voting rights in that company without being required to make a general offer to shareholders of that company to acquire their shares.



Under Rule 37.1 of the Takeover Code, when a company purchases its own voting shares, a resulting increase in the percentage of shares carrying voting rights in which a person or group of persons acting in concert is interested will be treated as an acquisition for the purpose of Rule 9.

A Shareholder may, therefore, incur an obligation under Rule 9 to make a general offer to Shareholders to acquire their Shares if, as a result of the purchase by the Company of its own Ordinary Shares from Eligible Ordinary Shareholders, he, she or it comes to hold or acquires an interest in 30 per cent. or more of the Ordinary Shares following the Tender Offer and resultant Off-Market Acquisitions or otherwise.

As mentioned above, the Company's largest Shareholders are also those US Ordinary Shareholders who are Exceeding Ordinary Shareholders that are subject to the CFC Buy Back Arrangement. As a consequence of the operation of those arrangements as explained above, there should be no increase in the holdings of Ordinary Shares of any of those large US Ordinary Shareholders as a result of the Tender Offer and resultant Off-Market Acquisitions and their percentage shareholdings of the issued Ordinary Share capital of the Company should therefore not increase. Accordingly, Rule 9 of the Takeover Code should not apply. The Company is not otherwise aware of any Shareholder which, following completion of the Tender Offer and resultant Off-Market Acquisitions, will have an interest in 30 per cent. or more of the Ordinary Shares.

#### **2.11 Further information**

The Tender Offer will be financed solely from the Company's existing cash resources, some of which may have been derived from certain realisations of the Company.

As at the Latest Practicable Date, the current issued Ordinary Share capital of the Company was 80,666,838 Ordinary Shares, 11,907,720 ZDP Shares and CULS (the Company's convertible unsecured subordinated loan stock) in an aggregate nominal amount of £38,861,140. The Company holds no treasury shares. As above, the maximum number of Ordinary Shares that the Company may purchase pursuant to the Tender Offer and resultant Off-Market Acquisitions is a number of Ordinary Shares equal to the Maximum Buy Back Shares which would, based on an illustrative Buy Back Exchange Rate as at the Latest Practicable Date of 1 USD : 0.80 GBP, represent approximately 3,194,888 Ordinary Shares and 3.96 per cent. of the existing Ordinary Share capital of the Company (which, as at the Latest Practicable Date, was 80,666,838 Ordinary Shares). The Company's issued Ordinary Share capital assuming cancellation of the Maximum Buy Back Shares that may be purchased, based on the above illustrative Buy Back Exchange Rate, would be approximately 77,471,950 Ordinary Shares. There are no warrants or options over Shares outstanding as at the Latest Practicable Date.

#### **2.12 Board intentions to tender Ordinary Shares**

Of the Directors who hold Ordinary Shares, David Macfarlane, James Jordan and Christopher Waldron intend to tender their full Tender Offer Entitlement in the Tender Offer.

#### **2.13 Recommendation**

The Board considers that the Tender Offer and resultant Off-Market Acquisitions are in the best interests of the Company and the Shareholders as a whole. However, the Directors make no recommendation to Eligible Ordinary Shareholders as to whether they should tender Ordinary Shares in the Tender Offer or whether they should participate in the Company's proposed return of capital through either the Tender Offer or the resultant Off-Market Acquisitions. Whether Eligible Ordinary Shareholders decide to tender Ordinary Shares or otherwise participate in the resultant Off-Market Acquisitions will depend, among other things, on their view of the Company's financial position and prospects and their own individual circumstances, including their tax position. Eligible Ordinary Shareholders who are in any doubt as to the action they should take should consult an appropriate independent professional adviser without delay.

### **3. Recommended Proposals and Extraordinary General Meeting**

#### **3.1 Background to and reasons for the Avante-MERS and Orizon Proposals**

In addition to the Tender Offer and resultant Off-Market Acquisitions, the Board is also seeking Shareholder approval for the Company's proposed disposals of ownership interests in Avante, MERS and Orizon to Edgewater, a Related Party of the Company, and related additional investments in each of those entities with Edgewater. Details of the Avante-MERS and Orizon Proposals are set out below.

Shareholders should also note that each of the percentage ownership interests stated below are calculated without reference to current or future ownership interests and incentive arrangements benefitting senior and operating management officers of the relevant entities.

#### *Avante-MERS Proposal*

The Company has a 50 per cent. ownership interest in Jordan Health Products, LLC, most commonly known by its trading name, 'Avante Health Solutions', and a 25 per cent. ownership interest in MERS Holdings, LLC. The Company has agreed, subject to Shareholder approval, to sell to Edgewater 80 per cent. of its ownership interest in Avante (being equivalent to a 40 per cent. ownership interest in Avante) and 80 per cent. of its ownership interest in MERS (being equivalent to a 20 per cent. ownership interest in MERS) (the "**Avante-MERS Disposal**"). Shareholders should also note that Avante itself has an ownership interest of 50 per cent. in MERS and accordingly the Company will in effect be disposing of a further 20 per cent indirect ownership interest in MERS through its disposal of ownership interests in Avante. The Company's disposals of ownership interests in each of Avante and MERS form part of the same transaction and accordingly the consideration for the disposals is an aggregate amount of approximately US\$37.5 million payable to the Company upon completion of the Avante-MERS Disposal.

Following completion of the Avante-MERS Disposal, the ownership interests in Avante will be held 40 per cent. by Edgewater and 10 per cent. by the Company with the remaining 50 per cent expected to be held collectively by other investors in Avante (the "**Other Avante Shareholders**"), including, amongst others, John W. Jordan II and affiliates and David W. Zalaznick and affiliates who hold 18.6 per cent. and 11.1 per cent., respectively, and various other investors in Avante. Edgewater currently already holds a 25 per cent. ownership interest in MERS and so, following completion of the Avante-MERS Disposal, the ownership interests in MERS will be held 45 per cent. by Edgewater and 5 per cent. by the Company with the remaining 50 per cent., as mentioned above, held by Avante. As such, the Company and Edgewater will also hold further indirect ownership interests in MERS through their respective (post-completion) ownership interests in Avante, such indirect ownership interests in MERS being 5 per cent. and 20 per cent., respectively.

Avante is a single source provider of medical, surgical, diagnostic imaging and radiation oncology equipment, including sales, service, repair, parts, refurbishing and installation in over 150 countries. The business is headquartered in the US and has established a strong presence in Latin America, the Middle East, Africa, Europe and Southeast Asia. Avante provides services under its six key brands being, Medical Surgery, Patient Monitoring, Diagnostic Imagine, Ultrasound, Oncology Services and Rental Services.

Avante was founded in 2015 by Jordan Industries International, LLC ("**JII**"), an affiliate of the Company's Investment Adviser, JZAI, and the Company. Avante was intended to be one of a number of new entities established to invest principally in the United States in the buyouts and build-ups of companies and in growth company platforms in the microcap market (the "**JII Platform Companies**"). Avante is the first and only JII Platform Company to be established to date. The Company has authority to invest up to US\$75 million jointly with the JII Investor Group in the JII Platform Companies. The relevant joint investment arrangements required Shareholder approval which was obtained in 2015 with further details of those arrangements being set out in in the circular published by the Company dated 21 May 2015. The Company's total investments made to date in Avante total US\$41.3 million. The Company also received US\$ 78 million by way of preferred divided recapitalisation of Avante in 2017. Since Avante's establishment in 2015, it has since consummated seven acquisitions of healthcare businesses in its targeted focus areas and, since September 2018, it has been focused on operating initiatives to build a single business provider as the 'Avante' brand.

In addition to the Company's disposal of ownership interests in Avante, the Company and, subject to completion of the Avante-MERS Disposal, Edgewater will have the right alongside the Other Avante Shareholders to provide additional investments in Avante in response to calls for capital contributions from Avante. Neither the Company, Edgewater nor the Other Avante Shareholders are obliged to provide additional investments in Avante in response to such calls for capital contributions from Avante and such decisions are to be at the discretion of each of the investors respectively.

MERS was formed by Avante in July 2016 as a holding company in connection with its acquisition of Pacific Medical, LLC ("**Pacific Medical**"), the largest of the seven acquisitions which Avante has made

to date. Pacific Medical is located in San Juan Capistrano, California, and engages in repairing, servicing and selling new and refurbished medical equipment, specializing in patient monitoring devices and corresponding accessories for hospitals, surgery centres, dental offices, private practices, sleep centres, rehab facilities, veterinary clinics, long-term care facilities and paediatric centres.

Similar to Avante, in addition to the Company's disposal of ownership interests in MERS, the Company and Edgewater will also have the right alongside Avante to provide additional investments in MERS in response to calls for capital contributions from. Neither the Company, Edgewater nor Avante are obliged to provide additional investments in MERS in response to such calls for capital contributions from MERS and such decisions are to be at the discretion of each of the investors respectively.

The Board believes that the Avante-MERS Proposal provides the best opportunity to realise an attractive and certain value for certain of the Company's ownership interests in each of Avante and MERS.

#### *Orizon Proposal*

The Company has an 11.9 per cent. ownership interest in Tech Industries, LLP, which includes its wholly-owned subsidiary, Orizon Aerostructures, LLC, the business collectively being, Orizon. The Company has agreed, subject to Shareholder approval, to sell to Edgewater 80 per cent. of its ownership interest in Orizon (being equivalent to a 9.5 per cent. ownership interest in Orizon) (the "**Orizon Disposal**") for consideration of approximately US\$28 million payable to the Company upon completion of the Orizon Disposal.

Edgewater currently already holds a 31.6 per cent. ownership interest in Orizon and so, following completion of the Orizon Disposal, the ownership interests in Orizon will be held 41 per cent. by Edgewater and 2.4 per cent. by the Company with the remaining 56.6 per cent expected to be held collectively by other investors in Orizon (the "**Other Orizon Shareholders**"), including, amongst others, John W. Jordan II and affiliates and David W. Zalaznick and affiliates who each hold 1.5 per cent, and various other investors in Orizon.

Orizon was founded by Charlie and Henry Newell who, having previously partnered successfully in the manufacture of high precision aerospace machine parts, raised capital from an investor group known to the Company's Investment Adviser, JZAI, for the purpose of manufacturing integral aerospace assemblies for original equipment manufacturers (e.g. Northrup, Lockheed Martin and Gulfstream) and tier one suppliers to original equipment manufacturers (e.g. Spirit, a tier one supplier to Boeing and Airbus). Orizon purchases or builds facilities in the mid-western US (i.e. Kansas, Oklahoma and Missouri) where it manufactures and assembles 'packages' of high precision machine parts that are sold by Orizon as a single unit (i.e. hinge and latch assemblies, fuel cell components, cockpit assemblies and engineered cylinder heads). The Company made its initial investment in Orizon in November 2015 and its total investments to date are US\$20.637 million.

As is the case for the Avante-MERS Proposal, in addition to the Company's disposal of ownership interests in Orizon, the Company and Edgewater will also have the right alongside the Other Orizon Shareholders to provide additional investments in Orizon in response to calls for capital contributions from Orizon. Neither the Company, Edgewater nor the Other Orizon Shareholders are obliged to provide additional investments in Orizon in response to such calls for capital contributions from Orizon and such decisions are to be at the discretion of each of the investors respectively.

The Board believes that the Orizon Proposal provides the best opportunity to realise an attractive and certain value for certain of the Company's ownership interest in Orizon.

### **3.2 Related Party Transactions**

The Avante-MERS and Orizon Proposals would each be considered a Related Party Transaction of the Company under Chapter 11 of the Listing Rules (with which the Company voluntarily complies and insofar as the Listing Rules are applicable to the Company by virtue of its voluntary compliance). Edgewater is a substantial shareholder of the Company as it 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. As such, Edgewater is considered to be a Related Party of the Company. The Company's proposed disposals of ownership interests in Avante, MERS and Orizon to Edgewater, and related additional investments in each of those entities with Edgewater, would each be considered to be transactions between the Company

and a Related Party. Accordingly, given Edgewater is a Related Party of the Company, the Avante-MERS and Orizon Proposals as transactions between them would be considered Related Party Transactions under Chapter 11 of the Listing Rules, insofar as the Listing Rules are applicable to the Company by virtue of its voluntary compliance with the same.

As mentioned above, Shareholders should be aware that whilst the Listing Rules provide for written confirmation to be obtained from a sponsor that the terms of a Related Party Transaction are fair and reasonable as far as shareholders are concerned, such a confirmation has not been received in relation to the Avante-MERS and Orizon Proposals. Shareholders are again reminded that the Company also departed from the same requirement in relation to the Deflecto and Water Treatment Proposals last year, both of which were approved by Shareholders.

This reason for this being the case is because, as was the same for the Deflecto and Water Treatment Proposals, whilst the Company has sought to obtain a fair and reasonable written confirmation for the Avante-MERS and Orizon Proposals, it has been unable to do so at a cost which can be justified relative to their size and within the time constraints needed to be met in order to transact on and complete the transactions on the terms negotiated. The Company again reiterates its understanding that the costs and time for obtaining such a confirmation can be greater for a Related Party Transaction that concerns an acquisition or disposal, such as the Avante-MERS and Orizon Proposals.

The Company has therefore decided to depart from the requirement to obtain a fair and reasonable written confirmation on this occasion but notwithstanding that, and as was the case with the Deflecto and Water Treatment Proposals, the Company's Investment Adviser, JZAI, has instead provided written confirmation to the Company that the terms of the Avante-MERS and Orizon Proposals are fair and reasonable as far as Ordinary Shareholders are concerned. JZAI has a selective and disciplined approach to investing which is applied across all investments including in the case of Avante, MERS and Orizon. In addition, JZAI considers the Avante-MERS and Orizon Proposals to have been negotiated on arm's length terms. Those negotiations have been undertaken on the Company's behalf by JZAI, the founders and principals of which (David W. Zalaznick and (Jay) W. Jordan II, together with their respective affiliates) are also substantial Shareholders of the Company and whose combined shareholding in the Company exceeds that of Edgewater's.

Shareholders are also reminded that the Company is not subject to, but rather voluntarily complies with, the Listing Rules and, save for the absence of a fair and reasonable written confirmation in a form prescribed by the Listing Rules, the Avante-MERS and Orizon Proposals, like the Deflecto and Water Treatment Proposals, are otherwise being treated in accordance with the Listing Rules including the requirement to obtain Shareholder approval. The Directors of the Company, who have been so advised by JZAI, consider this departure is justified for the aforementioned reasons and is in the best interests of the Company and the Ordinary Shareholders. The Company otherwise intends to continue to comply voluntarily with the requirements of the Listing Rules.

Accordingly, Resolutions 1 and 2 are to be proposed at the Extraordinary General Meeting of Company in relation to the Avante-MERS and Orizon Proposals respectively as Related Party Transactions of the Company and are being proposed to seek Shareholder approval for those Proposals. The approvals as Related Party Transactions of the Company are being sought notwithstanding that the Company has not received a fair and reasonable written confirmation in a form prescribed by the Listing Rules and, if passed, such approval will be obtained on that basis. Further information relating to, and a summary of the principal terms of, the Avante-MERS and Orizon Proposals are set out in paragraphs 1 and 2 respectively of Part V ("*Summary of the Avante-MERS and Orizon Proposals*") of this document.

### **3.3 Risk Factors**

Before taking any decision in relation to the Avante-MERS and Orizon Proposals, Ordinary Shareholders are also advised to read the section entitled "*Risks relating to the Avante-MERS and Orizon Proposals*" in paragraph 3 of Part V ("*Summary of the Avante-MERS and Orizon Proposals*") of this document.

### **3.4 Background to and reasons for the Articles Amendments**

Lastly, the Board is also seeking Shareholder approval for the Company to amend the existing Articles of Incorporation of the Company by approving and adopting the New Articles in substitution for, and to the exclusion of, the Company's existing Articles. The Articles Amendments concern amendments to the

Articles relating to the methodology for the calculation of eligible votes for the appointment and removal of Directors in order for the Company to remain a "foreign private issuer" for US securities law purposes.

The existing Articles contain voting provisions designed to ensure that the Company remains a "foreign private issuer" under US securities laws by limiting the overall potential voting power of US resident Ordinary Shareholders in connection with any vote for the appointment or removal of a Director. As currently drafted, the existing Articles may in some circumstances limit the voting power of US resident Ordinary Shareholders to a greater extent than is necessary to ensure that the Company remains a "foreign private issuer". Consequently, this also gives rise to the possibility of more disproportionate weighting being given to the voting power of non-US resident Ordinary Shareholders than is necessary, including as a result of the fact that under the current methodology all Ordinary Shareholders that do not certify as to their non-US resident status, even if non-US resident, are deemed to be US resident Ordinary Shareholders.

The proposal to approve the Articles Amendments in the form of the New Articles is intended to address this anomaly by permitting the Directors to count as non-US resident Ordinary Shareholders those Ordinary Shareholders determined by the Directors to be non-US resident, even if certain of those non-US resident Ordinary Shareholders have not provided the relevant certification as to their non-US resident status in connection with the vote. The Directors may make such determination where, for example, those Ordinary Shareholders have indicated their residence as being non-US in response to a notice issued by the Company requiring information about interests in the Company's Shares. The Articles Amendments also amend the methodology for the calculation of eligible votes for the appointment and removal of Directors by specifying that, whenever US resident Ordinary Shareholders would be entitled to cast more than 50 per cent. of such eligible votes, the votes of US resident Ordinary Shareholders on such matters will be diluted whenever the actual votes cast by such US resident Ordinary Shareholders is equal to or exceeds the voting entitlement of non-US resident Ordinary Shareholders (which will include the voting entitlements of those Ordinary Shareholders referred to above as having been determined by the Directors to be non-US resident). The intention of the methodology continues to be to limit the votes of US resident Ordinary Shareholders on Director appointments and removals such that they are never able to cast more than 50 per cent. of the total eligible votes (thereby preserving the Company's "foreign private issuer" status) but to do so in a way that minimises to the extent possible US resident voting dilution as well as any disproportionate weighting given to non-US resident Ordinary Shareholder voting power.

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

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 for inspection as set out in paragraph 6 of Part VI ("*Additional Information*") of this document.

Accordingly, Resolution 3 is to be proposed at the Extraordinary General Meeting of the Company in relation to the Articles Amendments and is being proposed to seek Shareholder approval for those Articles Amendments.

### **3.5 Extraordinary General Meeting**

Each of the Avante-MERS and Orizon Proposals as well as the Articles Amendments are subject to the approval of Shareholders which will be sought at the Extraordinary General Meeting of the Company.

The Extraordinary General Meeting will be held at 12.30 p.m. on 16 August 2019 at the offices of Northern Trust International Fund Administration Services (Guernsey) Limited, Trafalgar Court, Les Banques, St Peter Port, Guernsey GY1 3QL, Channel Islands for the purpose of considering and, if thought fit, passing each of the Resolutions to be proposed at that meeting concerning the Avante-MERS and Orizon Proposals and the Articles Amendments.

A Notice of Extraordinary General Meeting is set out at the end of this document. Each of the Resolutions to be proposed at the Extraordinary General Meeting are contained in the Notice.

Resolutions 1 and 2, which concern the Avante-MERS and Orizon Proposals respectively, are intended to be proposed as Ordinary Resolutions and Resolution 3, which concerns the Articles Amendments, is intended to be proposed as an Extraordinary Resolution.

Ordinary Shareholders only will have the right to attend and vote on the Resolutions to be proposed at the Extraordinary General Meeting in respect of which they are entitled to vote. Shareholders are advised that for Resolutions 1 and 2, which involve Related Party Transactions of the Company, Edgewater as the relevant Related Party of the Company, has undertaken not to vote, and has taken all reasonable steps to ensure that its associates will not vote, on those Resolutions. For the avoidance of doubt, the ZDP Shareholders will not have the right to attend or vote at the Extraordinary General Meeting.

### **3.6 Irrevocable Undertakings**

In relation to the Resolutions concerning the Avante-MERS and Orizon Proposals (Resolutions 1 and 2) to be proposed at the Extraordinary General Meeting, each of David W. Zalaznick and affiliates, John (Jay) W. Jordan II and affiliates, Leucadia Financial Corporation and Arnhold LLC have irrevocably undertaken to the Company to vote in favour of each of Resolution 1 and 2 in respect of which they are entitled to vote, representing 12.6 per cent., 12.6 per cent., 9.9 per cent. and 5.7 per cent. respectively (and 40.8 per cent. in aggregate) of the current issued Ordinary Share capital of the Company. The irrevocable undertakings to vote in favour of each of Resolutions 1 and 2 also equate to 52.1 per cent. in aggregate of the voting rights of the Ordinary Shares taking account of the fact that Edgewater, as a Related Party of the Company with respect to those Resolutions, has undertaken not to vote, and has taken all reasonable steps to ensure that its associates will not vote.

In relation to the Resolution concerning the Articles Amendments (Resolution 3) to be proposed at the Extraordinary General Meeting, each of David W. Zalaznick and affiliates, John (Jay) W. Jordan II and affiliates, Edgewater, Leucadia Financial Corporation and Arnhold LLC have irrevocably undertaken to the Company to vote in favour of Resolution 3 in respect of which they are entitled to vote, representing 12.6 per cent., 12.6 per cent., 21.9 per cent., 9.9 per cent. and 5.7 per cent. respectively (and 62.7 per cent. in aggregate) of the voting rights of the Ordinary Shares.

### **3.7 Recommendation**

In relation to the Avante-MERS and Orizon Proposals as Related Party Transactions of the Company, the Board, which has been so advised by the Company's Investment Adviser, JZAI, considers the terms of the Avante-MERS Proposal and the terms of the Orizon Proposal to each be fair and reasonable as far as the Ordinary Shareholders are concerned.

In addition, the Board considers each of the Proposals (being the Avante-MERS and Orizon Proposals and the Articles Amendments) and the Resolutions to be proposed at the Extraordinary General Meeting to be in the best interests of the Company and the Ordinary Shareholders.

Accordingly, the Board unanimously recommends that Ordinary Shareholders vote in favour of the Resolutions to be proposed at the Extraordinary General Meeting in respect of which they are entitled to vote, as the Directors intend to do in respect of their own beneficial holdings, representing 0.15 per cent. of the voting rights of the Ordinary Shares.

## **4. Action to be taken**

### **4.1 Tender Offer**

Eligible Ordinary Shareholders who do not wish to participate in the Tender Offer should not complete or return a Tender Form or submit a TTE Instruction in CREST.

(a) *Ordinary Shares which are held in certificated form (that is, not in CREST)*

Only Eligible Ordinary Shareholders who wish to tender Ordinary Shares and who hold their Ordinary Shares in certificated form should complete and return a Tender Form. Ordinary Shareholders who hold their Ordinary Shares in uncertificated form (that is, in CREST) do not need to complete or return a Tender Form.

Ordinary Shareholders who wish to participate in the Tender Offer and hold their Ordinary Shares in certificated form should complete the Tender Form in accordance with the instructions printed thereon and return the completed Tender Form by post to the Receiving Agent at Equiniti Limited, Corporate Actions, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA, United Kingdom or by hand (during normal business hours only) to Equiniti Limited, Corporate Actions, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA, United Kingdom, as soon as possible and in any event, in order to be valid, so as to be received not later than 1.00 p.m. on 23 August 2019, being the Tender Closing Date.

Eligible Ordinary Shareholders who hold their Ordinary Shares in certificated form should also return their share certificate(s) and/or other document(s) of title in respect of their Ordinary Shares being tendered. Note that the Tender Form will accompany this document for use by Eligible Ordinary Shareholders in connection with the Tender Offer. All other Shareholders (including Eligible Ordinary Shareholders who hold their Ordinary Shares in uncertificated form) should disregard the Tender Form.

(b) *Ordinary Shares which are held in uncertificated form (that is, in CREST)*

Eligible Ordinary Shareholders who wish to tender Ordinary Shares and hold their Ordinary Shares in uncertificated form (that is, in CREST) should arrange for the relevant Ordinary Shares to be transferred to escrow by means of a TTE Instruction as described in paragraph 3.3 of Part III ("*Terms and Conditions of the Tender Offer*") of this document. Such Eligible Ordinary Shareholders should however be aware that they should send (or, if they are a CREST Sponsored Member, procure that their CREST Sponsor sends) a TTE Instruction to Euroclear as soon as possible and in any event, in order to be valid, not later than 1.00 p.m. on 23 August 2019, being the Tender Closing Date.

Further details of the procedure for tendering and settlement are set out in Part III ("*Terms and Conditions of the Tender Offer*") of this document. Shareholders should also refer to the section entitled "*Tender Form Accompanying this Document and Action to be Taken*" of this document and, in the case of Eligible Ordinary Shareholders who hold Ordinary Shares in certificated form, the Tender Form.

Eligible Ordinary Shareholders who are to participate in the Company's proposed return of capital through the resultant Off-Market Acquisitions will have their Ordinary Shares bought back in accordance with and on the terms of the CFC Buy Back Arrangement as set out in the Company's Articles of Incorporation.

#### **4.2 Extraordinary General Meeting**

A Form of Proxy will accompany this document for use by Ordinary Shareholders in connection with the Extraordinary General Meeting of the Company.

If you are an Ordinary Shareholder, whether or not you intend to be present at the Extraordinary General Meeting, 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 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 Extraordinary General Meeting (excluding any part of a day which is non-working).

The completion and return of the Form of Proxy will not preclude Ordinary Shareholders from attending and voting in person at the Extraordinary General Meeting if they so wish and are so entitled.

Ordinary Shareholders are also advised to review the instructions on the Form of Proxy itself regarding the proper completion and return of the Form of Proxy. Shareholders should also refer to the section entitled "*Proxy Form Accompanying this Document and Action to be Taken*" of this document.

Yours faithfully,

**David Macfarlane**  
Chairman

## PART II – RISK FACTORS RELATING TO THE TENDER OFFER

The following risk factors should be considered by Eligible Ordinary Shareholders prior to deciding whether or not to participate in the Tender Offer.

The risk factors set out below are the risks which are considered to be material to an Eligible Ordinary Shareholder's decision as to whether or not to participate in the Tender Offer but are not intended to be exhaustive and are not the only risks relating to any such decision, the Tender Offer or the Company. Additional risk factors not set out below (including any additional risks that the Company does not currently consider to be material or of which the Company is not aware) may apply or be material or relevant to an Eligible Ordinary Shareholder's decision as to whether or not to participate in the Tender Offer.

Eligible Ordinary Shareholders in any doubt about the action they should take should consult a suitably qualified independent financial adviser authorised under the FSMA (or under such equivalent legislation as may apply in their jurisdiction) without delay.

**This Part II ("*Risk Factors Relating to the Tender Offer*") of this document is, as above, limited to identifying those risks which are considered to be material to an Eligible Ordinary Shareholder's decision as to whether or not to participate in the Tender Offer and are not exhaustive. It does not include risks specific to those Eligible Ordinary Shareholders who may have Ordinary Shares bought back from them as a result of the Tender Offer via Off-Market Acquisitions pursuant to, and as required by, the terms of the Company's Articles of Incorporation. Any such Eligible Ordinary Shareholders should seek professional advice in relation to those risks without delay.**

### Risks relating to the Tender Offer:

- The lower number of Ordinary Shares in issue following completion of the Tender Offer and resultant Off-Market Acquisitions may result in lower liquidity in the secondary market for the Ordinary Shares. This may, in turn, negatively impact Shareholders' ability to sell Ordinary Shares to prospective purchasers and may result in an increase in volatility of the achievable sale price of the Ordinary Shares.
- Following the implementation of the Tender Offer and resultant Off-Market Acquisitions, the Company will have distributed an amount of its available cash to Ordinary Shareholders. Shareholders will therefore have an on-going exposure to a more concentrated portfolio of less liquid investments with a lower percentage of the Company's assets being held in cash. There is no guarantee that such investments will be realised at their current NAV and there is no guarantee that the Company will be able to realise further of its investments in a timely manner and/or at any material value or at all.
- A request to tender Ordinary Shares, once served on the Company, may not be withdrawn, without the consent of the Company.
- Although Part IV ("*Taxation*") of this document provides a general guide to tax considerations in the United Kingdom, Guernsey and the United States for certain Eligible Ordinary Shareholders in respect of the Tender Offer, the tax consequences of the Tender Offer will depend on the individual circumstances of an Eligible Ordinary Shareholder, cannot be guaranteed and may change at any time (possibly with retroactive effect) as a result of changes in law or custom and practice of the tax authorities. Eligible Ordinary Shareholders who are in any doubt as to their taxation position (including those who are resident in, or are a citizen of, a country other than the United Kingdom, Guernsey or the United States should consult their professional advisers without delay.
- Ordinary Shares in uncertificated form (that is, in CREST) for which a TTE Instruction has been validly submitted will be transferred to escrow in CREST. It will not, therefore, be possible to access or otherwise deal in such Ordinary Shares and such Ordinary Shares will be held in escrow pending purchase pursuant to the Tender Offer. Eligible Ordinary Shareholders with Ordinary Shares in certificated form (that is, not in CREST) should note that they will be unable to deal in their Ordinary Shares without their share certificate(s) and/or other document(s) of title in respect of their Ordinary Shares being tendered.



- The value of Ordinary Shares may increase following completion of the Tender Offer and resultant Off-Market Acquisitions and Eligible Ordinary Shareholders who have their Ordinary Shares repurchased pursuant to the same may not be able to benefit from such increase.
- The market price of the Ordinary Shares could either increase or decrease between the date of this document and the date that Ordinary Shares are repurchased pursuant to the Tender Offer and resultant Off-Market Acquisitions by the Company, meaning that tendering Eligible Ordinary Shareholders might have their Ordinary Shares purchased at a greater or lesser (as the case may be) premium (or at a discount) to the then current market price than envisaged when the tender was made.
- An Eligible Shareholder's Tender Offer Entitlement will depend on the prevailing Buy Back Exchange Rate as at market close on the Tender Closing Date and so his, her or its entitlement may go up or down depending on the movement of the applicable USD/GBP exchange rate, during the period from the date of this document to market close on the Tender Closing Date. Similarly, the amount of the Buy Back Amount (including the Tender Offer Amount and the Off-Market Acquisition Amount) as well as the Maximum Buy Back Shares (including the Maximum Tender Offer Shares and the Maximum Off-Market Acquisition Shares) also depends on such prevailing Buy Back Exchange Rate and accordingly such amount and number of Ordinary Shares may go up or down depending on the movement of that rate during that period.
- From the Company's perspective, the Company undertaking the Tender Offer and resultant Off-Market Acquisitions (together with other potential factors, such as positive investment performance and further successful realisations) may also help to contribute to the narrowing of the discount to the Company's NAV at which its Ordinary Shares continue to trade. Shareholders should however note that there is no guarantee that the Tender Offer and resultant Off-Market Acquisitions will have such an impact and/or a sustained impact on narrowing the prevailing discount.
- There is no guarantee that the Company will implement any further tender offers.

## **PART III – TERMS AND CONDITIONS OF THE TENDER OFFER**

### **ELIGIBLE ORDINARY SHAREHOLDERS WHO DO NOT WISH TO PARTICIPATE IN THE TENDER OFFER DO NOT NEED TO TAKE ANY ACTION**

#### **1. Introduction**

Eligible Ordinary Shareholders are invited to tender Ordinary Shares for purchase by the Company on the terms and subject to the conditions set out in this document and, in the case of Eligible Ordinary Shareholders who hold Ordinary Shares in certificated form, the Tender Form.

Eligible Ordinary Shareholders who do not wish to participate in the Tender Offer do not need to take any action. The rights of Eligible Ordinary Shareholders who choose not to tender their Ordinary Shares will be unaffected (save in the case of those US Ordinary Shareholders who are subject to the resultant Off-Market Acquisitions).

The Board is proposing that the Company should, pursuant to the Tender Offer, purchase from Eligible Ordinary Shareholders Ordinary Shares at the Tender Price of US\$9.39 per Ordinary Share (translated into Pounds Sterling at the Buy Back Exchange Rate). The Tender Offer is open to all Eligible Ordinary Shareholders on the register of members of the Company at 6.00 p.m. on the Tender Record Date, who may participate in the Tender Offer by tendering all or some of their Ordinary Shares at the Tender Price and tenders may be made at the Tender Price only. Each Eligible Ordinary Shareholder will be entitled to sell pursuant to the Tender Offer up to their Tender Offer Entitlement. An Eligible Ordinary Shareholder's Tender Offer Entitlement will depend on the Buy Back Exchange Rate but will be determined by such percentage of the Ordinary Shares registered in his, her or its name at 6.00 p.m. on the Tender Record Date that is equal to approximately the Maximum Buy Back Shares divided by the existing issued Ordinary Share capital of the Company multiplied by one hundred (100), rounded down to the nearest whole number of Ordinary Shares. Any resulting fractional entitlements of Eligible Ordinary Shareholders will be aggregated and used to satisfy surplus tenders. If any Eligible Ordinary Shareholders have tendered less than their Tender Offer Entitlement, surplus tenders will be accepted in proportion to the number of additional Ordinary Shares tendered but so that the total number of Ordinary Shares purchased pursuant to the Tender Offer does not exceed the Maximum Tender Offer Shares. The Maximum Tender Offer Shares is to be determined by reference to a proportion of the Buy Back Amount equivalent to an amount of up to US\$12,930,012 (translated into Pounds Sterling at the Buy Back Exchange Rate) that the Company is proposing to return to Ordinary Shareholders via the Tender Offer, being the Tender Offer Amount. The Maximum Tender Offer Shares will depend on the Buy Back Exchange Rate but will be determined by such number of Ordinary Shares as is equal to the Tender Offer Amount divided by the Tender Price.

Ordinary Shares purchased pursuant to the Tender Offer will be purchased free of all liens, charges, restrictions, claims, equitable interests and encumbrances and together with all rights attaching thereto. Ordinary Shares purchased by the Company are intended to subsequently be cancelled.

Eligible Ordinary Shareholders who hold their Ordinary Shares in certificated form (that is, not in CREST) who have tendered some but not all of their Ordinary Shares and who:

- have one share certificate and/or other document of title in respect of their entire holding of Ordinary Shares, may not trade any of their Ordinary Shares in the normal way during the Tender Offer period; or
- have more than one share certificate and/or other document of title in respect of their holding of Ordinary Shares, may only trade those Ordinary Shares in the normal way during the Tender Offer period which are not represented by the share certificate(s) and/or other document(s) of title relating to those Ordinary Shares which have been tendered pursuant to the Tender Offer.

Eligible Ordinary Shareholders who hold their Ordinary Shares in uncertificated form (that is, in CREST) who have tendered some but not all of their Ordinary Shares, may only trade those Ordinary Shares in the normal way during the Tender Offer period which have not been tendered pursuant to the Tender Offer. Such Eligible Ordinary Shareholders are directed to paragraph 3.3 of this Part III ("*Terms and Conditions of the Tender Offer*") of this document which details specific procedures for holders of Ordinary Shares in uncertificated form (that is, in CREST).

## 2. **Terms and Conditions of the Tender Offer**

2.1 The Tender Offer is conditional on:

- (a) the Board being satisfied on reasonable grounds that the Company will, immediately after completion of the Tender Offer and resultant Off-Market Acquisitions, satisfy the solvency test prescribed by the Guernsey Companies Law; and
- (b) the Tender Offer not having been terminated in accordance with paragraph 11 of this Part III ("*Terms and Conditions of the Tender Offer*") of this document prior to 1.00 p.m. on 23 August 2019, being the Tender Closing Date.

If these conditions are not satisfied, the Tender Offer will lapse and the Company will not purchase any Ordinary Shares pursuant to the Tender Offer.

2.2 Each Ordinary Share may be tendered pursuant to the Tender Offer at the Tender Price only. Only tenders made at the Tender Price will be accepted. Only whole numbers of Ordinary Shares may be tendered and, in the event of scaling-back, successful tenders will be rounded down to the nearest whole number of Ordinary Shares in accordance with paragraph 2.19 of this Part III ("*Terms and Conditions of the Tender Offer*") of this document.

2.3 The Tender Offer is only available to Eligible Ordinary Shareholders on the register of members of the Company at 6.00 p.m. on the Tender Record Date and only in respect of the number of Ordinary Shares registered in those Eligible Ordinary Shareholders' names on that date.

2.4 Tender Forms once duly completed (for Eligible Ordinary Shareholders who hold their Ordinary Shares in certificated form (that is, not in CREST)) and submitted to the Receiving Agent so as to be received by 1.00 p.m. on 23 August 2019, being the Tender Closing Date, and TTE Instructions which have settled (for Eligible Ordinary Shareholders who hold their Ordinary Shares in uncertificated form (that is, in CREST)) by 1.00 p.m. on the Tender Closing Date will become irrevocable at the time they are received and will not be capable of being withdrawn, without the consent of the Company. Neither the Company nor the Receiving Agent nor any other person is or will be obliged to give notice of any defects or irregularities and none of them will incur any liability for failure to give such notice.

2.5 The Tender Offer will close at 1.00 p.m. on 23 August 2019, being the Tender Closing Date, and no Tender Forms (for Eligible Ordinary Shareholders who hold their Ordinary Shares held in certificated form) or TTE Instructions (for Eligible Ordinary Shareholders who hold their Ordinary Shares held in uncertificated form (that is, in CREST)) received after 1.00 p.m. on the Tender Closing Date will be accepted in whole or in part, except to the extent that the Company extends the period for tendering pursuant to the Tender Offer, in which case a new closing date for the Tender Offer will be given. The Company reserves the right, subject to applicable legal and regulatory requirements, to extend the period for tendering pursuant to the Tender Offer at any time prior to 1.00 p.m. on the Tender Closing Date. Any material change to the expected timetable will if and as required be notified to Shareholders by way of a Regulatory Information Service. Any such extension will comply with all applicable legal and regulatory requirements and will if and as required be announced by way of a Regulatory Information Service not later than 8 a.m. on the first business day following the Tender Closing Date.

2.6 Subject to the satisfaction of the conditions referred to in paragraph 2.1 of this Part III ("*Terms and Conditions of the Tender Offer*") of this document, Ordinary Shares successfully tendered will be purchased by the Company fully paid and free of all liens, charges, restrictions, claims, equitable interests and encumbrances and together with all rights attaching thereto.

2.7

- (a) All tenders in respect of Ordinary Shares held in certificated form must be made on the Tender Form duly completed in accordance with the instructions set out below and in the Tender Form (which constitute part of the terms of the Tender Offer for Eligible Ordinary Shareholders who hold their Ordinary Shares held in certificated form). Such tenders will only be valid if the procedures contained in this document and in the Tender Form are complied with in full.

- (b) All tenders in respect of Ordinary Shares held in uncertificated form (that is, in CREST) must be made by the input and settlement of a TTE Instruction in CREST in accordance with the instructions set out in this Part III ("*Terms and Conditions of the Tender Offer*") of this document and the relevant procedures in the CREST Manual (which together constitute part of the terms of the Tender Offer for Eligible Ordinary Shareholders who hold their Ordinary Shares held in uncertificated form (that is, in CREST)). Such tenders will only be valid when the procedures contained in this document and in the relevant parts of the CREST Manual are complied with in full.
  - (c) The Tender Offer, all tenders relating thereto and all matters in connection with the creation, validity, effect, interpretation or performance of, or the legal relationships established by, the Tender Offer and the Tender Form and/or the input of a TTE Instruction in CREST, whether contractual or non-contractual will be governed by and construed in accordance with the laws of England and Wales. Delivery of a Tender Form and/or the input of a TTE Instruction in CREST, as applicable, will constitute submission to the exclusive jurisdiction of the English courts.
- 2.8 All documents and remittances sent by or to Eligible Ordinary Shareholders and all instructions made by or on behalf of an Eligible Ordinary Shareholder in CREST relating to the Tender Offer, as applicable, will be sent or made at the risk of the Eligible Ordinary Shareholder concerned. If the Tender Offer does not become unconditional, or does not proceed, and lapses or is withdrawn or terminated:
- (a) in the case of Eligible Ordinary Shareholders who hold their Ordinary Shares in certificated form, the Tender Forms, share certificate(s) and/or other document(s) of title will be returned by post to the person whose name and address (outside the Restricted Jurisdictions) is set out in Box 1 of the Tender Form; and
  - (b) in the case of Eligible Ordinary Shareholders who hold their Ordinary Shares in uncertificated form (that is, in CREST), the Escrow Agent will provide instructions to Euroclear to transfer all such Ordinary Shares held in escrow balances by TFE Instruction to the original available balances to which those Ordinary Shares relate,
- in each case, by no later than 3 business days after the date of such lapse, withdrawal or termination.
- 2.9 If only part of an Eligible Ordinary Shareholder's holding of Ordinary Shares is successfully tendered pursuant to the Tender Offer, such Eligible Ordinary Shareholder will be entitled to receive the following:
- (a) if their Ordinary Shares are held in certificated form, a balance certificate in respect of the unsold Ordinary Shares where the share certificate(s) and/or other document(s) of title submitted pursuant to the Tender Offer relate to more Ordinary Shares than those successfully tendered by such Eligible Ordinary Shareholder pursuant to the Tender Offer; or
  - (b) if their Ordinary Shares are held in uncertificated form (that is, in CREST), the transfer of the unsold Ordinary Shares by the Escrow Agent by TFE Instruction to the original registered holder(s) of those unsold Ordinary Shares.
- 2.10 Further copies of the Tender Form may be obtained on request from the Receiving Agent, Equiniti Limited, on 0371 384 2509, if calling from within the United Kingdom, or on +44 121 415 0860, if calling from outside the United Kingdom. Calls to the +44 121 415 0860 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 in England and Wales). The helpline cannot provide advice on the merits of the Tender Offer nor give any financial, legal or tax advice. Eligible Ordinary Shareholders are reminded that, if they are a CREST Sponsored Member, they should contact their CREST Sponsor before taking any action.
- 2.11 The decision of the Company as to the results of the Tender Offer shall be final and binding on all Shareholders (except as otherwise required under applicable law). The results of the Tender

Offer and, if applicable, any entitlement to tender more than the Tender Offer Entitlement, are expected to be announced on 27 August 2019 by way of a Regulatory Information Service.

- 2.12 Holdings of Ordinary Shares in certificated and uncertificated form (that is, in CREST) under the same name with different designations will be treated as separate shareholdings for the purposes of the application of terms of the Tender Offer and a separate Tender Form and/or TTE Instruction will need to be submitted in order to tender each such separate holding. In addition, where a custodian, nominee or trustee holds Ordinary Shares for, or on behalf of, more than one beneficiary, it will need to submit a separate Tender Form and/or TTE Instruction in order to tender for, or on behalf of, each such separate holding.
- 2.13 Subject to the satisfaction of the conditions referred to in paragraph 2.1 of this Part III ("*Terms and Conditions of the Tender Offer*") of this document, all successfully tendered Ordinary Shares will be purchased by the Company at the Tender Price. Such Ordinary Shares are intended to subsequently be cancelled by the Company.
- 2.14 All questions as to the number of Ordinary Shares tendered, and the validity, form, eligibility (including the time of receipt) and acceptance for payment of any tender of Ordinary Shares will be determined by the Company, in its sole and absolute discretion, which determination shall be final and binding on all Shareholders (except as otherwise required under applicable law).
- 2.15 Ordinary Shares will be purchased by the Company pursuant to the Tender Offer free of commissions and dealing charges save as set out expressly herein.
- 2.16 The failure of any person to receive a copy of this document or, for Eligible Ordinary Shareholders who hold their Ordinary Shares in certificated form, the Tender Form, shall not invalidate any aspect of the Tender Offer. None of the Company, the Receiving Agent or any other person will incur any liability in respect of any person failing to receive this document and/or, for Eligible Ordinary Shareholders who hold their Ordinary Shares in certificated form, the Tender Form. Additional copies of this document and the Tender Form can be obtained from the Receiving Agent.
- 2.17 Pursuant to the Tender Offer and subject to the terms and conditions set out in this Part III ("*Terms and Conditions of the Tender Offer*") of this document and, in the case of Eligible Ordinary Shareholders who hold their Ordinary Shares in certificated form, the Tender Form, Eligible Ordinary Shareholders will be entitled to tender their Tender Offer Entitlement. They may tender a number of Ordinary Shares representing more or less than their Tender Offer Entitlement.
- 2.18 If an Eligible Ordinary Shareholder validly tenders a number of Ordinary Shares less than or equal to his, her or its Tender Offer Entitlement, the tender will be satisfied in full (subject to the Tender Offer not lapsing or being withdrawn or terminated prior to its completion and satisfaction of the other terms and conditions set out in this Part III ("*Terms and Conditions of the Tender Offer*") of this document and, in the case of Eligible Ordinary Shareholders who hold their Ordinary Shares in certificated form, the Tender Form).
- 2.19 If:
  - (a) any Eligible Ordinary Shareholder tenders a number of Ordinary Shares in excess of his, her or its Tender Offer Entitlement (each, an "**Individual Excess Tender**" and, in aggregate, the "**Total Excess Tenders**"); and
  - (b) any Eligible Ordinary Shareholder has validly tendered a number of Ordinary Shares less than his, her or its Tender Offer Entitlement which, upon aggregation of the unused portions of all Eligible Ordinary Shareholders' Tender Offer Entitlements, results in a pool of Ordinary Shares available to be allocated between the Individual Excess Tenders (the "**Total Available Ordinary Shares**"), then:
    - (i) if the Total Available Ordinary Shares would, if purchased by the Company result in the total number of Ordinary Shares purchased pursuant to the Tender Offer exceeding the Maximum Tender Offer Shares, then the Total Available Ordinary Shares shall be

reduced to such number of Ordinary Shares as is required to ensure that the total number of Ordinary Shares purchased pursuant to the Tender Offer (including the Total Available Ordinary Shares) does not exceed the Maximum Tender Offer Shares; and

- (ii) the Total Available Ordinary Shares (as so reduced by paragraph (i) above (if applicable)) (the "**Adjusted Total Available Ordinary Shares**") shall be allocated between Individual Excess Tenders as follows:
  - (A) if the Total Excess Tenders exceed the Adjusted Total Ordinary Available Shares, all Individual Excess Tenders will be scaled-back by application of the following ratio:

$$\frac{\text{Adjusted Total Available Ordinary Shares}}{\text{Total Excess Tenders}}$$

- (B) if the Total Excess Tenders are less than or equal to the Adjusted Total Available Ordinary Shares, all Individual Excess Tenders will be satisfied in full (subject to the Tender Offer not lapsing or being withdrawn or terminated prior to its completion and satisfaction of the other terms and conditions set out in this Part III ("*Terms and Conditions of the Tender Offer*") of this document and, in the case of Eligible Ordinary Shareholders who hold their Ordinary Shares in certificated form, the Tender Form).

2.20 The maximum number of Ordinary Shares that the Company may purchase pursuant to the Tender Offer is the Maximum Tender Offer Shares. However, the Company reserves the right to revise the Tender Price and/or change the maximum number of Ordinary Shares that can be tendered pursuant to the Tender Offer, based on market conditions and/or other factors, subject to compliance with applicable law and regulatory requirements. Any such revision may require, amongst other things, new Tender Forms to be despatched to Eligible Ordinary Shareholders who hold their Ordinary Shares in certificated form and may require that the period of the Tender Offer be extended. In no event will the Tender Offer remain open for less than 10 business days after any public announcement of such revision, and subject to compliance with other applicable law and regulatory requirements.

2.21 No acknowledgement of receipt of any Tender Form, share certificate(s) and/or other document(s) of title and/or TTE Instructions, as applicable, will be given.

2.22 The Board reserves the right to treat any Tender Forms and/or TTE Instructions not strictly complying with the terms and conditions of the Tender Offer as nevertheless valid.

2.23 The terms of the Tender Offer may be varied, amended or modified by the Company if the Company believes (in its sole and absolute discretion) that any such variation, amendment or modification is either non-material in nature, correcting what it believes to be a manifest error or is otherwise in the interests of all Shareholders. Any such variation, amendment or modification will if and as required be publicly announced as promptly as practicable by way of a Regulatory Information Service. The times and dates referred to in this document may be adjusted by the Company in its sole and absolute discretion, in which event details of the new times and dates will if and as required be notified to the Guernsey Financial Services Commission, the London Stock Exchange and the Shareholders.

### 3. **Procedures for tendering Ordinary Shares**

Different procedures apply for Eligible Ordinary Shareholders holding their Ordinary Shares in certificated (that is, not in CREST) and uncertificated form (that is, in CREST).

If Eligible Ordinary Shareholders hold their Ordinary Shares in certificated form, they may only tender such Ordinary Shares by completing and returning the Tender Form in accordance with the instructions set out in paragraph 3.1 of this Part III ("*Terms and Conditions of the Tender Offer*") of this document and the instructions printed thereon. If Eligible Ordinary Shareholders hold their Ordinary Shares in certificated form, but under different designations, they should complete a separate Tender Form in respect of each designation. Additional Tender Forms are available upon request from the Receiving Agent.

If Eligible Ordinary Shareholders hold their Ordinary Shares in uncertificated form (that is, in CREST), they may only tender such Ordinary Shares by TTE Instruction in accordance with the procedure set out in paragraph 3.3 of this Part III ("*Terms and Conditions of the Tender Offer*") of this document and, if those Ordinary Shares are held under different Member Account IDs, Eligible Ordinary Shareholders should send a separate TTE Instruction for each Member Account ID.

**IF ELIGIBLE ORDINARY SHAREHOLDERS DO NOT WISH TO TENDER ANY OF THEIR ORDINARY SHARES PURSUANT TO THE TENDER OFFER THEY SHOULD NOT COMPLETE OR RETURN A TENDER FORM OR SUBMIT A TTE INSTRUCTION IN CREST.**

### 3.1 Ordinary Shares held in certificated form

If Eligible Ordinary Shareholders holding their Ordinary Shares in certificated form wish to participate in the Tender Offer, they should complete either Box 2A or Box 2B and sign Box 4 of the Tender Form in accordance with the instructions printed thereon. Eligible Ordinary Shareholders should place a cross in Box 2A to tender their Tender Offer Entitlement. If an Eligible Ordinary Shareholder wishes to tender a specific number of Ordinary Shares which is more than or less than their Tender Offer Entitlement, they should insert such number of Ordinary Shares in Box 2B. Tenders may only be made on the Tender Form, which is personal to the Eligible Ordinary Shareholder named on it and may not be assigned or transferred. The Tender Form represents a right to tender Ordinary Shares. It is not a document of title

If Eligible Ordinary Shareholders hold their Ordinary Shares in both certificated and uncertificated forms (that is, in CREST), they should complete a Tender Form for the certificated holding(s) and tender their Ordinary Shares held in uncertificated form by TTE Instruction in accordance with the procedure set out in paragraph 3.3 of this Part III ("*Terms and Conditions of the Tender Offer*") of this document. In addition Eligible Ordinary Shareholders should complete separate Tender Forms for Ordinary Shares held in certificated form but under different designations. Additional Tender Forms can be obtained from the Receiving Agent.

If Eligible Ordinary Shareholders holding their Ordinary Shares in certificated form wish to participate in the Tender Offer, the completed and signed Tender Form, together with their share certificate(s) and/or other document(s) of title in respect of their Ordinary Shares tendered, should be returned by post, or by hand (during normal business hours only) to Equiniti Limited, Corporate Actions, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA, United Kingdom as soon as possible and, in any event, so as to be received not later than 1.00 p.m. on 23 August 2019, being the Tender Closing Date. No acknowledgement of receipt of documents will be given. The instructions printed on the Tender Form shall be deemed to form part of the terms of the Tender Offer for Eligible Ordinary Shareholders who hold their Ordinary Shares in certificated form. Any Tender Form received in an envelope postmarked in a Restricted Jurisdiction or otherwise appearing to the Company or its agents to have been sent from any such Restricted Jurisdiction may be rejected as an invalid tender.

Box 1A of the Tender Form shows, for information purposes only, the entire registered shareholding in the Company on 23 July 2019 of the Eligible Ordinary Shareholder alongside the name and address specified in Box 1.

To accept the Tender Offer, Eligible Ordinary Shareholders who hold their Ordinary Shares in certificated form should complete Box 2A or Box 2B. Eligible Ordinary Shareholders should place a cross in Box 2A to tender their Tender Offer Entitlement. If an Eligible Ordinary Shareholder wishes to tender a specific number of Ordinary Shares which is more than or less than their Tender Offer Entitlement, they should insert such number of Ordinary Shares in Box 2B. If a cross is not placed in Box 2A and no number of Ordinary Shares is inserted in Box 2B and an Eligible Ordinary Shareholder signs Box 4, they will be deemed to have accepted the Tender Offer in respect of their Tender Offer Entitlement. If a number greater than an Eligible Ordinary Shareholder's registered holding of Ordinary Shares is written in Box 2B and they have signed Box 4, they will be deemed to have accepted the Tender Offer in respect of their entire registered holding of Ordinary Shares on the Tender Record Date. If an Eligible Ordinary Shareholder does not place a cross in Box 2A but inserts the word 'ALL' in Box 2B and signs Box 4, they will also be deemed to have accepted the Tender Offer in respect of their entire registered holding of Ordinary Shares on the Tender Record Date.

Eligible Ordinary Shareholders can elect (subject to the terms and conditions of the Currency Election Facility) to receive the Tender Offer consideration in US Dollars or Pounds Sterling (the default) at the Buy Back Exchange Rate (after deduction of any transaction or dealings costs associated with the conversion). The Ordinary Shares an Eligible Ordinary Shareholder successfully tenders will as a default be settled in Pounds Sterling. If an Eligible Ordinary Shareholder wishes instead to elect to receive the cash settlement in US Dollars then they should complete Box 3A of the Tender Form in respect of which they wish to receive the consideration relating to the Ordinary Shares they have successfully elected to tender.

A Tender Form, once received by the Receiving Agent, will be irrevocable. The receipt by the Receiving Agent of a valid Tender Form shall constitute an offer to sell the Tender Offer Entitlement if Box 2A is crossed or the number of Ordinary Shares specified in Box 2B of the Tender Form at the Tender Price.

All Tender Forms are issued only to the addressees and are specific to the classes of security and the unique designated accounts printed on the Tender Forms. These personalised forms are not transferable or assignable between different: (i) account holders; (ii) classes of security; or (iii) uniquely designated accounts. Neither the Company nor the Receiving Agent accept any responsibility for any instruction that does not comply with these instructions.

### 3.2 Share certificate(s) and/or other document(s) of title not readily available or lost

If an Eligible Ordinary Shareholder's Ordinary Shares are held in certificated form but their share certificate(s) and/or other document(s) of title is/are not readily available or are lost, the Tender Form should nevertheless be completed, signed and returned as described in paragraph 3.1 of this Part III ("*Terms and Conditions of the Tender Offer*") of this document so as to be received not later than 1.00 p.m. on 23 August 2019, being the Tender Closing Date, together with any share certificate(s) and/or other document(s) of title that they may have available, accompanied by a letter stating that the balance will follow and the share certificate(s) and/or other document(s) of title should be forwarded as soon as possible thereafter and, in any event, so as to arrive not later than 1.00 p.m. on the Tender Closing Date.

If Eligible Ordinary Shareholders who hold their Ordinary Shares in certificated form have lost their share certificate(s) and/or other document(s) of title, they should write to the Registrars at Equiniti Limited, Corporate Actions, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA, United Kingdom for a letter of indemnity in respect of the lost share certificate(s) and/or other document(s) of title that, when completed in accordance with the instructions given, should be returned by post or by hand (during normal business hours) to Equiniti Limited, Corporate Actions, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA, United Kingdom to be received no later than 1.00 p.m. on the Tender Closing Date.

**ELIGIBLE ORDINARY SHAREHOLDERS SHOULD NOTE THAT NO PAYMENT IN RESPECT OF THE TENDER OFFER WILL BE MADE UNTIL SATISFACTORY DOCUMENTATION HAS BEEN RECEIVED AS DESCRIBED ABOVE.**

### 3.3 Ordinary Shares in uncertificated form (that is, in CREST)

If the Ordinary Shares that Eligible Ordinary Shareholders wish to tender are in uncertificated form (that is, in CREST) they should take (or procure to take) the action set out below to transfer to escrow (by means of a TTE Instruction) the total number of Ordinary Shares that they wish to tender pursuant to the Tender Offer as soon as possible and in any event so that the transfer to escrow settles not later than 1.00 p.m. on 23 August 2019, being the Tender Closing Date.

The input and settlement of a TTE Instruction in accordance with this paragraph 3.3 of this Part III ("*Terms and Conditions of the Tender Offer*") of this document shall constitute an offer to sell the number of Ordinary Shares at the Tender Price, by transferring such Ordinary Shares to the relevant escrow account as detailed below (an "**Electronic Tender**").

If an Eligible Ordinary Shareholder who holds their Ordinary Shares in uncertificated form (that is, in CREST) is a CREST Sponsored Member, they should refer to their CREST Sponsor before taking any action. The CREST Sponsor will be able to confirm details of an Eligible Ordinary Shareholder's Participant ID and the Member Account ID under which their Ordinary Shares are held. In addition, only



the CREST Sponsor will be able to send the TTE Instruction to Euroclear in relation to an Eligible Ordinary Shareholder's Ordinary Shares held in uncertificated form (that is, in CREST).

To tender Ordinary Shares in uncertificated form (that is, in CREST) and elect to receive cash settlement in **Pounds Sterling**, Eligible Ordinary Shareholders should send (or, if they are a CREST Sponsored Member, procure that their CREST Sponsor sends) a TTE Instruction to Euroclear as soon as possible and in any event, in order to be valid, not later than 1.00 p.m. on the Tender Closing Date. The TTE Instruction, which must be properly authenticated in accordance with Euroclear's specification and must contain, in addition to other information that is required for the TTE Instruction to settle in CREST, the following details:

- the corporate action number of the Tender Offer. This is allocated by Euroclear and will be available on screen from Euroclear;
- the number of Ordinary Shares to be transferred to an escrow balance;
- the Member Account ID of the Eligible Ordinary Shareholder;
- the Participant ID of the Eligible Ordinary Shareholder;
- the Participant ID of the Escrow Agent, which is the Receiving Agent in its capacity as a CREST receiving agent. This is 6RA24;
- the Member Account ID of the Escrow Agent. This is RA307901;
- the intended settlement date for the transfer to escrow. This should be as soon as possible and, in any event, by no later than 1.00 p.m. on the Tender Closing Date;
- the ISIN of the Ordinary Shares, which is GG00B403HK58;
- input with the standard delivery instruction, priority 80; and
- a contact name and telephone number in the shared note field.

To tender Ordinary Shares in uncertificated form (that is, in CREST) and elect to receive cash settlement in **US Dollars**, Eligible Ordinary Shareholders should send (or, if they are a CREST Sponsored Member, procure that their CREST Sponsor sends) a TTE Instruction to Euroclear as soon as possible and in any event, in order to be valid, not later than 1.00 p.m. on the Tender Closing Date. The TTE Instruction, which must be properly authenticated in accordance with Euroclear's specification and must contain, in addition to other information that is required for the TTE Instruction to settle in CREST, the following details:

- the corporate action number of the Tender Offer. This is allocated by Euroclear and will be available on screen from Euroclear;
- the number of Ordinary Shares to be transferred to an escrow balance;
- the Member Account ID of the Eligible Ordinary Shareholder;
- the Participant ID of the Eligible Ordinary Shareholder;
- the Participant ID of the Escrow Agent, which is the Receiving Agent in its capacity as a CREST receiving agent. This is 6RA24;
- the Member Account ID of the Escrow Agent. This is RA307902;
- the intended settlement date for the transfer to escrow. This should be as soon as possible and, in any event, by no later than 1.00 p.m. on the Tender Closing Date;
- the ISIN of the Ordinary Shares, which is GG00B403HK58;
- input with the standard delivery instruction, priority 80; and

- a contact name and telephone number in the shared note field.

After settlement of the TTE Instruction, Eligible Ordinary Shareholders who hold their Ordinary Shares in uncertificated form (that is, in CREST) will not be able to access the Ordinary Shares the subject of such TTE Instruction in CREST for any transaction or charging purposes, notwithstanding that such Ordinary Shares will be held by the Escrow Agent as the agent of the Eligible Ordinary Shareholders.

Such Eligible Ordinary Shareholders are recommended to refer to the CREST Manual for further information on the CREST procedures outlined above.

Eligible Ordinary Shareholders can elect (subject to the terms and conditions of the Currency Election Facility) to receive the Tender Offer consideration in US Dollars or Pounds Sterling (the default) at the Buy Back Exchange Rate (after deduction of any transaction or dealings costs associated with the conversion). The Ordinary Shares an Eligible Ordinary Shareholder successfully tenders will as a default be settled in Pounds Sterling.

Eligible Ordinary Shareholders who hold their Ordinary Shares in uncertificated form (that is, in CREST) should note that Euroclear does not make available special procedures, in CREST, for any particular corporate action. Normal system timings and limitations will therefore apply in connection with a TTE Instruction and its settlement. Such Eligible Ordinary Shareholders should therefore ensure that they take all necessary action (or is taken by their CREST Sponsor) to enable a TTE Instruction relating to their Ordinary Shares to settle prior to 1.00 p.m. on the Tender Closing Date. In this connection, Eligible Ordinary Shareholders are referred in particular to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

An appropriate announcement by way of a Regulatory Information Service will if and as required be made if any of the details contained in this paragraph 3.3 of this Part III ("*Terms and Conditions of the Tender Offer*") of this document are altered in any material respect for any reason.

Withdrawals of tenders submitted via CREST are not permitted once submitted, without the consent of the Company.

### **3.4 Deposits of Ordinary Shares into, and withdrawals of Ordinary Shares from, CREST**

Normal CREST procedures (including timings) apply in relation to any Ordinary Shares that are, or are to be, converted from uncertificated (that is, in CREST) to certificated form, or from certificated to uncertificated form (that is, in CREST), during the course of the period during which the Tender Offer is open (whether such conversion relates to the Tender Offer or otherwise). Eligible Ordinary Shareholders who are proposing to convert any such Ordinary Shares are recommended to ensure that the conversion procedures are implemented in sufficient time to enable them to take all necessary steps in connection with any participation in the Tender Offer (in particular, as regards delivery of share certificate(s) and/or other document(s) of title or transfers to an escrow balance as described above) prior to 1.00 p.m. on 23 August 2019, being the Tender Closing Date.

### **3.5 Miscellaneous**

If the Tender Offer lapses or is withdrawn or terminated, all documents lodged pursuant to the Tender Offer will be returned promptly by post not later than 3 business days after such date or, in the case of Eligible Ordinary Shareholders who hold their Ordinary Shares in uncertificated form (that is, in CREST), the Escrow Agent will provide instructions to Euroclear to transfer all Ordinary Shares held in escrow balances by TFE Instruction to the original available balances from which those Ordinary Shares came within such time. In any of these circumstances, Tender Forms will cease to have any effect.

Tendering Eligible Ordinary Shareholders will not, save as set out expressly herein, be obliged to pay brokerage fees, commissions or transfer taxes or duty in the United Kingdom on the purchase of Ordinary Shares in relation to the Tender Offer.

The delivery of share certificate(s) and/or other document(s) of title for Ordinary Shares and all other required documents and all remittances will be at the risk of the tendering Eligible Ordinary Shareholder.

If Eligible Ordinary Shareholders are in any doubt as to the procedure for tendering, please contact the Receiving Agent, Equiniti Limited on 0371 384 2509, if calling from within the United Kingdom, or on

+44 121 415 0860, if calling from outside the United Kingdom. Calls to the +44 121 415 0860 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 in England and Wales). The helpline cannot provide advice on the merits of the Tender Offer nor give any financial, legal or tax advice. Eligible Ordinary Shareholders are reminded that, if they are a CREST Sponsored Member, they should contact their CREST Sponsor before taking any action.

#### **4. Settlement**

Unless the Tender Offer lapses, is withdrawn or terminated or is extended, the outcome of the Tender Offer will be announced by no later than on 27 August 2019. The payment of any consideration for Ordinary Shares purchased pursuant to the Tender Offer will be made, in the case of Eligible Ordinary Shareholders who hold their Ordinary Shares in uncertificated form (that is, in CREST) which are tendered, only after the relevant TTE Instruction has settled or, in the case of Eligible Ordinary Shareholders who hold their Ordinary Shares in certificated form (that is, not in CREST) which are tendered, timely receipt by the Receiving Agent of share certificate(s) and/or other document(s) of title, a properly completed and duly executed Tender Form and any other documents required by the Tender Form.

Settlement of the consideration to which any Eligible Ordinary Shareholder is entitled pursuant to valid tenders accepted by the Company, will be made as follows:

##### **4.1 Ordinary Shares in uncertificated form (that is, in CREST)**

Where an accepted tender relates to Ordinary Shares held by Eligible Ordinary Shareholders in uncertificated form (that is, in CREST), any cash consideration will be paid by means of CREST by the Company procuring the creation of an assured payment obligation in favour of the payment banks of tendering Eligible Ordinary Shareholders in accordance with the CREST assured payment arrangements, not later than 5 business days after the day that the outcome of the Tender Offer is announced.

The Company reserves the right to settle all or any part of the consideration referred to in this paragraph 4.1, for all or any accepted tenders, in the manner referred to in paragraph 4.2 of this Part III ("*Terms and Conditions of the Tender Offer*") of this document, if, for any reason, it wishes to do so.

##### **4.2 Ordinary Shares in certificated form (that is, not in CREST)**

Where an accepted tender relates to Ordinary Shares held by Eligible Ordinary Shareholders in certificated form, cheques for the consideration will be despatched by post not later than 5 business days after the day that the outcome of the Tender Offer is announced, at the risk of the person entitled thereto. All cash payments will be made by cheque drawn on a branch of a UK clearing bank.

Delivery of cash for the Ordinary Shares to be purchased by the Company pursuant to the Tender Offer will be made by the Receiving Agent. The Receiving Agent will act as agent for tendering Eligible Ordinary Shareholders for the purpose of receiving the cash and transmitting such cash to tendering Eligible Ordinary Shareholders. Under no circumstances will interest be paid on the cash to be paid by the Company or the Receiving Agent regardless of any delay in making such payment.

##### **4.3 Currency Election Facility**

Eligible Ordinary Shareholders can elect (subject to the terms and conditions of the Currency Election Facility) to receive the Tender Offer consideration in US Dollars or Pounds Sterling (the default) at the Buy Back Exchange Rate (after deduction of any transaction or dealings costs associated with the conversion). The Ordinary Shares an Eligible Ordinary Shareholder successfully tenders will as a default be settled in Pounds Sterling. If an Eligible Ordinary Shareholder wishes instead to elect to receive the cash settlement in US Dollars then they should complete Box 3A of the Tender Form (in respect of Ordinary Shares held in certificated form) or submit a TTE Instruction (in respect of Ordinary Shares held in uncertificated form (that is, in CREST)) in respect of which they wish to receive the consideration relating to the Ordinary Shares they have successfully elected to tender. Further details of the Currency Election Facility are set out in paragraph 9 of Part III ("*Terms and Conditions of the Tender Offer*") of this document.

## 5. Tender Form

Each Eligible Ordinary Shareholder who holds their Ordinary Shares in certificated form (that is, not in CREST) and by whom, or on whose behalf, a Tender Form is executed irrevocably undertakes, represents, warrants and agrees to and with the Company and the Receiving Agent, for themselves and as agent for the Company, so as to bind such Eligible Ordinary Shareholder and their personal or legal representatives, heirs, successors and assigns to the following effect:

- (a) that the execution of the Tender Form shall constitute an irrevocable offer to sell to the Company the Tender Offer Entitlement where Box 2A has been crossed or the total number of Ordinary Shares inserted or deemed to have been inserted in Box 2B of the Tender Form, in each case, on and subject to the terms and conditions set out or referred to in this document and the Tender Form;
- (b) that such Eligible Ordinary Shareholder has full power and authority to tender, sell, assign or transfer the Ordinary Shares in respect of which such irrevocable offer is accepted (together with all rights attaching thereto) and, when the same are purchased by the Company, the Company will acquire such Ordinary Shares free and clear from all liens, charges, restrictions, claims, equitable interests and encumbrances and together with all rights attaching thereto and such representation and warranty will be true in all respects at the time the Company purchases such Ordinary Shares as if it had been entered into anew at such time and shall not be extinguished by such purchase;
- (c) that the execution of the Tender Form will, subject to the Tender Offer becoming unconditional, constitute the irrevocable appointment of any director or officer of the Company or any other person nominated by the Company as such Eligible Ordinary Shareholder's attorney and/or agent ("**Attorney**") and an irrevocable instruction to the Attorney to complete and execute all or any instruments of transfer and/or other documents at the Attorney's discretion in relation to the Ordinary Shares referred to in paragraph 5(a) of this Part III ("*Terms and Conditions of the Tender Offer*") of this document in favour of the Company and to deliver such instrument(s) of transfer and/or other documents at the discretion of the Attorney to the Company, together with the share certificate(s) and/or other document(s) of title relating to such Ordinary Shares, and to do all such other acts and things as may in the opinion of such Attorney be necessary or expedient for the purpose of, or in connection with, the Tender Offer and to vest in the Company such Ordinary Shares;
- (d) that such Eligible Ordinary Shareholder agrees to ratify and confirm each and every act or thing that may be done or effected by the Attorney and/or by the Company or any of its directors, officers or any person nominated by the Company in the proper exercise of its or his or her powers and/or authorities hereunder;
- (e) that in respect of tendered Ordinary Shares held in certificated form, such Eligible Ordinary Shareholder will deliver to the Receiving Agent their share certificate(s) and/or other document(s) of title in respect of the Ordinary Shares referred to in paragraph 5(a) of this Part III ("*Terms and Conditions of the Tender Offer*") of this document, or an indemnity acceptable to the Company in lieu thereof, or will procure the delivery of such documents to such person as soon as possible thereafter and, in any event, before the closing of the Tender Offer;
- (f) that the terms of this Part III ("*Terms and Conditions of the Tender Offer*") of this document shall be deemed to be incorporated in, and form part of, the Tender Form, which shall be read and construed accordingly;
- (g) that, if so required by the Company, such Eligible Ordinary Shareholder shall do all such acts and things as shall be necessary or expedient and execute any additional documents deemed by the Company to be desirable, to complete the purchase of the Ordinary Shares referred to in paragraph 5(a) of this Part III ("*Terms and Conditions of the Tender Offer*") of this document and/or to perfect any of the authorities expressed to be given hereunder;
- (h) that the execution of a Tender Form constitutes, subject to the Tender Offer becoming unconditional, an irrevocable authorisation and request (if the Ordinary Shares concerned, which are held by such Eligible Ordinary Shareholder, are in certificated form) to the Company

to procure the despatch by post of a cheque drawn in Pounds Sterling at a branch of a UK clearing bank or, where a specific election has been made to receive cash in US Dollars, in US Dollars for the cash consideration to which such a tendering Eligible Ordinary Shareholder is entitled, at the risk of such Eligible Ordinary Shareholder, to the personal agent whose name and address outside any Restricted Jurisdiction is set out in Box 1 of the Tender Form;

- (i) that such Eligible Ordinary Shareholder, if an Overseas Shareholder, has fully observed any applicable legal requirements and that the invitation pursuant to the Tender Offer may be made to him, her or it under the laws of the relevant jurisdiction;
- (j) that such Eligible Ordinary Shareholder has not received or sent copies or originals of this document, the Tender Form or any related documents in, into or from any Restricted Jurisdiction and has not otherwise utilised in connection with the Tender Offer, directly or indirectly, the mails or any means or instrumentality (including, without limitation, facsimile transmission, email and telephone) of interstate or foreign commerce, or of any facility of a national securities exchange, of any Restricted Jurisdiction;
- (k) that the Tender Form has not been mailed or otherwise sent in, into or from any Restricted Jurisdiction and such Eligible Ordinary Shareholder is accepting the Tender Offer from outside any Restricted Jurisdiction;
- (l) that the despatch of a cheque to such Eligible Ordinary Shareholder as referred to in paragraph 4 of this Part III ("*Terms and Conditions of the Tender Offer*") of this document, will discharge fully any obligation of the Company to pay such Eligible Ordinary Shareholder the consideration to which he, she or it is entitled pursuant to the Tender Offer;
- (m) that on execution, the Tender Form takes effect as a deed;
- (n) that the execution of the Tender Form constitutes such Eligible Ordinary Shareholder's submission to the exclusive jurisdiction of the English courts in relation to all matters arising out of or in connection with the Tender Offer or the Tender Form; and
- (o) that, if the appointment of Attorney provision under paragraph 5(c) of this Part III ("*Terms and Conditions of the Tender Offer*") of this document shall be unenforceable or invalid or shall not operate so as to afford any director or officer of or any person nominated by the Company the benefit or authority expressed to be given therein, such Eligible Ordinary Shareholder shall with all practicable speed do all such acts and things and execute all such documents that may be required to enable the Company to secure the full benefits of such paragraph 5(c).

A reference in this paragraph 5 of this Part III ("*Terms and Conditions of the Tender Offer*") of this document to a holder of Ordinary Shares or an Eligible Ordinary Shareholder includes a reference to the person or persons executing the Tender Form and in the event of more than one person executing a Tender Form, the provisions of this paragraph 5 will apply to them jointly and severally.

## 6. **Electronic Tenders**

Each Eligible Ordinary Shareholder who holds their Ordinary Shares in uncertificated form (that is, in CREST) and by whom, or on whose behalf, an Electronic Tender is made irrevocably undertakes, represents, warrants and agrees to and with the Company and the Receiving Agent, for themselves and as agent for the Company, so as to bind such Eligible Ordinary Shareholder and their personal or legal representatives, heirs, successors and assigns to the following effect:

- (a) that the input of the TTE Instruction shall constitute an irrevocable offer to sell to the Company such number of Ordinary Shares as are specified in the TTE Instruction or deemed to be tendered, in each case, on and subject to the terms and conditions set out or referred to in this document;
- (b) that such Eligible Ordinary Shareholder has full power and authority to tender, sell, assign or transfer the Ordinary Shares in respect of which such irrevocable offer is accepted (together with all rights attaching thereto) and, when the same are purchased by the Company, the Company will acquire such Ordinary Shares free and clear from all liens, charges, restrictions, claims, equitable interests and encumbrances and together with all rights attaching thereto and

such representation and warranty will be true in all respects at the time the Company purchases such Ordinary Shares as if it had been entered into anew at such time and shall not be extinguished by such purchase;

- (c) that the input of the TTE Instruction will, subject to the Tender Offer becoming unconditional, constitute the irrevocable appointment of any director or officer of the Company or any other person nominated by the Company as such Eligible Ordinary Shareholder's agent ("**Agent**") and an irrevocable instruction to the Agent to complete and execute all or any instruments of transfer and/or other documents or input any instructions into CREST at the Agent's discretion in relation to the Ordinary Shares referred to in paragraph 6(a) of this Part III ("*Terms and Conditions of the Tender Offer*") of this document above in favour of the Company and to deliver at the discretion of the Agent any documents or input any instructions into CREST relating to such Ordinary Shares and to do all such other acts and things as may in the opinion of such Agent be necessary or expedient for the purpose of, or in connection with, the Tender Offer and to vest in the Company such Ordinary Shares;
- (d) that such Eligible Ordinary Shareholder agrees to ratify and confirm each and every act or thing that may be done or effected by the Agent and/or by the Company or any of its directors, officers or any person nominated by the Company in the proper exercise of its or his or her powers and/or authorities hereunder;
- (e) that if so required by the Company, such Eligible Ordinary Shareholder shall do all such acts and things as shall be necessary or expedient and execute any additional documents deemed by the Company to be desirable to complete the purchase of the Ordinary Shares referred to in paragraph 6(a) of this Part III ("*Terms and Conditions of the Tender Offer*") of this document and/or to perfect any of the authorities expressed to be given hereunder;
- (f) that such Eligible Ordinary Shareholder, if an Overseas Shareholder, has fully observed any applicable legal requirements and that the invitation pursuant to the Tender Offer may be made to him, her or it under the laws of the relevant jurisdiction;
- (g) that such Eligible Ordinary Shareholder has not received or sent copies or originals of this document, the Tender Form or any related documents in, into or from any Restricted Jurisdiction and has not otherwise utilised in connection with the Tender Offer, directly or indirectly, the mails or any means or instrumentality (including, without limitation, facsimile transmission, email and telephone) of interstate or foreign commerce, or of any facility of a national securities exchange, of any Restricted Jurisdiction at the time of the input of and settlement of the relevant TTE Instruction(s);
- (h) that the TTE Instruction has not been sent from any Restricted Jurisdiction, and such Eligible Ordinary Shareholder is accepting the Tender Offer from outside any Restricted Jurisdiction;
- (i) that the input of a CREST payment in favour of such Eligible Ordinary Shareholder's payment bank in accordance with the CREST payment arrangements as referred to in paragraph 4 of this Part III ("*Terms and Conditions of the Tender Offer*") of this document will discharge fully any obligation of the Company to pay to such Eligible Ordinary Shareholder the consideration to which he, she or it is entitled pursuant to the Tender Offer;
- (j) that the input of the TTE Instruction constitutes such Eligible Ordinary Shareholder's submission to the exclusive jurisdiction of the English courts in relation to all matters arising out of or in connection with the Tender Offer;
- (k) that if, for any reason, any Ordinary Shares in respect of which a TTE Instruction has been made are, prior to 1.00 p.m. on 23 August 2019, being the Tender Closing Date, converted into certificated form, the Electronic Tender in respect of such Ordinary Shares shall cease to be valid and such Eligible Ordinary Shareholder will need to comply with the procedures for tendering Ordinary Shares in certificated form as set out above in respect of the Ordinary Shares so converted, if he, she or it wishes to make a valid tender of such Ordinary Shares pursuant to the Tender Offer; and

- (1) that, if the appointment of Agent provision under paragraph 6(c) of this Part III ("*Terms and Conditions of the Tender Offer*") of this document shall be unenforceable or invalid or shall not operate so as to afford any director or officer of or any person nominated by the Company the benefit or authority expressed to be given therein, such Eligible Ordinary Shareholder shall with all practicable speed do all such acts and things and execute all such documents that may be required to enable the Company to secure the full benefits of such paragraph 6(c).

## 7. **Allocation Policy**

Each Eligible Ordinary Shareholder will be entitled to sell pursuant to the Tender Offer up to their Tender Offer Entitlement. An Eligible Ordinary Shareholder's Tender Offer Entitlement will depend on the Buy Back Exchange Rate but will be determined by such percentage of the Ordinary Shares registered in his, her or its name at 6.00 p.m. on the Tender Record Date that is equal to approximately the Maximum Buy Back Shares divided by the existing issued Ordinary Share capital of the Company multiplied by one hundred (100), rounded down to the nearest whole number of Ordinary Shares. Tendering Eligible Ordinary Shareholders may sell more than their Tender Offer Entitlement to the extent that other Eligible Ordinary Shareholders tender less than their Tender Offer Entitlement (or do not wish to participate in the Tender Offer in respect of their Tender Offer Entitlement), and subject to a cap of the Maximum Tender Offer Shares. If any Eligible Ordinary Shareholders have tendered less than their Tender Offer Entitlement, surplus tenders will be accepted in proportion to the number of additional Ordinary Shares tendered but so that the total number of Ordinary Shares purchased pursuant to the Tender Offer does not exceed the Maximum Tender Offer Shares. The Maximum Tender Offer Shares is to be determined by reference to a proportion of the Buy Back Amount equivalent to an amount of up to US\$12,930,012 (translated into Pounds Sterling at the Buy Back Exchange Rate) that the Company is proposing to return to Ordinary Shareholders via the Tender Offer, being the Tender Offer Amount. The Maximum Tender Offer Shares will depend on the Buy Back Exchange Rate but will be determined by such number of Ordinary Shares as is equal to the Tender Offer Amount divided by the Tender Price. The process for which Individual Excess Tenders will be scaled back, if necessary, is described further in paragraph 2.19 of this Part III ("*Terms and Conditions of the Tender Offer*") of this document.

## 8. **Invalid Tenders**

The Company reserves the absolute right to inspect (either itself or through its agents) all Tender Forms, and may consider void and reject any tender that does not in the sole judgment of the Company meet the requirements of the Tender Offer. None of the Company, the Receiving Agent or any other person will be under any duty to give notification of any defects or irregularities in tenders or incur any liability for failure to give any such notification. The Company reserves the right, in its sole and absolute discretion, to treat as valid in whole or in part any Tender Form and/or TTE Instruction that is not entirely in order or (where required) that is not accompanied by the relevant share certificate(s) and/or other document(s) of title. In that event, however, the consideration pursuant to the Tender Offer will only be despatched when the Tender Form is entirely in order, when the relevant TTE Instruction has been settled or (as the case may be) the relevant share certificate(s) and/or other document(s) of title or indemnities satisfactory to the Company has/have been received.

All tenders received in respect of Ordinary Shares held by Eligible Ordinary Shareholders in certificated form (that is, not in CREST) must be made on a Tender Form delivered to the Receiving Agent so as to be received no later than 1.00 p.m. on 23 August 2019, being the Tender Closing Date.

A Tender Form which is received in respect of Ordinary Shares held by Eligible Ordinary Shareholders in uncertificated form (that is, in CREST) will not constitute a valid tender and will be disregarded. Eligible Ordinary Shareholders who hold their Ordinary Shares in uncertificated form (that is, in CREST) who wish to tender any such Ordinary Shares should note that a TTE Instruction submitted will only be a valid tender as at the Tender Closing Date, if it has settled on or before 1.00 p.m. on that date.

## 9. **The Currency Election Facility**

Eligible Ordinary Shareholders who validly accept the Tender Offer may, under the Currency Election Facility provided by the Receiving Agent, elect (subject to the terms and conditions of the Currency Election Facility) to receive the Tender Offer consideration in US Dollars or Pounds Sterling (the default) at the Buy Back Exchange Rate (after deduction of any transaction or dealings costs associated with the conversion). The Ordinary Shares an Eligible Ordinary Shareholder successfully tenders will as a default

be settled in Pounds Sterling. If an Eligible Ordinary Shareholder wishes instead to elect to receive the cash settlement in US Dollars then they should complete Box 3A of the Tender Form (in respect of Ordinary Shares held in certificated form) or submit a TTE Instruction (in respect of Ordinary Shares held in uncertificated form (that is, in CREST)) in respect of which they wish to receive the consideration relating to the Ordinary Shares they have successfully elected to tender.

Cash consideration payable to Eligible Ordinary Shareholders who hold Ordinary Shares in certificated form (that is, not in CREST) will be effected by the issue of cheques. Cash consideration payable to Eligible Ordinary Shareholders who hold Ordinary Shares in uncertificated form (that is, in CREST) will be credited to the relevant CREST accounts. If CREST rejects a US Dollar or Pounds Sterling payment (as the case may be) to an Eligible Ordinary Shareholder because that Eligible Ordinary Shareholder does not have a valid bank account linked to his participant ID or holding of Ordinary Shares or for any other reason, payment will be effected by the issue of cheques.

Eligible Ordinary Shareholders should be aware that the Buy Back Exchange Rate as at market close on the Tender Closing Date may be different from the prevailing USD/GBP exchange rate at any given time including at the time of election or despatch or receipt of payment.

#### 10. **Closing Date and right to extend the Tender Offer**

The Tender Offer will close at 1.00 p.m. on 23 August 2019, being the Tender Closing Date and no tenders that are received after that time will be accepted unless the Company, in its sole and absolute discretion, shall have extended the period during which the Tender Offer is open, in which event the term "**Tender Closing Date**" shall mean the latest time and date at which the Tender Offer, as so extended by the Company, shall close. The Company shall notify the Receiving Agent of any extension of the Tender Closing Date by oral or written notice and if and as required shall notify Shareholders of such extension by way of a Regulatory Information Service not later than 6.00 p.m. on the Tender Closing Date.

#### 11. **Right to terminate the Tender Offer**

If at any time prior to 1.00 p.m. on 23 August 2019, being the Tender Closing Date:

- (a) the Board in its sole and absolute discretion concludes that the Tender Offer would no longer be in the best interests of the Company and/or Shareholders as a whole; or
- (b) there would or may be unexpected adverse financial consequences (whether by reason of a change in legislation or practice or otherwise) for the Company or its Shareholders if the Tender Offer were to proceed; or
- (c) there shall occur any change in the national or international, financial, economic, political or market conditions; or
- (d) there shall occur any change in the financial position or prospects and/or circumstances of the Company and therefore the directors can no longer be satisfied on reasonable grounds that the Company will, immediately after completion of the Tender Offer and resultant Off-Market Acquisitions, satisfy the solvency test prescribed by the Guernsey Companies Law,

which, in respect of paragraphs (b) and (c) above, in the opinion of the Board (acting in its sole and absolute discretion), renders the Tender Offer temporarily or permanently impractical or inadvisable (taking into account the background to and reasons for the Tender Offer), the Company shall be entitled to determine that the Tender Offer is terminated and that no Ordinary Shares tendered by Eligible Ordinary Shareholders pursuant to the Tender Offer shall be purchased. If such determination is made, the Company shall, as promptly as practicable thereafter, announce the same by way of a Regulatory Information Service.

#### 12. **Overseas Shareholders**

The making of the Tender Offer in, or to certain persons who are citizens or nationals of, or resident in, jurisdictions outside the United Kingdom, Guernsey or the United States or custodians, nominees or trustees for persons who are citizens or nationals of, or residents in, jurisdictions outside the United Kingdom, Guernsey or the United States, may be affected or prohibited by the laws of the relevant



overseas jurisdiction. Eligible Ordinary Shareholders who are Overseas Shareholders should inform themselves about and observe any applicable legal requirements. It is the responsibility of any such Eligible Ordinary Shareholder wishing to tender Ordinary Shares to satisfy himself, herself or itself as to the full observance of the laws of the relevant jurisdiction in connection therewith, including the obtaining of any governmental, exchange control or other consents that may be required, the compliance with other necessary formalities and the payment of any issue, transfer or other taxes due in such jurisdiction. If you are in any doubt about your position, you should consult your professional adviser in the relevant jurisdiction. Any such Eligible Ordinary Shareholder will be responsible for payment of any such issue, transfer or other taxes or other requisite payments due by whomsoever payable and the Company and any person acting on any of their behalf shall be entitled to be fully indemnified and held harmless by such Eligible Ordinary Shareholder for any such issue, transfer or other taxes as such person may be required to pay. No steps have been taken to register or qualify the Tender Offer or authorise the extending of this Tender Offer or the distribution of this document or any Tender Form and any related documents in any territory outside the United Kingdom, Guernsey or the United States.

In particular, the Tender Offer is not being made directly or indirectly in or into, or by use of the mails of, or by any means or instrumentality of interstate or foreign commerce of, or any facilities of a national securities exchange of any Restricted Jurisdiction. This includes, but is not limited to, facsimile transmission, email and telephone. Copies of this document, the Tender Form and any related documents are not being mailed or otherwise distributed or sent in or into any Restricted Jurisdiction, including to Shareholders with registered addresses in these jurisdictions or to persons whom the Company knows to be trustees, nominees or custodians holding Ordinary Shares for such persons. Persons receiving such documents (including, without limitation trustees, nominees or custodians) must not distribute or send them in or into any Restricted Jurisdiction or use such mails or any such means or instrumentality for any purpose directly or indirectly in connection with the Tender Offer, and so doing may invalidate any purported tender pursuant to the Tender Offer. Persons wishing to tender pursuant to the Tender Offer must not use such mails or any such means or instrumentality for any purpose directly or indirectly related to any tender pursuant to the Tender Offer. Envelopes containing Tender Form(s) should not be postmarked in any of the Restricted Jurisdictions or otherwise despatched from any of the Restricted Jurisdictions, and all acceptors must provide addresses outside the Restricted Jurisdictions for the remittance of cash, or for the return of Tender Form(s), share certificate(s) and/or other document(s) of title.

The provisions of this paragraph 12 of this Part III ("*Terms and Conditions of the Tender Offer*") of this document and/or any other terms of the Tender Offer relating to Overseas Shareholders may be waived, varied or modified as regards a specific Shareholder or on a general basis by the Company in its sole and absolute discretion, but only if the Company is satisfied that such waiver, variation or modification will not constitute or give rise to a breach of applicable securities or other laws. Subject to this, the provisions of this paragraph 12 supersede any terms of the Tender Offer inconsistent herewith. References in this paragraph 12 to an Eligible Ordinary Shareholder shall include references to the persons executing a Tender Form and, in the event of more than one person executing a Tender Form, the provisions of this paragraph 12 shall apply to them jointly and severally.

An Eligible Ordinary Shareholder will be deemed not to have offered Ordinary Shares pursuant to the Tender Offer if (i) such Eligible Ordinary Shareholder is unable to make the representations and warranties set out in paragraphs 5 or 6 (as appropriate) of this Part III ("*Terms and Conditions of the Tender Offer*") of this document; or (ii) such Eligible Ordinary Shareholder completes a Tender Form with an address in any of the Restricted Jurisdictions or has a registered address in any of the Restricted Jurisdictions and in either case such Eligible Ordinary Shareholder does not insert on a Tender Form the name and address of the person or agent outside of any of the Restricted Jurisdictions to whom he, she or it wishes the consideration to which he, she or it is entitled pursuant to the Tender Offer to be sent, subject to the provisions of this paragraph 12 and applicable law; or (iii) such Eligible Ordinary Shareholder inserts on a Tender Form the name and address of the person or agent in any of the Restricted Jurisdictions to whom he, she or it wishes the consideration to which such Eligible Ordinary Shareholder is entitled pursuant to the Tender Offer to be sent; or (iv) the Tender Form received from him, her or it is in an envelope postmarked in, or which otherwise appears to the Company or its agents to have been sent from any of the Restricted Jurisdictions. The Company reserves the right, in its sole and absolute discretion, to investigate in relation to any tender, whether the representations and warranties set out in paragraphs 5 or 6 (as appropriate) and given by any Eligible Ordinary Shareholder are correct and, if such investigation is undertaken and, as a result, the Company determines (for any reason) that such representation and warranty is not correct, such tender shall not be valid.

If, in connection with making the Tender Offer, notwithstanding the restrictions described above, any person (including, without limitation, custodians, nominees and trustees), whether pursuant to a contractual or legal obligation or otherwise, forwards this document, any Tender Form or any related documents in, into or from any of the Restricted Jurisdictions, such person should:

- inform the recipient of such fact;
- explain to the recipient that such action may invalidate any purported tender by the recipient;  
and
- draw the attention of the recipient to this paragraph 12 entitled "*Overseas Shareholders*".

## PART IV – TAXATION

The tax consequences of accepting the Tender Offer will depend on the individual circumstances of an Eligible Ordinary Shareholder.

The following information, which relates only to the United Kingdom, Guernsey and the United States, is not exhaustive and is intended as a general guide only to tax considerations and does not constitute advice. It does not purport to be a complete analysis of all potential United Kingdom, Guernsey and United States tax consequences of selling Ordinary Shares pursuant to the Tender Offer. It is based on the law and practice currently in force in the United Kingdom, Guernsey and the United States, which are subject to change at any time (possibly with retroactive effect). It is of a general nature and (unless otherwise stated) only applies to certain Eligible Ordinary Shareholders who are resident for tax purposes in (and only in) the United Kingdom, Guernsey or the United States who hold their Ordinary Shares as an investment and who are the absolute beneficial owners of the Ordinary Shares. It does not address the position of certain categories of Eligible Ordinary Shareholders who are subject to special rules, such as dealers in securities, insurance companies and collective investment schemes.

**Eligible Ordinary Shareholders who are in any doubt as to their taxation position, should consult their professional advisers without delay. In particular, any Eligible Ordinary Shareholder who is resident in, or is a citizen of, a country other than the United Kingdom, Guernsey or the United States may be subject to the tax laws and requirements of that other jurisdiction and should seek professional advice in respect of their taxation position in that jurisdiction without delay.**

**This Part IV ("*Taxation*") of this document is, as above, limited to providing a general guide only to tax considerations in the United Kingdom, Guernsey and the United States for certain Eligible Ordinary Shareholders in respect of the Tender Offer. It does not include any tax considerations or advice whatsoever for those Eligible Ordinary Shareholders who may have Ordinary Shares bought back from them as a result of the Tender Offer via Off-Market Acquisitions pursuant to, and as required by, the terms of the Company's Articles of Incorporation. Any such Eligible Ordinary Shareholders should seek professional advice in respect of their taxation position without delay.**

### 1. United Kingdom taxation

#### 1.1 The Company

It is the intention of the Directors to continue to conduct the affairs of the Company so that the central management and control of the Company is not exercised in the United Kingdom and so that the Company does not carry out any trade in the United Kingdom (whether or not through a permanent establishment situated there). On this basis, the Company should not be liable for United Kingdom corporation or income taxes on its profits and gains other than certain profits or gains deriving from a United Kingdom source. It is assumed for the purposes of the discussion below that the effect of the Board's policy in respect of the Tender Offer would not give an Eligible Ordinary Shareholder an expectation of realisation of their Ordinary Shares entirely by reference to or almost entirely by reference to NAV.

#### 1.2 Offshore funds

Part 8 of the Taxation (International and Other Provisions) Act 2010 contains provision for UK taxation of investors in "offshore funds". The Company does not believe that it is an "offshore fund" for such purposes. However, the Company does not make any commitment to Eligible Ordinary Shareholders that it will not be treated as one. Were the Company to be an offshore fund, those rules could have the effect that the proceeds of disposal of the Ordinary Shares pursuant to the Tender Offer would be treated as an income rather than a capital receipt for UK tax purposes of UK resident Eligible Ordinary Shareholders.

#### 1.3 Taxation of income

##### (a) *Individual Eligible Ordinary Shareholders*

The Company has received advice that for the purpose of Guernsey law, the sale of Ordinary Shares pursuant to the Tender Offer is of a capital nature. Accordingly, the sale of Ordinary Shares pursuant to

the Tender Offer will not be taxed as an income distribution provided that the Company is, as intended, not UK tax resident.

(b) *Corporate Eligible Ordinary Shareholders*

The Company has been advised that payments to Eligible Ordinary Shareholders (to the extent that the payments represent repayment of capital and any premium payable on issue of the Ordinary Shares constituting new consideration (together referred to as the "original subscription capital")) in respect of the Tender Offer should not constitute income distributions for UK tax purposes.

To the extent that the amount received pursuant to the Tender Offer exceeds the original subscription capital provided for the Ordinary Shares, such amount may be treated as an income distribution (and excluded from the chargeable gains computation). The tax treatment of the distribution element paid by the Company in respect of the Ordinary Shares will depend upon the size of the recipient company. Any corporate Eligible Ordinary Shareholder which is not small will generally be exempt from corporation tax on the distribution element. Certain small companies will be subject to UK corporation tax on all dividends and distributions received from the Company. In appropriate circumstances, a tax credit should also be given for any underlying tax that is paid on the profits out of which the dividend was paid, provided certain detailed conditions are satisfied. Corporate Eligible Ordinary Shareholders should seek their own separate advice as to whether they are a small company for these purposes.

#### 1.4 **Taxation of chargeable gains**

The sale of Ordinary Shares by a UK tax resident Eligible Ordinary Shareholder to the Company pursuant to the Tender Offer should be treated as a disposal of those Ordinary Shares for United Kingdom tax purposes. This may, subject to the Eligible Ordinary Shareholder's individual circumstances and any available exemption or relief, give rise to a chargeable gain (or allowable loss) for the purposes of United Kingdom taxation of chargeable gains.

(a) *Individual Eligible Ordinary Shareholders*

For an Eligible Ordinary Shareholder who is an individual resident in the United Kingdom, any chargeable gain realised on a disposal of the Ordinary Shares pursuant to the Tender Offer may be subject to capital gains tax. The liability to tax and the rate of tax will depend on the Eligible Ordinary Shareholder's own personal tax position and circumstances. Broadly, an Eligible Ordinary Shareholder whose total taxable gains and income in a given tax year of assessment, including any gains made on the sale of Ordinary Shares ("**Total Taxable Gains and Income**"), are less than or equal to the upper limit of the income tax basic rate band applicable in respect of that tax year (the "**Band Limit**") will normally be subject to capital gains tax at the basic rate (currently 10 per cent.) in respect of any gain arising on the sale of their Ordinary Shares. An Eligible Ordinary Shareholder whose Total Taxable Gains and Income are more than the Band Limit will normally be subject to capital gains tax at the basic rate in respect of any gain arising on the sale of their Ordinary Shares (to the extent that, when added to the Eligible Ordinary Shareholder's other taxable gains and income, the gain is less than or equal to the Band Limit) and at the higher rate (currently 20 per cent.) in respect of the remainder of the gain arising on the sale of their Ordinary Shares.

No tax will be payable on any gain arising on the sale of Ordinary Shares if the amount of the chargeable gain realised by an Eligible Ordinary Shareholder in respect of the sale, when aggregated with other chargeable gains realised by that Eligible Ordinary Shareholder in the tax year of assessment (and after taking into account aggregate losses), does not exceed the annual exemption (£12,000 for 2019/2020).

(b) *Corporate Eligible Ordinary Shareholders*

Eligible Ordinary Shareholders within the charge to UK corporation tax may be subject to corporation tax on chargeable gains in respect of any gain arising on a disposal of Ordinary Shares.

Corporate Eligible Ordinary Shareholders should take their own advice regarding the chargeable gains implications of the sale of Ordinary Shares to the Company, but, broadly, (a) where an amount treated as a distribution is taxable as income, this amount should be excluded from the computation of the chargeable gain and (b) where it is exempt, the distribution should be included in the disposal proceeds for the purposes of the computation of the chargeable gain.

## 1.5 Transactions in securities

Under the provisions of Part 15 of the Corporation Tax Act 2010 (for companies subject to corporation tax) and Chapter 1 of Part 13 of the Income Tax Act 2007 (for individuals and others subject to income tax), HMRC can in certain circumstances counteract tax advantages arising in relation to a transaction or transactions in securities. If these provisions were to be applied by HMRC to the disposal of Ordinary Shares pursuant to the Tender Offer, Eligible Ordinary Shareholders might be liable to corporation tax or income tax (as applicable) as if they had received an income amount rather than a capital amount.

These rules apply only in certain circumstances and do not apply where it can be shown, in the case of any corporation tax advantage, that the transaction or transactions in question were entered into for genuine commercial reasons and none of the transactions involved as one of their main objects the obtaining of any corporation tax advantage and, in the case of any income tax advantage, *inter alia*, that the person did not become a party to any of the transactions with one of the main purposes of obtaining an income tax advantage.

No application has been made to HMRC for clearance in respect of the application of Part 15 of the Corporation Tax Act 2010 or Chapter 1 of Part 13 of the Income Tax 2007 to the Tender Offer.

## 1.6 Stamp duty and stamp duty reserve tax

Eligible Ordinary Shareholders should not have any liability to pay any stamp duty or stamp duty reserve tax as a result of accepting the Tender Offer.

## 1.7 Non-UK tax resident Eligible Ordinary Shareholders

Eligible Ordinary Shareholders who are not resident in the United Kingdom for tax purposes will not generally be subject to United Kingdom taxation on chargeable gains in respect of any disposal of their Ordinary Shares unless they hold their Ordinary Shares for the purposes of a trade, profession or vocation carried on by them through a branch, agency or permanent establishment in the United Kingdom or for the purposes of such a branch, agency or permanent establishment. Individual Eligible Ordinary Shareholders may later become liable to United Kingdom capital gains tax in respect of any gain made on the disposal of their Ordinary Shares in the Tender Offer if they become resident in the United Kingdom for tax purposes at some point during the tax year in which the sale occurs or if they resume United Kingdom residence after a period of temporary non-residence. Non-UK tax resident Eligible Ordinary Shareholders should obtain their own advice about their tax position.

## 2. Guernsey taxation

### 2.1 The Company

The Company has been granted tax exempt status by the Director of the Revenue Service in Guernsey pursuant to the Income Tax (Exempt Bodies) (Guernsey) Ordinance, 1989. The Company will need to reapply annually for exempt status, an application that currently incurs a fee of £1,200 per annum. It is expected that the Company will continue to apply for exempt status.

Once exempt status has been granted, the Company will not be considered resident in Guernsey for Guernsey income tax purposes and will be exempt from tax in Guernsey on both bank deposit interest and any income that does not have its source in Guernsey. It is not anticipated that any income other than bank deposit interest will arise in Guernsey and therefore the Company is not expected to incur any additional liability to Guernsey tax. In the absence of exemption, the Company would be treated as resident in Guernsey and subject to a zero rate of income tax.

Guernsey currently does not levy taxes upon capital, inheritances, capital gains, gifts, sales or turnover. No stamp duty is chargeable in Guernsey on the issue, transfer or redemption of Ordinary Shares in the Company.

### 2.2 Eligible Ordinary Shareholders

Payments made by the Company pursuant to the Tender Offer will be treated as distributions for the purposes of the Guernsey Companies Law.

An Eligible Ordinary Shareholder who is resident in Guernsey (which includes Alderney and Herm) for Guernsey tax purposes, will incur Guernsey income tax at the applicable rate on distributions paid to that Guernsey resident Eligible Ordinary Shareholder by the Company. The Company is required to provide details of any distributions made to such Guernsey resident Eligible Ordinary Shareholder to the Director of the Revenue Service in Guernsey.

The Company's distributions can be paid to an Eligible Ordinary Shareholder who is not resident in Guernsey (which includes Alderney and Herm) for tax purposes without deduction of Guernsey income tax.

As already referred to above, Guernsey currently does not levy taxes upon capital, inheritances, capital gains, gifts, sales or turnover, nor are there any estate duties (save for registration fees and ad valorem duty for a Guernsey Grant of Representation where the deceased dies leaving assets in Guernsey which require presentation of such a Grant). No stamp duty is chargeable in Guernsey on the issue, transfer or redemption of Ordinary Shares in the Company.

### 2.3 United Kingdom-Guernsey Intergovernmental Agreement

On 22 October 2013 the Chief Minister of Guernsey signed an intergovernmental agreement with the United Kingdom ("**UK-Guernsey IGA**") under which certain disclosure requirements may be imposed in respect of certain Eligible Ordinary Shareholders who are, or are entities that are controlled by one or more natural persons who are, residents in the United Kingdom, subject to any applicable exemption. Where applicable, information that will need to be disclosed will include certain information about Eligible Ordinary Shareholders, their ultimate beneficial owners and/or controllers, and their investment in and returns from the Ordinary Shares. The UK-Guernsey IGA is implemented through Guernsey's domestic legislation, in accordance with guidance which is currently published in draft form.

Under the UK-Guernsey IGA, securities that are "regularly traded" on an established securities market, such as the specialist funds segment (formerly the specialist funds markets) of the London Stock Exchange, are not considered financial accounts and are not subject to reporting. For these purposes, the Ordinary Shares will be considered "regularly traded" if they are listed or quoted and/or available for trading on an established securities market.

Both Guernsey and the United Kingdom have adopted the "Common Reporting Standard" (see paragraph 2.4 of this Part IV ("*Taxation*") of this document). Accordingly, following a transitional period, reporting under the UK-Guernsey IGA (as implemented in Guernsey) in respect of periods commencing on or after 1 January 2016 will be replaced by reporting under the Common Reporting Standard (as implemented in Guernsey), and the UK-Guernsey IGA and relevant implementing legislation will likely be repealed.

### 2.4 Common Reporting Standard

On 13 February 2014, the Organization for Economic Co-operation and Development released a "Common Reporting Standard" ("**CRS**") designed to create a global standard for the automatic exchange of financial account information. On 29 October 2014, fifty-one jurisdictions signed a multilateral competent authority agreement ("**Multilateral Agreement**") that activates this automatic exchange of information in line with the CRS. Since then, further jurisdictions have also signed the Multilateral Agreement and in total 105 jurisdictions have committed to adopting the CRS to date.

Under the CRS and legislation enacted in Guernsey which implemented the CRS with effect from 1 January 2016, certain disclosure requirements will be imposed in respect of certain investors in the Company who are, or are entities that are controlled by one or more natural persons who are, residents of any of the jurisdictions that have also implemented the CRS, unless a relevant exemption applies. Where applicable, information that would need to be disclosed will include certain information about Eligible Ordinary Shareholders, their ultimate beneficial owners and/or controllers, and their investment in and returns from the Ordinary Shares. The CRS is implemented through Guernsey's domestic legislation in accordance with guidance that is published in draft form that is supplemented by guidance issued by the Organization for Economic Co-operation and Development.

Under the CRS, there is no reporting exemption for securities that are "regularly traded" on an established securities market.

**All Eligible Ordinary Shareholders should consult with their own tax advisers regarding the possible implications of the CRS and any other similar legislation and/or regulations on their investment in the Company.**

If the Company fails to comply with any due diligence and/or reporting requirements under Guernsey legislation implementing the UK-Guernsey IGA and/or the CRS then the Company could be subject to the imposition of financial penalties introduced pursuant to the relevant implementing regulations in Guernsey. Whilst the Company will seek to satisfy its obligations under the UK-Guernsey IGA and the CRS and associated implementing legislation in Guernsey to avoid the imposition of any financial penalties under Guernsey law, the ability of the Company to satisfy such obligations will depend on receiving relevant information and/or documentation about each Eligible Ordinary Shareholder and the direct and indirect beneficial owners of the Eligible Ordinary Shareholders (if any). There can be no assurance that the Company will be able to satisfy such obligations.

## 2.5 Request for information

The Company reserves the right to request from any investor or potential investor such information as the Company deems necessary to comply with the CRS from time to time in force, or any obligation arising under the implementation of any applicable intergovernmental agreement, including the Multilateral Agreement and the UK-Guernsey IGA.

## 3. Certain U.S. Federal Income Tax Consequences

The following discussion is a summary of certain material U.S. federal income tax consequences of the disposition of Ordinary Shares pursuant to the Tender Offer by a US Holder (defined below) who hold Ordinary Shares as capital assets for U.S. tax purposes. This summary is based upon the provisions of the US Code, existing and final Treasury regulations promulgated thereunder, administrative rulings and judicial decisions now in effect, all of which are subject to change (including retroactively) or possible differing interpretations. Except as described below, the summary does not consider the effect of any proposed Treasury regulations or other proposed changes in the law. The Company has not sought any ruling from the U.S. Internal Revenue Service ("**IRS**") with respect to the statements made and the conclusions reached in the following summary, and there can be no assurance that the IRS will agree with such statements and conclusions.

The discussion does not purport to be a complete description of all U.S. federal income tax consequences to US Holders of disposing of Ordinary Shares pursuant to the Tender Offer. The discussion does not cover all aspects of U.S. federal income taxation that may be relevant to a US Holder in light of its individual circumstances, including non-U.S., state, or local tax consequences, estate and gift tax consequences, and tax consequences arising under the Medicare contribution tax on net investment income or alternative minimum tax. Moreover, this summary does not address tax considerations relevant to US Holders who are members of special classes of taxpayers subject to special tax treatment for U.S. federal income tax purposes (e.g., banks or other financial institutions, real estate investment trusts, regulated investment companies, grantor trusts, insurance companies, persons liable for the alternative minimum tax, individual retirement accounts and other tax deferred accounts, tax-exempt organizations, dealers in securities or currencies, traders in securities that elect to use a mark-to-market method of accounting for securities holdings, persons that hold the Ordinary Shares as part of a straddle, hedging transaction or conversion transaction for U.S. federal income tax purposes, persons whose functional currency is not the U.S. Dollar, persons that own or have owned, directly, indirectly, or constructively, 10% or more of the total combined voting power or value of Ordinary Shares, or U.S. expatriates).

For the purposes of this discussion, the term "**US Holder**" means an Eligible Ordinary Shareholder who is a beneficial owner of Ordinary Shares that is, for U.S. federal income tax purposes: (i) an individual citizen or resident of the United States; (ii) a corporation created or organised under the laws of the United States or a political subdivision thereof; (iii) an estate the income of which is subject to U.S. federal income tax without regard to its source; (iv) a trust if a court within the United States is able to exercise primary supervision over the administration of the trust and one or more "United States persons" (within the meaning of the US Code) have the authority to control all substantial decisions of the trust, or the trust has elected to be treated as a domestic trust for U.S. federal income tax purposes, or (v) an entity that is disregarded as separate from its owner if all of its interests are owned by a single person described in (i) through (iv). The U.S. federal income tax treatment of a partner in a partnership (including an entity or arrangement treated as a partnership for U.S. federal income tax purposes) that

holds Ordinary Shares will depend upon the status of the partner, upon the activities of the partnership and upon certain determinations made at the partner level. Accordingly, partners in partnerships (including entities or arrangements treated as partnerships for U.S. federal income tax purposes) should consult their own tax advisers concerning the U.S. federal income tax consequences of the acceptance of the Tender Offer by such partnership.

The tax treatment of the Tender Offer will depend in part, on whether the Company is classified as a passive foreign investment company ("**PFIC**") for U.S. federal income tax purposes. Except as discussed below under the section entitled "PFIC Rule", this discussion assumes that the Company is not classified as a PFIC for U.S. federal income tax purposes.

US Holders should consult their own tax advisers regarding the U.S. federal, state and local tax consequences of the Tender Offer in their particular circumstances.

### 3.1 **US Holders Tendering Ordinary Shares**

#### (a) *Characterization of the Purchase – Distribution v. Sale Treatment*

The sale of Ordinary Shares pursuant to the Tender Offer will be a taxable transaction for U.S. federal income tax purposes. A US Holder that participates in the Tender Offer will be treated, depending on such US Holder's particular circumstances, either as recognizing gain or loss from the disposition of the Ordinary Shares or as receiving a dividend distribution from the Company with respect to the Ordinary Shares.

In general, under US Code Section 302, a sale of Ordinary Shares for cash by a US Holder pursuant to the Tender Offer will be treated as a "sale or exchange" of Ordinary Shares for U.S. federal income tax purposes, rather than a distribution with respect to the Ordinary Shares held by the tendering US Holder, only if the sale (i) is "not essentially equivalent to a dividend" with respect to such US Holder, (ii) results in a "substantially disproportionate" redemption with respect to such US Holder, or (iii) results in a "complete termination" of such US Holder's interest in the Company. A sale of Ordinary Shares by a US Holder pursuant to the Tender Offer will satisfy the "not essentially equivalent to a dividend" test if it results in a "meaningful reduction" in the US Holder's proportionate interest in the Company. The IRS has held in a revenue ruling that, under the particular facts of such ruling, the partial redemption of shares owned by a minority shareholder of a publicly traded company with no voting control over such company is not essentially equivalent to a dividend within the meaning of US Code Section 302(b). A sale of Ordinary Shares by a US Holder pursuant to the Tender Offer will result in a "substantially disproportionate" redemption with respect to the US Holder if (i) there is a reduction of at least 20% in the US Holder's proportionate interest in the Company following the Tender Offer and (ii) the US Holder does not own 50% or more of the Ordinary Shares immediately after the exchange. A sale of Ordinary Shares by a US Holder pursuant to the Tender Offer generally will result in a "complete termination" of a such US Holder's interest in the Company if all of the Ordinary Shares owned (directly, indirectly or constructively) by the US Holder are tendered by such US Holder pursuant to the Tender Offer. In determining whether any of these tests has been met, Ordinary Shares owned (directly, indirectly or constructively) by a US Holder generally must be taken into account.

If any of the above three tests for "sale or exchange" treatment is met, a US Holder will recognize gain or loss equal to the difference between the amount of cash received pursuant to the Tender Offer and the tax basis of the Ordinary Shares sold. The gain or loss will be a capital gain or loss. In general, capital gain or loss with respect to Ordinary Shares sold will be long-term capital gain or loss if the holding period for such Ordinary Shares is more than one year. The maximum long-term capital gains rate applicable to individual shareholders is generally 20%. The deductibility of any capital losses is subject to limitations. A US Holder must calculate gain or loss separately for each block of Ordinary Shares (generally, Ordinary Shares acquired at the same cost in a single transaction). Any such gain or loss generally will be treated as U.S. source gain or loss (for U.S. foreign tax credit purposes).

If none of the three tests set forth in US Code Section 302(b) are met, amounts received by a US Holder who sells Ordinary Shares pursuant to the Tender Offer will be taxable to the US Holder as a "dividend" to the extent of such US Holder's allocable share of the Company's current or accumulated earnings and profits, and the excess of such amounts received over the portion that is taxable as a dividend will constitute a non-taxable return of capital (to the extent of the US Holder's tax basis in the Ordinary Shares sold pursuant to the Tender Offer). Any amounts received in excess of the US Holder's tax basis



in such case will constitute taxable gain. If the amounts received by a tendering US Holder are treated as a “dividend,” the tax basis in the Ordinary Shares tendered to the Company generally will be transferred to any remaining Ordinary Shares held by such US Holder. As a non-U.S. company, the Company does not maintain calculations of our earnings and profits under U.S. federal income tax principles. Therefore, it is expected that any amounts treated as distributions with respect to the Ordinary Shares generally will be reported to US Holders as dividends. Any such dividends paid to a tendering US Holder who is an individual, trust, or estate generally will not be treated as “qualified dividend income” (within the meaning of the US Code) taxable to such US Holder at preferential tax rates.

The Company cannot predict whether a US Holder will be subject to sale or exchange treatment, on the one hand, or distribution treatment, on the other hand. A US Holder can be given no assurance that a sufficient number of such US Holder’s Ordinary Shares will be purchased pursuant to the Tender Offer to ensure that such purchase will be treated as a “sale or exchange”, rather than as a “dividend”, for U.S. federal income tax purposes pursuant to the rules discussed above.

(b) *PFIC Rules*

Special U.S. federal income tax rules apply to United States persons owning shares of a PFIC. A non-U.S. corporation generally will be a PFIC for U.S. federal income tax purposes in any taxable year in which, after applying the relevant look-through rules with respect to the income and assets of subsidiaries, if seventy-five percent (75%) or more of its gross income for the taxable year is from passive sources or fifty percent (50%) or more of the average value of the entity’s assets on the last day of each fiscal quarter during a year consist of assets which generate passive income. For this purpose, passive income generally includes, among other things, dividends, interest, rents and royalties not derived in an active business, gains from the disposition of passive assets and gains from commodities transactions.

Based on current information regarding the Company’s income and the value of its assets (as adjusted for the Tender Offer), the Company does not anticipate that it will be classified as a PFIC for the current taxable year. However, the Company cannot assure Shareholders that the Company is not currently, or will become, a PFIC. If the Company is treated as a PFIC, a US Holder may be subject to adverse U.S. tax consequences upon a sale or exchange of Ordinary Shares pursuant to the Tender Offer.

The PFIC rules are complicated. US Holders should consult their tax advisors regarding whether the Company is a PFIC and the potential application of the PFIC rules.

### 3.2 US Holders Not Tendering Ordinary Shares

A US Holder who does not tender its Ordinary Shares generally will not recognize income, gain or loss for U.S. federal income tax purposes as a result of the Tender Offer.

### 3.3 Backup Withholding and Information Reporting

In general, backup withholding of U.S. federal income tax and information reporting requirements may apply to proceeds derived from the sale or exchange of Ordinary Shares pursuant to the Tender Offer that are paid to a US Holder that fails to provide an accurate taxpayer identification number or otherwise fails to comply with, or establish an exemption from, the backup withholding requirements. In general, a US Holder may comply with these identification and certification procedures by providing the Company with a duly executed and properly completed IRS Form W-9 (Request for Taxpayer Identification Number and Certification). Backup withholding is not an additional tax and may be refunded or credited against the US Holder’s U.S. federal income tax liability if certain required information is timely furnished to the IRS. The information reporting requirements may apply regardless of whether backup withholding is required.

**THE DISCUSSION SET FORTH ABOVE IS INCLUDED FOR GENERAL INFORMATION ONLY. THE U.S. FEDERAL INCOME TAX CONSEQUENCES OF THE TENDER OFFER ARE COMPLEX, UNCERTAIN AND DEPENDENT UPON EACH ELIGIBLE ORDINARY SHAREHOLDER’S PARTICULAR CIRCUMSTANCES. EACH ELIGIBLE ORDINARY SHAREHOLDER IS URGED TO SEEK ADVICE BASED ON EACH SUCH ELIGIBLE ORDINARY SHAREHOLDER’S PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISER, INCLUDING WITH RESPECT TO THE APPLICABILITY AND EFFECT OF U.S. FEDERAL, STATE, LOCAL AND NON-US TAX LAWS.**



## **PART V – SUMMARY OF THE AVANTE-MERS AND ORIZON PROPOSALS**

Set out below is further detail concerning the Avante-MERS and Orizon Proposals. Shareholders should also note that each of the percentage ownership interests stated above are calculated without reference to current or future ownership interests and incentive arrangements benefitting senior and operating management officers of the relevant entities.

### **1. Principal terms of the Avante-MERS Proposal**

The Company's proposed disposals and related additional investments that involve Edgewater and form part of the Avante-MERS Proposal concern the Avante and MERS businesses.

Avante is a single source provider of medical, surgical, diagnostic imaging, and radiation oncology equipment, including sales, service, repair, parts, refurbishing and installation in over 150 countries. The business is headquartered in the US and has established a strong presence in Latin America, the Middle East, Africa, Europe and Southeast Asia. Avante provides services under its six key brands being, Medical Surgery, Patient Monitoring, Diagnostic Imagine, Ultrasound, Oncology Services and Rental Services. Avante has gross assets of US\$206.9 million and net sales and EBITDA of US\$184.3 million and US\$27.4 million respectively for the financial year ended 31 December 2018. These figures are presented as the gross assets of, and net sales and EBITDA attributable to, the whole of Avante and not the Company's proportionate 80 per cent. of its ownership interest in Avante (being equivalent to a 40 per cent. ownership interest in Avante) that is proposed to be sold to Edgewater by the Company. Existing members of the management team of Avante run the Avante business and the key individuals important to the business are Steve Inacker and Reagan P. Hogarty as President and Chief Operating Officer and Senior Vice President of Avante respectively.

MERS is incorporated in Delaware and was formed by Avante in July 2016. It is the holding company of Pacific Medical which is located in San Juan Capistrano, California, and engages in repairing, servicing and selling new and refurbished medical equipment, specialising in patient monitoring devices and corresponding accessories for hospitals, surgery centres, dental offices, private practices, sleep centres, rehab facilities, veterinary clinics, long-term care facilities and paediatric centres. MERS, as consolidated with its subsidiary Pacific Medical, has consolidated gross assets of US\$60.1 million and consolidated net income/(loss) and EBITDA of US\$10 million and US\$894,725 respectively for the financial year ended 31 December 2018. These figures are presented as the gross assets of, and net income/(loss) and EBITDA attributable to, the whole of MERS, as consolidated with Pacific Medical, and not the Company's proportionate 80 per cent. of its ownership interest in MERS (being equivalent to a 20 per cent. ownership interest in MERS) that is proposed to be sold to Edgewater by the Company. The key individuals important to the business are the same as the key individuals with respect to Avante referred to above.

The Company has agreed, subject to Shareholder approval, to sell to Edgewater 80 per cent. of its ownership interest in Avante (being equivalent to a 40 per cent. ownership interest in Avante) and 80 per cent. of its ownership interest in MERS (being equivalent to a 20 per cent. ownership interest in MERS), being the Avante-MERS Disposal. Shareholders should also note that Avante itself has an ownership interest of 50 per cent. in MERS and accordingly the Company will in effect be disposing of a further 20 per cent indirect ownership interest in MERS through its disposal of ownership interests in Avante. The Company's disposals of ownership interests in each of Avante and MERS form part of the same transaction and accordingly the consideration for the disposals is an aggregate amount of approximately US\$37.5 million payable to the Company upon completion of the Avante-MERS Disposal.

Following completion of the Avante-MERS Disposal, the ownership interests in Avante will be held 40 per cent. by Edgewater and 10 per cent. by the Company with the remaining 50 per cent expected to be held collectively by the Other Avante Shareholders, including, amongst others, John W. Jordan II and affiliates and David W. Zalaznick and affiliates who each hold 18.6 per cent. and 11.1 per cent., respectively, and various other investors and management of Avante. Edgewater currently already holds a 25 per cent. ownership interest in MERS and so, following completion of the Avante-MERS Disposal, the ownership interests in MERS will be held 45 per cent. by Edgewater and 5 per cent. by the Company with the remaining 50 per cent., as mentioned above, held by Avante. As such, the Company and Edgewater will also hold further indirect ownership interests in MERS through their respective (post-completion) ownership interests in Avante, such indirect ownership interests in MERS being 5 per cent. and 20 per cent., respectively.

In addition to the Company's disposal of ownership interests in Avante, the Company and, subject to completion of the Avante-MERS Disposal, Edgewater will have the right alongside the Other Avante Shareholders to provide additional investments in Avante in response to calls for capital contributions from Avante. Neither the Company, Edgewater nor the Other Avante Shareholders are obliged to provide additional investments in Avante in response to such calls for capital contributions from Avante and such decisions are to be at the discretion of each of the investors respectively. As such, the proportions of future additional investments in Avante by the Company, Edgewater and the Other Avante Shareholders will be determined at the relevant time of any calls for capital contributions by Avante and by the decisions made by each of the investors whether any of them wish to participate in such capital contribution calls and, if so, to what extent they wish to so participate.

Similar to Avante, in addition to the Company's disposal of ownership interests in MERS, the Company and Edgewater will also have the right alongside Avante to provide additional investments in MERS in response to calls for capital contributions from MERS. Likewise, neither the Company, Edgewater nor Avante are obliged to provide additional investments in MERS in response to such calls for capital contributions from MERS and such decisions are to be at the discretion of each of the investors respectively. As such, it is also the case for MERS that the proportions of future additional investments in MERS by the Company, Edgewater and Avante will be determined at the relevant time of any calls for capital contributions by MERS and by the decisions made by each of the investors whether any of them wish to participate in such capital contribution calls and, if so, to what extent they wish to so participate.

Any proceeds that the Company receives in connection with the Avante-MERS Disposal are intended to be used for the Company's general corporate purposes.

## **2. Principal terms of the Orizon Proposal**

The Company's proposed disposal and related additional investments that involve Edgewater and form part of the Orizon Proposal concern the Orizon business.

Orizon was founded by Charlie and Henry Newell who, having previously partnered successfully in the manufacture of high precision aerospace machine parts, raised capital from an investor group known to the Company's Investment Adviser, JZAI, for the purpose of manufacturing integral aerospace assemblies for original equipment manufacturers (e.g. Northrup, Lockheed Martin and Gulfstream) and tier one suppliers to original equipment manufacturers (e.g. Spirit, a tier one supplier to Boeing and Airbus). Orizon purchases or builds facilities in the mid-western US (i.e. Kansas, Oklahoma and Missouri) where it manufactures and assembles 'packages' of high precision machine parts that are sold by Orizon as a single unit (hinge and latch assemblies, fuel cell components, cockpit assemblies and engineered cylinder heads). Orizon has gross assets of US\$305.5 million and net sales and EBITDA of US\$185.7 million and US\$32.7 million respectively for the financial year ended 31 December 2018. These figures are presented as the gross assets of, and net sales and EBITDA attributable to, the whole of Orizon and not the Company's proportionate 80 per cent. of its ownership interest in Orizon (being equivalent to a 9.5 per cent. ownership interest in Orizon) that is proposed to be sold to Edgewater by the Company. Existing members of the management team of Orizon run the Orizon business and the key individuals important to the business are Charlie Newell and Henry Newell Managing Partner and founder and President and founder of Orizon respectively.

The Company has agreed, subject to Shareholder approval, to sell to Edgewater 80 per cent. of its ownership interest in Orizon (being equivalent to a 9.5 per cent. ownership interest in Orizon), being the Orizon Disposal, for consideration of approximately US\$28 million payable to the Company upon completion of the Orizon Disposal.

Edgewater currently already holds an approximate 31.6 per cent. ownership interest in Orizon and so, following completion of the Orizon Disposal, the ownership interests in Orizon will be held approximately 41 per cent. by Edgewater and 2.4 per cent. by the Company with the remaining 56.6 per cent expected to be held collectively by the Other Orizon Shareholders, including, amongst others, John W. Jordan II and affiliates and David W. Zalaznick and affiliates who each hold 1.5 per cent, and various other investors in Orizon.

As is the case for the Avante-MERS Proposal, in addition to the Company's disposal of ownership interests in Orizon, the Company and Edgewater will also have the right alongside the Other Orizon

Shareholders to provide additional investments in Orizon in response to calls for capital contributions from Orizon. Neither the Company, Edgewater nor the Other Orizon Shareholders are obliged to provide additional investments in Orizon in response to such calls for capital contributions from Orizon and such decisions are to be at the discretion of each of the investors respectively. As such, the proportions of future additional investments in Orizon by the Company, Edgewater and the Other Orizon Shareholders will be determined at the relevant time of any calls for capital contributions by Orizon and by the decisions made by each of the investors whether any of them wish to participate in such capital contribution calls and, if so, to what extent they wish to so participate.

Any proceeds that the Company receives in connection with the Orizon Disposal are intended to be used for the Company's general corporate purposes.

### **3. Risks relating to the Avante-MERS and Orizon Proposals**

If the Avante-MERS and Orizon Proposals do not complete for any reason, there can be no assurance that the Company will be able to dispose of all or any of its ownership interest in Avante, MERS or Orizon at a later date or on terms that are equal to or more favourable than those provided by the terms of those Proposals. The ability of the Company to realise its ownership interest in Avante, MERS or Orizon may also depend on its and its co-investor's governance rights as well as their intentions and any such realisation could be on less favourable terms than those provided by the terms of the Avante-MERS and Orizon Proposals.

In relation to the circumstances in which the Avante-MERS and Orizon Proposals may not complete, the transaction documentation for each of the Proposals includes, among other conditions, material adverse change provisions whereby in circumstances that Edgewater may terminate the transaction documentation related to the Avante-MERS or Orizon Proposals. In addition, the transaction documentation related to the Avante-MERS Proposal contains a rescission right allowing Edgewater to rescind the transaction Avante-MERS Disposal after completion and within up to one year after completion having occurred. The right to rescission would apply if any of the certain specified conditions relating to the business as set forth in the transaction documentation were not true as of the closing causing a decrease in the value of the business as of the closing of 15% or more. Upon any such rescission, the Company would be required to re-purchase from Edgewater the ownership interests disposed of pursuant to the Avante-MERS Proposal at the price paid by Edgewater.

There are also certain risks and uncertainties that may affect the Company's remaining and potential further investments with Edgewater in Avante, MERS or Orizon. For example, the state of the global economy, as well as normal market fluctuations, may negatively impact the business, financial condition and results of operation of the Company's investments in Avante, MERS or Orizon or the Company's return on its investments. The strategy and/or financial performance of Avante, MERS or Orizon may also be unable or fail to generate the expected, or even any, returns on the Company's investments. There is therefore no guarantee that the Company's investments will succeed and accordingly the Company may lose all or part of the value of its investments.

In addition, the success of the Company's remaining and potential further investments will depend at least in part upon the skills and expertise of the existing members of the respective management teams of Avante, MERS and Orizon that run the respective Avante, MERS and Orizon businesses and, in particular, the key individuals important to each of those businesses. There can be no guarantee that such members of the management team and/or key individuals will remain with Avante, MERS or Orizon respectively or that each business will be able to attract and retain suitable staff. The departure of such persons and/or an inability to attract and retain suitable staff may have an adverse impact on the performance of Avante, MERS or Orizon. Furthermore, the Company will not control either of Avante, MERS or Orizon, each of which may therefore make decisions with which it does not agree including decisions that may decrease the returns to the Company from its investments. Because the Company will not control Avante, MERS or Orizon and the risks associated with the participation alongside co-investors (who may have governance rights that the Company does not have and whose economic and other interests may not be consistent with the Company's as a reason for making decisions with which it may not agree), the Company cannot ensure that these types of investments will generate the returns expected, or any returns on the Company's investments.

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 Avante-MERS or Orizon Proposals or the Company's investments in Avante, MERS

or Orizon. There may be additional risks that the Company does not currently consider to be material or of which the Company is not aware. If any of these additional risks or the risks above were to materialise, the Company's business, financial condition, results or future operations could be materially or adversely affected. In such circumstances, the price of the Shares could decline and investors could lose all or part of their investment.

## PART VI – ADDITIONAL INFORMATION

### 1. Company information

- 1.1 The Company was incorporated with limited liability in Guernsey on 14 April 2008 in anticipation of a scheme of reconstruction whereby the assets and liabilities of JZ Equity Partners Plc were transferred in their entirety to the Company on 1 July 2008. The Company was incorporated with the name JZ Capital Partners Limited under The Companies (Guernsey) Laws 1994 to 1996 with registered number 48761 and is an authorised closed-ended investment scheme pursuant to 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. The Company is domiciled in Guernsey and now operates under The Companies (Guernsey) Law 2008 (as amended) and ordinances and regulations made thereunder. The Company is listed on the specialist fund segment of the Main Market of the London Stock Exchange.
- 1.2 The Company has been incorporated with an indefinite life. However, the rights attaching to the ZDP Shares provide that the ZDP Shares are to be redeemed by the Company on 1 October 2022. In addition, the rights attaching to the CULS (the Company's convertible unsecured subordinated loan stock) provide that the CULS are to be redeemed by the Company on the maturity date of the CULS, being 30 July 2021 (unless previously redeemed, purchased or converted and, in each case, cancelled).
- 1.3 The Company has its registered office and principal place of business at PO Box 255, Trafalgar Court, Les Banques, St Peter Port, Guernsey, GY1 3QL. The Company's telephone number at its registered office is +44 (0) 1481 745001.
- 1.4 The names of the Directors of the Company, all of whom are non-executive directors, are:

David Macfarlane (Chairman)  
James Jordan  
Tanja Tibaldi  
Christopher Waldron  
Sharon Parr

### 2. Major Shareholders

As at 25 July 2019 (being the Latest Practicable Date), so far as the Company is aware, the following persons set out in the table below (other than the Directors) had notified the Company in accordance with the Disclosure and Transparency Rules that they held, directly or indirectly, five per cent. or more of the voting rights attributable to the issued Ordinary Share capital of the Company. The number and percentage of Ordinary Shares relate to the number informed by Shareholders on the relevant notification rather than the current share register.

Shareholder	As at 25 July 2019	
	No. of Ordinary Shares	% of Issued Ordinary Share Capital
Edgewater Growth Capital Partners <sup>(1)</sup>	18,335,944	22.7%
David W. Zalaznick and affiliates <sup>(1)</sup>	10,550,294	13.1%
John (Jay) W. Jordan II and affiliates <sup>(1)</sup>	10,550,294	13.1%
Leucadia Financial Corporation <sup>(1)</sup>	8,021,552	9.9%
Abrams Capital Management <sup>(2)</sup>	7,744,366	9.6%
Arnhold LLC	4,573,007	5.7%
Finepoint Capital	4,413,067	5.5%

<sup>(1)</sup> The notifiable interests set out in the table above for each of Edgewater Growth Capital Partners, David W. Zalaznick and affiliates, John (Jay) W. Jordan II and affiliates and Leucadia Financial Corporation do not reflect the number of Ordinary Shares bought back from each of those Shareholders pursuant to certain share buy backs of Ordinary Shares undertaken by the Company and as announced during the year ended 28 February 2019. Each of those Shareholders had Ordinary Shares repurchased from them off-market by the Company and as such, as at 25 July 2019 (being the Latest Practicable Date) and so far as the Company is aware, Edgewater Growth Capital Partners holds 17,627,766 Ordinary Shares (being 21.9% of the issued Ordinary Share capital), David W. Zalaznick and affiliates holds 10,142,814 Ordinary Shares (being 12.6% of the issued Ordinary Share capital), John (Jay) W.

Jordan II and affiliates holds 10,142,814 Ordinary Shares (being 12.6% of the issued Ordinary Share capital) and Leucadia Financial Corporation holds 7,986,002 Ordinary Shares (being 9.9% of the issued Ordinary Share capital).

<sup>(2)</sup> The figure set out in the table above for Abrams Capital Management does not reflect the number of Ordinary Shares bought back from them pursuant to share buy backs of Ordinary Shares undertaken by the Company and as announced during the year ended 28 February 2019. As at 25 July 2019 (being the Latest Practicable Date) and so far as the Company is aware, Abrams Capital Management holds 6,556,807 Ordinary Shares (being 8.1% of the issued Ordinary Share capital).

### 3. Significant changes

Other than the strategic initiatives detailed in the Company's announcement on 8 May 2019 and the Q1 2019 interim management statement announcement by the Company on 28 June 2019, there has been no significant change in the financial or trading position of the Company since 28 February 2019, being the date to which the last audited annual accounts of the Company were published.

### 4. Material contracts

The Company has not entered into any contracts, other than in the ordinary course of business: (a) within the period of two years prior to the date of this document; or (b) which contain an obligation or entitlement that is material to the Company as at the date of this document and, in each case, which Ordinary Shareholders would reasonably require to make a properly informed assessment of how to vote on the Resolutions to be proposed at the Extraordinary General Meeting concerning the Proposals.

### 5. JZAI consent

JZAI has given and has not withdrawn its written consent to the issue of this document with the inclusion herein of references to its name in the form and context in which they appear. A copy of this written consent is on display and available for inspection as set out in paragraph 6 below in this Part VI ("*Additional Information*") of this document.

### 6. Documents on display

Copies of the following documents 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 1 Duval Square, London Fruit and Wool Exchange, London E1 6PW, United Kingdom, in each case, during normal business hours on each business day from the date of this document until the close of the Extraordinary General Meeting to be held on 16 August 2019 including for 15 minutes prior to and during the Extraordinary General Meeting:

- (a) the memorandum of incorporation of the Company;
- (b) the Articles;
- (c) the New Articles;
- (d) the audited annual accounts of the Company for the financial years ended 28 February 2019 and 28 February 2018;
- (e) the written consent letter from JZAI referred to in paragraph 5 above in this Part VI ("*Additional Information*") of this document; and
- (f) this document.



## PART VII – DEFINITIONS

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

<b>"£" or "GBP" or "Pounds Sterling" or "pence"</b>	the lawful currency of the United Kingdom;
<b>"US\$" or "USD" or "US Dollars" or "cents"</b>	the lawful currency of the United States;
<b>"9.9 per cent. Ordinary Shareholder"</b>	any US Ordinary Shareholders (other than the Exceeding Ordinary Shareholders) who the Board determines might otherwise constructively own more than 9.9 per cent. of the Company's Ordinary Shares in issue after the Company has made an acquisition of its Ordinary Shares pursuant to a Market Acquisition Authority;
<b>"Adjusted Total Available Ordinary Shares"</b>	has the meaning given to it in paragraph 2.19 of Part III (" <i>Terms and Conditions of the Tender Offer</i> ") of this document;
<b>"Agent"</b>	has the meaning given to it in paragraph 6 of Part III (" <i>Terms and Conditions of the Tender Offer</i> ") of this document;
<b>"Annual General Meeting"</b>	the eleventh annual general meeting of the Company held on 27 June 2019 at which Ordinary Shareholders approved, among other things, a Market Acquisition Authority and an Off-Market Acquisition Authority;
<b>"Articles" or "Articles of Incorporation"</b>	the articles of incorporation of the Company, as amended from time to time;
<b>"Articles Amendments"</b>	the proposed amendments to the Articles described in paragraph 3.4 of Part I (" <i>Chairman's Letter</i> ") of this document;
<b>"Attorney"</b>	has the meaning given to it in paragraph 5 of Part III (" <i>Terms and Conditions of the Tender Offer</i> ") of this document;
<b>"Avante"</b>	Jordan Health Products, LLC, a Delaware limited liability company doing business as 'Avante Health Solutions';
<b>"Avante-MERS Disposal"</b>	the Company's proposed disposals to Edgewater of 80 per cent. of its ownership interest in Avante (being equivalent to a 40 per cent. ownership interest in Avante) and 80 per cent. of its ownership interest in MERS (being equivalent to a 20 per cent. ownership interest in MERS) and as more fully described in paragraphs 3.1 to 3.3 of Part I (" <i>Chairman's Letter</i> ") of this document and in paragraphs 1 and 3 of Part V (" <i>Summary of the Avante-MERS and Orizon Proposals</i> ") of this document;
<b>"Avante-MERS Proposal"</b>	the proposal relating to approval of the Avante-MERS Disposal and related additional investments in Avante and MERS with Edgewater and as each is more fully described in paragraphs 3.1 to 3.3 of Part I (" <i>Chairman's Letter</i> ") of this document and in paragraphs 1 and 3 of Part V (" <i>Summary of the Avante-MERS and Orizon Proposals</i> ") of this document;
<b>"Band Limit"</b>	has the meaning given to it in paragraph 1.4 of Part IV (" <i>Taxation</i> ") of this document;

<b>"Board" or "Directors"</b>	the directors of the Company as at the date of this document whose names are set out on page 13 of Part I (" <i>Chairman's Letter</i> ") of this document;
<b>"Buy Back Amount"</b>	an amount of up to US\$30 million (translated into Pounds Sterling by reference to the Buy Back Exchange Rate) which the Company is proposing to return to Ordinary Shareholders by way of the Tender Offer and resultant Off-Market Acquisitions and which is equivalent to the aggregate of the Tender Offer Amount and the Off-Market Acquisition Amount;
<b>"Buy Back Authorities"</b>	the Market Acquisition Authority and the Off-Market Acquisition Authority;
<b>"Buy Back Exchange Rate"</b>	the USD/GBP exchange rate quoted by Bloomberg as at the market close on the Tender Closing Date;
<b>"CFC Buy Back Arrangement"</b>	has the meaning given to it in the Articles and as described in paragraph 2.3 of Part I (" <i>Chairman's Letter</i> ") of this document;
<b>"CFC Buy Back Arrangement Price"</b>	has the meaning given to it in the Articles and as described in paragraph 2.3 of Part I (" <i>Chairman's Letter</i> ") of this document, and which is expected to be the same as the Tender Price;
<b>"Circular"</b>	this document and the Notice of Extraordinary General Meeting;
<b>"Company"</b>	JZ Capital Partners Limited (with registered number 48761);
<b>"constructively own"</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 Code Section 318(a), as modified by Code Section 958(b);
<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>"CREST Sponsor"</b>	a CREST participant admitted to CREST as a CREST sponsor;
<b>"CREST Sponsored Member"</b>	a CREST member admitted to CREST as a sponsored member;
<b>"CRS"</b>	the Common Reporting Standards issued by Organization for Economic Co-operation and Development;
<b>"CULS" or "convertible unsecured subordinated loan stock"</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 Latest Practicable Date;
<b>"Currency Election Facility"</b>	the facility under which Eligible Ordinary Shareholders can elect (subject to the terms and conditions of the facility) to receive the Tender Offer consideration in US Dollars or Pounds Sterling at the

	Buy Back Exchange Rate, further details of which are set out in paragraph 9 of Part III (" <i>Terms and Conditions of the Tender Offer</i> ") of this document;
<b>"Deflecto Proposal"</b>	the Company's acquisition of an ownership interest and related investments in Deflecto Holdings, LLC, as described in the circular to Shareholders published by the Company on 6 June 2018 and approved at the extraordinary general meeting of the Company held on 26 June 2018;
<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" or "Edgewater Growth Capital Partners"</b>	Edgewater Growth Capital Partners, including its parallel and affiliated funds and investment vehicles;
<b>"Electronic Tender"</b>	the inputting and settlement of a TTE Instruction in accordance with the procedures set out in Part III (" <i>Terms and Conditions of the Tender Offer</i> ") of this document which constitutes or is deemed to constitute a tender of Ordinary Shares pursuant to, and on the terms of, the Tender Offer as set out in this document;
<b>"Eligible Ordinary Shareholders"</b>	holders of Ordinary Shares on the register of members of the Company at 6.00 p.m. on the Tender Record Date who do not have a registered address in a Restricted Jurisdiction;
<b>"Escrow Agent"</b>	Equiniti Limited;
<b>"Euroclear"</b>	Euroclear UK & Ireland Limited, the operator of CREST;
<b>"Exceeding Ordinary Shareholders"</b>	each of David W. Zalaznick and affiliates, John (Jay) W. Jordan II and affiliates, and Edgewater;
<b>"Extraordinary General Meeting"</b>	the extraordinary general meeting of the Company to be held at 12.30 p.m. on 16 August 2019 at the offices of Northern Trust International Fund Administration Services (Guernsey) Limited, Trafalgar Court, Les Banques, St Peter Port, Guernsey GY1 3QL, 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 Guernsey Companies Law;
<b>"FCA"</b>	the Financial Conduct Authority, including acting in its capacity as a competent authority for the purposes of Part VI of the FSMA;
<b>"Form of Proxy"</b>	the form of proxy accompanying this document for use by Ordinary Shareholders in connection with the Extraordinary General Meeting;
<b>"FSMA"</b>	the Financial Services and Markets Act 2000, as amended;
<b>"Guernsey Companies Law"</b>	The Companies (Guernsey) Law 2008 (as amended);
<b>"HMRC"</b>	H.M. Revenue & Customs;
<b>"Individual Excess Tenders"</b>	has the meaning given to it in paragraph 2.19 of Part III (" <i>Terms and Conditions of the Tender Offer</i> ") of this document;

<b>"IRS"</b>	the US Internal Revenue Service;
<b>"JII"</b>	Jordan Industries International, LLC;
<b>"JII Investor Group"</b>	various former members of JII, including the JZAI Founders and their respective affiliates together;
<b>"JII Platform Companies"</b>	has the meaning given to it in paragraph 3.1 of Part I (" <i>Chairman's Letter</i> ") of this document;
<b>"JZAI" or "Investment Adviser"</b>	Jordan/Zalaznick Advisers, Inc., a Delaware USA corporation wholly-owned by the JZAI Founders and shall include (as the case may be and as the context may require) its affiliates;
<b>"JZAI Founders"</b>	David W. Zalaznick and John (Jay) W. Jordan II together;
<b>"Latest Practicable Date"</b>	the latest practicable date prior to publication of this document, being 25 July 2019;
<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 Guernsey Companies Law;
<b>"Market Acquisition Authority"</b>	a general authority of Ordinary Shareholders to make Market Acquisitions of Ordinary Shares where the maximum number of Ordinary Shares that may be purchased is equal to or less than 15 per cent. of the Ordinary Shares at the date of the relevant notice of meeting in which such resolution is included or such general authorities of Ordinary Shareholders to make Market Acquisitions of Ordinary Shares as described in the circulars posted to Shareholders by the Company on 29 May 2019 and approved at the Company's last Annual General Meeting and the Tender Offer Extraordinary General Meeting (as the case may be and as the context may require);
<b>"Maximum Buy Back Shares"</b>	such number of Ordinary Shares as is equal to the Buy Back Amount divided by the Tender Price;
<b>"Maximum Off-Market Acquisition Shares"</b>	such number of Ordinary Shares as is equal to the Off-Market Acquisition Amount divided by the Tender Price;
<b>"Maximum Tender Offer Shares"</b>	such number of Ordinary Shares as is equal to the Tender Offer Amount divided by the Tender Price;
<b>"Member Account ID"</b>	identification code or number attached to any member account in CREST;
<b>"MERS"</b>	MERS Holdings, LLC, a Delaware incorporated limited liability company;
<b>"Multilateral Agreement"</b>	has the meaning given to it in paragraph 2.4 of Part IV (" <i>Taxation</i> ") of this document;
<b>"NAV"</b>	net asset value;
<b>"New Articles" or "New Articles of Incorporation"</b>	the proposed articles of incorporation of the Company, details of which are set out in paragraph 3.4 of Part I (" <i>Chairman's Letter</i> ") of this document;

<b>"Notice of Extraordinary General Meeting" or "Notice"</b>	the notice of Extraordinary General Meeting set out at the end of this document;
<b>"Off-Market Acquisition Amount"</b>	an amount of up to US\$17,069,988 (translated into Pounds Sterling by reference to the Buy Back Exchange Rate) which the Company is proposing to return to Ordinary Shareholders by way of the resultant Off-Market Acquisitions;
<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 Guernsey Companies Law of the terms of a contract included in the Articles as prescribed by the CFC Buy Back Arrangement included therein for the Company to make Off-Market Acquisitions of Ordinary Shares in pursuance of the terms of that contract or such authorities of Ordinary Shareholders to make Off-Market Acquisitions of Ordinary Shares as described in the circulars posted to Shareholders by the Company on 29 May 2019 and approved at the Company's last Annual General Meeting and the Tender Offer Extraordinary General Meeting (as the case may be and as the context may require);
<b>"Ordinary Resolution"</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>"Orizon"</b>	Tech Industries, LLP, a Delaware limited liability partnership;
<b>"Orizon Disposal"</b>	the Company's proposed disposal to Edgewater of 80 per cent. of its ownership interest in Orizon (being equivalent to a 9.5 per cent. ownership interest in Orizon) and as more fully described in paragraphs 3.1 to 3.3 of Part I (" <i>Chairman's Letter</i> ") of this document and in paragraphs 2 and 3 of Part V (" <i>Summary of the Avante-MERS and Orizon Proposals</i> ") of this document;
<b>"Orizon Proposal"</b>	the proposal relating to approval of the Orizon Disposal and related additional investments in Orizon with Edgewater and as each is more fully described in paragraphs 3.1 to 3.3 of Part I (" <i>Chairman's Letter</i> ") of this document and in paragraphs 2 and 3 of Part V (" <i>Summary of the Avante-MERS and Orizon Proposals</i> ") of this document;
<b>"Other Avante Shareholders"</b>	has the meaning given to it in paragraph 3.1 of Part I (" <i>Chairman's Letter</i> ") of this document;
<b>"Other Orizon Shareholders"</b>	has the meaning given to it in paragraph 3.1 of Part I (" <i>Chairman's Letter</i> ") of this document;
<b>"Overseas Shareholders"</b>	a Shareholder who is a citizen or national of, or resident in, a jurisdiction outside the United Kingdom, Guernsey or the United States or a custodian, nominee or trustee for the same;
<b>"Pacific Medical"</b>	Pacific Medical, LLC, a California limited liability company;
<b>"Participant ID"</b>	the identification code or membership number used in CREST to identify a particular CREST member or other CREST participant;

<b>"PFIC"</b>	has the meaning given to it in paragraph 3 of Part IV (" <i>Taxation</i> ") of this document;
<b>"Proposals"</b>	the Avante-MERS Proposal, the Orizon Proposal and the Articles Amendments;
<b>"Receiving Agent"</b>	Equiniti Limited;
<b>"Registrars"</b>	Equiniti Limited;
<b>"Regulatory Information Service"</b>	a regulatory information service that is on the list of regulatory information services maintained by the FCA;
<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>	each of Resolutions 1, 2 and 3 to be proposed at the Extraordinary General Meeting concerning the Proposals and as set out in the Notice of Extraordinary General Meeting;
<b>"Resolution 1"</b>	Resolution 1 relating to the Avante-MERS Proposal as a Related Party Transaction of the Company to be proposed at the Extraordinary General Meeting as set out in the Notice of Meeting;
<b>"Resolution 2"</b>	Resolution 2 relating to the Orizon Proposal as a Related Party Transaction of the Company to be proposed at the Extraordinary General Meeting as set out in the Notice of Meeting;
<b>"Resolution 3"</b>	Resolution 3 relating to the Articles Amendments to be proposed at the Extraordinary General Meeting as set out in the Notice of Meeting;
<b>"Restricted Jurisdiction"</b>	each of Australia, Canada, Japan, New Zealand, South Africa and any other jurisdiction where the mailing of this document, the Tender Form or accompanying documents into or inside such jurisdiction would constitute a violation of the laws of such jurisdiction;
<b>"SEC"</b>	the Securities and Exchange Commission;
<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>"Takeover Code"</b>	City Code on Takeovers and Mergers;
<b>"Tender Closing Date"</b>	the date on which the Tender Offer closes, being 23 August 2019;
<b>"Tender Form"</b>	the form of tender enclosed with this document for use by Eligible Ordinary Shareholder who hold their Ordinary Shares in certificated form in relation to the Tender Offer;
<b>"Tender Offer"</b>	the invitation by the Company to tender Ordinary Shares for sale by way of Market Acquisition on the terms and subject to the conditions set out in this document and also, in the case of certificated Ordinary Shares only, in the Tender Form;

<b>"Tender Offer Amount"</b>	an amount of up to US\$12,930,012 (translated into Pounds Sterling by reference to the Buy Back Exchange Rate) which the Company is proposing to return to Ordinary Shareholders by way of the Tender Offer;
<b>"Tender Offer Authority Circular"</b>	the circular posted to Shareholders by the Company on 29 May 2019 seeking Shareholder approval for, among other things, a Market Acquisition Authority and an Off-Market Acquisition Authority in relation to Tender Offers and as subsequently approved by Ordinary Shareholders at the Tender Offer Extraordinary General Meeting;
<b>"Tender Offer Entitlement"</b>	the entitlement of an Eligible Ordinary Shareholder under the Tender Offer to sell such percentage of the Ordinary Shares registered in his, her or its name at 6.00 p.m. on the Tender Record Date that is equal to approximately the Maximum Buy Back Shares divided by the existing issued Ordinary Share capital of the Company multiplied by one hundred (100), rounded down to the nearest whole number of Ordinary Shares;
<b>"Tender Offer Extraordinary General Meeting"</b>	the extraordinary general meeting of the Company held on 27 June 2019 at which Ordinary Shareholders approved, among other things, a Market Acquisition Authority and an Off-Market Acquisition Authority in relation to Tender Offers;
<b>"Tender Price"</b>	the price at which Ordinary Shares will be acquired pursuant to the Tender Offer, being US\$9.39 per Ordinary Share (translated into Pounds Sterling by reference to the Buy Back Exchange Rate), such Tender Price also being the price at which Ordinary Shares are expected to be acquired pursuant to the resultant Off-Market Acquisitions (as the case may be and as the context may require);
<b>"Tender Record Date"</b>	the record date for the Tender Offer, being 23 August 2019;
<b>"TFE Instruction"</b>	a transfer from escrow instruction (as defined by the CREST Manual);
<b>"Total Available Ordinary Shares"</b>	has the meaning given to it in paragraph 2.19 of Part III (" <i>Terms and Conditions of the Tender Offer</i> ") of this document;
<b>"Total Excess Tenders"</b>	has the meaning given to it in paragraph 2.19 of Part III (" <i>Terms and Conditions of the Tender Offer</i> ") of this document;
<b>"Total Taxable Gains and Income"</b>	has the meaning given to it in paragraph 1.4 of Part IV (" <i>Taxation</i> ") of this document;
<b>"TTE Instruction"</b>	a transfer to escrow instruction (as defined by the CREST Manual);
<b>"UK" or "United Kingdom"</b>	the United Kingdom of Great Britain and Northern Ireland;
<b>"UK-Guernsey IGA"</b>	has the meaning given to it in paragraph 2.3 of Part IV (" <i>Taxation</i> ") of this document;
<b>"US" or "USA" or "United States"</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 US Internal Revenue Code of 1986, as amended;
<b>"US Exchange Act"</b>	the Securities Exchange Act of 1934, as amended;

<b>"US Holder"</b>	has the meaning given to it in paragraph 3 of Part IV (" <i>Taxation</i> ") of this document;
<b>"US Ordinary Shareholders"</b>	an Ordinary Shareholder who is resident in the United States;
<b>"Water Treatment Proposal"</b>	the Company's disposal of an ownership interest in TWH Water Treatment Industries, Inc., as described in the circular to Shareholders published by the Company on 4 September 2018 and approved at the extraordinary general meeting of the Company held on 25 September 2018;
<b>"ZDP Shareholders"</b>	holders of ZDP Shares; and
<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.



## NOTICE OF EXTRAORDINARY GENERAL MEETING

### JZ Capital Partners Limited (the "Company") (registered number 48761)

Notice is hereby given that an Extraordinary General Meeting of the Company will be held at the offices of Northern Trust International Fund Administration Services (Guernsey) Limited, Trafalgar Court, Les Banques, St Peter Port, Guernsey GY1 3QL, Channel Islands at 12.30 p.m. on 16 August 2019 to consider and, if thought fit, pass the following Resolutions.

Resolutions 1 and 2 are intended to be proposed as Ordinary Resolutions. Resolution 3 is intended to be proposed as an Extraordinary Resolution (within the meaning given to it in the Articles of Incorporation of the Company, 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 Guernsey Companies Law).

Ordinary Shareholders only will be entitled to vote on the Resolutions save that for Resolutions 1 and 2 only, Edgewater as a Related Party in respect of the Company for the purposes of those Resolutions, has undertaken not to vote, and has taken all reasonable steps to ensure that its associates will not vote, on those Resolutions. For the avoidance of doubt, ZDP Shareholders will not be entitled to vote on the Resolutions.

### ORDINARY RESOLUTIONS

1. THAT, the Related Party Transaction relating to approval of the Company's proposed disposal to Edgewater Growth Capital Partners ("Edgewater") of 80 per cent. of its ownership interest in Jordan Health Products, LLC ("Avante") (being equivalent to a 40 per cent. ownership interest in Avante) and 80 per cent. of its ownership interest in MERS Holdings, LLC ("MERS") (being equivalent to a 20 per cent. ownership interest in MERS) and related additional investments in Avante and MERS with Edgewater on the terms summarised in paragraphs 3.1 to 3.3 of Part I ("*Chairman's Letter*") and in paragraphs 1 and 3 of Part V ("*Summary of the Avante-MERS and Orizon Proposals*"), in each case, of the Circular (as defined below), be and is hereby approved for the purposes of Chapter 11 of the Listing Rules insofar as they apply to the Company by virtue of its voluntary compliance with the Listing Rules and notwithstanding that the Company has not received written confirmation in a form prescribed by the Listing Rules that the terms of the transaction are fair and reasonable as far as Ordinary Shareholders are concerned.
2. THAT, the Related Party Transaction relating to approval of the Company's proposed disposal to Edgewater Growth Capital Partners ("Edgewater") of 80 per cent. of its ownership interest in Tech Industries, LLP ("Orizon") (being equivalent to a 9.5 per cent. ownership interest in Orizon) and related additional investments in Orizon with Edgewater on the terms summarised in paragraphs 3.1 to 3.3 of Part I ("*Chairman's Letter*") and in paragraphs 2 and 3 of Part V ("*Summary of the Avante-MERS and Orizon Proposals*"), in each case, of the Circular (as defined below), be and is hereby approved for the purposes of Chapter 11 of the Listing Rules insofar as they apply to the Company by virtue of its voluntary compliance with the Listing Rules and notwithstanding that the Company has not received written confirmation in a form prescribed by the Listing Rules that the terms of the transaction are fair and reasonable as far as Ordinary Shareholders are concerned.

### EXTRAORDINARY RESOLUTION

3. THAT, the New Articles of Incorporation produced to the meeting and initialled by the chairman of the meeting for the purpose of identification, be approved and adopted as the Articles of Incorporation of the Company in substitution for, and to the exclusion of, the Company's existing Articles of Incorporation.

Words and expressions defined in the circular dated 26 July 2019 and published by the Company (the "**Circular**") shall, unless the context otherwise requires, have the same meaning in this Notice of Extraordinary General Meeting.

By order of the Board  
Northern Trust International Fund Administration Services (Guernsey) Limited (Secretary)  
Trafalgar Court  
Les Banques  
St Peter Port  
Guernsey  
GY1 3QL  
Channel Islands

Dated 26 July 2019

**Notes re your Form of Proxy and voting at the Extraordinary General Meeting:**

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 Shares, please send this document, together in the case of Ordinary Shareholders 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, forwarded or transmitted in, into or from 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 Shares, please consult the stockbroker, bank or other agent through whom the sale or transfer was effected.

**Rights to attend and vote**

In accordance with the Articles of Incorporation of the Company, only the Ordinary Shareholders are entitled to attend and vote at the Extraordinary General Meeting if they are so entitled. ZDP Shareholders are not entitled to attend or vote at the Extraordinary General Meeting.

The Company specifies that, in order to have the right to attend and vote at the Extraordinary General Meeting (and also for the purpose of determining how many votes a person entitled to attend and vote may cast), a person must be entered on the register of members of the Company by no later than 6.30 p.m. on 14 August 2019, or in the event that the meeting is adjourned, by no later than 6.30 p.m. on the date two days before the date of the adjourned meeting. Changes to entries on the register of members after this time shall be disregarded in determining the rights of any person to attend or vote at the Extraordinary General Meeting.

**Proxies**

A member entitled to attend and vote may appoint a proxy or proxies who need not be a member of the Company to attend and to vote instead of him, her or it. A member may appoint more than one proxy in relation to the Extraordinary General Meeting, provided that each proxy is appointed to exercise the rights attached to different Ordinary Shares held by him, her or it.

If it is desired to appoint a proxy or proxies, the name(s) of the proxy or proxies desired must be inserted in the space provided on the Form of Proxy. If no name(s) is entered, the return of the Form of Proxy duly signed will authorise the Chairman of the Extraordinary General Meeting or the Company Secretary to act as your proxy.

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 Resolutions on which you are entitled to vote at the Extraordinary General 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, her or its discretion.

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 of Ordinary Shares 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 2509, if calling from within the United Kingdom, or on +44 121 415 0860, if calling from outside the United Kingdom or you may photocopy the Form of Proxy. Calls to the +44 121 415 0860 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 in England and Wales). 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 of Ordinary Shares 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 instrument appointing a proxy must be in writing under the hand of the appointor or of his, her or its attorney duly authorised in writing or if the appointor is a corporation under its common seal or under the hand of an officer or attorney duly authorised.

The instrument 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 or authority must be deposited with Equiniti Limited, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA, United Kingdom not less than 48 hours before the time for holding the Extraordinary General 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) and in default unless the Board directs otherwise the instrument of proxy shall not be treated as valid.

The Form of Proxy may be sent by post or transmitted to 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, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA, United Kingdom or transmit it by email to proxyvotes@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 Extraordinary General Meeting and voting in person should they wish to do so.

### **Joint holders**

All joint holders of Ordinary Shares should be named but the signature of any one is sufficient. In all cases, names must be entered as they appear on the register of members of the Company.

Where there are joint registered holders of any Ordinary Share such persons shall not have the right of voting individually in respect of such Ordinary Share 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 register of members shall alone be entitled to vote.

### **CREST**

CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so by using the procedures described in the CREST Manual, which can be

viewed at [www.euroclear.com](http://www.euroclear.com). CREST personal members or other CREST Sponsored Members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST Sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

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

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

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

#### **Corporate representatives**

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

Representatives of Ordinary Shareholders that are corporations will have to produce evidence of their proper appointment when attending the Extraordinary General 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 of Extraordinary General Meeting 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 Extraordinary General Meeting information is available**

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