

THIS DOCUMENT AND THE ENCLOSED ELECTION FORM ARE IMPORTANT AND REQUIRE YOUR IMMEDIATE ATTENTION. This document is not a prospectus but a shareholder circular. If you are in any doubt as to the action you should take or the contents of this document, you should consult your accountant, legal or professional adviser, financial adviser or a person authorised for the purposes of the Financial Services and Markets Act 2000, as amended (“FSMA”), who specialises in advising on the acquisition of shares and other securities if you are in the United Kingdom or from another appropriately authorised independent financial adviser if you are in a territory outside of the United Kingdom.

The 2022 ZDP Shares are only suitable for investors: (i) who understand the potential risk of capital loss and that there may be limited liquidity in the underlying investments of the Company; (ii) for whom an election for the 2022 ZDP Shares pursuant to the ZDP Rollover Offer is part of a diversified investment programme; and (iii) who fully understand and are willing to assume the risks involved in such an investment programme. Investors in the Company are expected to be institutional investors, professional investors, high net worth investors and advised individual investors who understand the risks involved in investing in the Company and/or who have received advice from their fund manager or broker regarding investment in the Company. The attention of Qualifying ZDP Shareholders is drawn to the Risk Factors set out in Part 4 (*Risk Factors*) of this document.

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.

Neither the Guernsey Financial Services Commission nor the States of Guernsey Policy Counsel take any responsibility for the financial soundness of the Company or for the correctness of any statements made or opinions expressed with regard to it.

If you sell or have sold or otherwise transferred all of your 2016 ZDP Shares, please send any documents issued by the Company in connection with the ZDP Rollover Offer, if and when received, at once to the purchaser or transferee or to the bank, stockbroker or other agent or other agent through whom the sale or transfer was effected for delivery to the purchaser or transferee, except that such documents should not be sent to any jurisdiction where to do so might constitute a violation of local securities laws or regulations, including but not limited to the United States and any of the other Excluded Territories, or to US Persons. If you have sold or otherwise transferred part of your holding of 2016 ZDP Shares, please consult the bank, stockbroker or other agent through whom the sale or transfer was effected.

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)

Rollover Offer of 2016 ZDP Shares for 2022 ZDP Shares

Adviser

J.P. Morgan Securities plc

(which conducts its UK investment banking business as J.P. Morgan Cazenove)

Investment Adviser of the Company

Jordan/Zalaznick Advisers, Inc.

The distribution of this document and any other documents issued by the Company pursuant to the ZDP Rollover Offer into any jurisdictions other than the United Kingdom may be restricted by law and therefore persons into whose possession this document and any accompanying documents come should inform themselves about and observe such restrictions. Any failure to comply with any such restrictions may constitute a violation of the securities laws or regulations of such jurisdictions. In particular, subject to certain exceptions, this document and any documents issued by the Company pursuant to the ZDP Rollover Offer should not be distributed or forwarded in or into, or transmitted in, the United States or any of the Excluded Territories or to US Persons.

Jordan/Zalaznick Advisers, Inc. (the “Investment Adviser”) has notified the FCA in accordance with regulation 59 of the UK Alternative Investment Fund Managers Regulations 2013 and meets the conditions of regulation 59(2) (a) to (e) of the UK Alternative Investment Fund Managers Regulations 2013 in order to permit marketing of the Company in the United Kingdom.

This document and all information disclosed herein is not an offer to the public in respect of the 2022 ZDP Shares to any person or entity in any jurisdiction in which such offer is unlawful.

This document is strictly confidential and is only being distributed to and directed to professional investors as defined under Annex II of the Markets in Financial Instruments Directive 2004/39/EC, in accordance with the AIFM Directive as it has been implemented in such jurisdictions and any relevant local laws which permit such offers on a private placement basis. This document must not be acted on or relied on by any other persons in the EEA who are not professional investors.

Any activity which constitutes marketing for the purposes of the AIFM Directive will only be carried out in accordance with local offering rules (including the AIFMD rules in such jurisdictions).

The Company and its Directors, whose names appear on page 18 of this document, accept responsibility for the information contained in this document. To the best of the knowledge and belief of the Company and the Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this document is in accordance with the facts and contains no omission likely to affect the import of such information.

Your attention is drawn to the letter from the Chairman of the Company which is set out in Part 1 (*Letter from the Chairman*) of this document. You should read the whole of this document. Qualifying ZDP Shareholders contemplating an election under the ZDP Rollover Offer for 2022 ZDP Shares should review the risk factors set out in Part 4 (*Risk Factors*) of this document for a discussion of certain factors that should be considered when deciding on what action to take in relation to the issue of 2022 ZDP Shares pursuant to the ZDP Rollover Offer and deciding whether or not to make an election for 2022 ZDP Shares pursuant to the ZDP Rollover Offer.

A Prospectus in respect to the Placing and Open Offer, the ZDP Rollover Offer and the Company's proposed investment in Spruceview Capital Partners will also be sent to Shareholders. This document is the separate Circular in respect of the ZDP Rollover Offer referred to in the Prospectus. You should read this document in conjunction with the Prospectus.

The Placing and Open Offer, the ZDP Rollover Offer and the Company's proposed investment in Spruceview Capital Partners are subject to the approval of Ordinary Shareholders and/or ZDP Shareholders at the Separate Class Meetings and/or the Extraordinary General Meeting of the Company. The ZDP Rollover Offer is subject to the approval of relevant Shareholders entitled to vote at each of the meetings. Notices of the Separate Class Meetings and a Notice of Extraordinary General Meeting are set out at the end of the Prospectus. The Separate Class Meetings of Ordinary Shareholders and of the ZDP Shareholders are to be held at 11.00 a.m. and 11.05 a.m. on 29 September 2015 (or, in the case of the Class Meeting of ZDP Shareholders, as soon thereafter as the Class Meeting of Ordinary Shareholders has been concluded or adjourned). The Extraordinary General Meeting is to be held at 11.10 a.m. on 29 September 2015 (or as soon thereafter as the Class Meeting of ZDP Shareholders has been concluded or adjourned). All three meetings are to be held at the offices of Northern Trust International Fund Administration Services (Guernsey) Limited, Trafalgar Court, Les Banques, St Peter Port, Guernsey, Channel Islands. Forms of Proxy are enclosed in the Prospectus for use by Shareholders in connection with the Separate Class Meetings and the Extraordinary General Meeting. To be valid, the Forms 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, UK as soon as possible and in any event not later than 48 hours before the appointed time of the relevant meeting (excluding any part of a day which is non-working). Completion and return of the Forms of Proxy will not preclude Shareholders from attending and voting in person at the Separate Class Meetings and the Extraordinary General Meeting should they so wish and be so entitled. Shareholders are advised to review the instructions on page 67 of the Prospectus regarding the proper completion and return of the Forms of Proxy.

The Notice of the Separate Class Meetings and the Notice of Extraordinary General Meeting provide all Shareholders with notice of the Separate Class Meetings and the Extraordinary General Meeting. Shareholders are advised that Ordinary Shareholders only have the right to attend and vote on the Resolution to be proposed at the Class Meeting of Ordinary Shareholders and ZDP Shareholders only have the right to attend and vote on the Resolution to be proposed at the Class Meeting of ZDP Shareholders in both cases in respect of which they are entitled. All Shareholders (being Ordinary Shareholders and ZDP Shareholders) 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.

ZDP Rollover Offer

It is expected that, subject to Ordinary Shareholder and ZDP Shareholder approval of the ZDP Rollover Offer at the Separate Class Meetings and Shareholder approval of the ZDP Rollover Offer and the amendments to the Articles at the Extraordinary General Meeting, application will also be made to the London Stock Exchange for the 2022 ZDP Shares to be admitted to trading on its Specialist Fund Market ("**Admission of the 2022 ZDP Shares**"). It is expected that Admission of the 2022 ZDP Shares will become effective and that dealings will commence in the 2022 ZDP Shares at 8.00 a.m. on 1 October 2015.

The ZDP Rollover Offer is conditional, *inter alia*, on: (i) the passing of each of the Resolutions to be proposed at the Separate Class Meetings; (ii) the passing of each of the ZDP Rollover Offer Resolution and the Articles Amendment Resolution each of which is to be proposed at the Extraordinary General Meeting; (iii) Admission of the 2022 ZDP Shares becoming effective by not later than 8.00 a.m. on 1 October 2015 (or such later time and/or date as the Company and the Investment Adviser may agree with JPMC (as defined below), not being later than 8.00 a.m. on 30 October 2015) (iv) the Placing Agreement becoming unconditional in all respects in relation to the ZDP Rollover Offer and not having been terminated in accordance with its terms; and (v) the ZDP Rollover Offer becoming unconditional and completed in accordance with its terms (including valid elections under the ZDP Rollover Offer being received in respect of 2022 ZDP Shares with an aggregate value, at the 2022 ZDP Share Issue Price, of at least £20 million). The ZDP Rollover Offer is not conditional on the Placing and Open Offer or the Company's proposed investment in Spruceview Capital Partners. The 2022 ZDP Shares will, on Admission of the 2022 ZDP Shares, have substantially the same rights as those attaching to the 2016 ZDP Shares save for a different final capital entitlement and repayment date. The 2022 ZDP Shares will rank *pari passu* with the 2016 ZDP Shares for the period when both classes of shares are in issue until the 2016 ZDP Shares are redeemed on the 2016 ZDP Share Repayment Date.

Qualifying ZDP Shareholders (other than, subject to certain exceptions, Excluded Territory Shareholders and ZDP Shareholders with registered addresses in the United States or who are otherwise located in the United States) holding 2016 ZDP Shares in certificated form and who wish to make an election for 2022 ZDP Shares pursuant to the ZDP Rollover Offer should complete and return the Election Form together with their valid 2016 ZDP Share certificate(s) and/or other documents

of title to Equiniti Limited, Corporate Actions, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA so as to be received by not later than 11.00 a.m. on 24 September 2015. Qualifying ZDP Shareholders (other than, subject to certain exceptions, Excluded Territory Shareholders and ZDP Shareholders with registered addresses in the United States or who are otherwise located in the United States) holding 2016 ZDP Shares in uncertificated form (that is through CREST), none of whom will receive an Election Form, and who wish to make an election for 2022 ZDP Shares pursuant to the ZDP Rollover Offer should send the TTE instruction through CREST so as to settle by no later than 11.00 a.m. on 24 September 2015.

The latest time and date for election under the ZDP Rollover Offer is 11.00 a.m. on 24 September 2015. The procedures for election and the action to be taken by Qualifying ZDP Shareholders are set out in the section headed “Forms Accompanying This Document And Action To Be Taken By Qualifying ZDP Shareholders” and in the letter from the Chairman of the Company which is set out in Part 1 (*Letter from the Chairman*) of this document and, where relevant, in the Election Form.

JPMC and Information in this document

J.P. Morgan Securities plc (which conducts its UK investment banking business as J.P. Morgan Cazenove) (“**JPMC**”), which is authorised by the Prudential Regulation Authority and regulated by the FCA and the Prudential Regulation Authority in the United Kingdom, is acting solely for the Company and no one else in connection with the ZDP Rollover Offer and Admission of the 2022 ZDP Shares and will not be responsible to anyone other than the Company for providing the protections afforded to clients of JPMC, or for affording advice in relation to the ZDP Rollover Offer, Admission of the 2022 ZDP Shares, the contents of this document or any matters referred to herein, and will not regard any other person (whether or not a recipient of this document) as its client in relation to the ZDP Rollover Offer.

This does not exclude or limit any responsibility which JPMC may have under the FSMA or the regulatory regime established thereunder. Apart from the responsibilities and liabilities, if any, which may be imposed on JPMC by the FSMA or the regulatory regime established thereunder, JPMC or any person affiliated with it, does not accept any responsibility whatsoever and makes no representation or warranty, express or implied, in respect of the contents of this document including its accuracy, completeness or verification or for any other statement made or purported to be made by any of them, or on behalf of them, or by or on behalf of the Company, in connection with the Company, the Investment Adviser, the 2016 ZDP Shares, the 2022 ZDP Shares or the ZDP Rollover Offer and nothing in this document is or shall be relied upon as a promise or representation in this respect, whether as to the past or future. JPMC and its affiliates accordingly disclaim to the fullest extent permitted by applicable law, all and any liability whatsoever, whether arising in tort, contract or otherwise (save as referred to above) which they might otherwise have to any person, other than the Company, in respect of this document or any such statement.

Qualifying ZDP Shareholders should rely only on the information in this document, the Prospectus and any information contained in any supplementary document or prospectus provided prior to Admission of the 2022 ZDP Shares. No person has been authorised to give any information or make any representations other than those contained in this document, the Prospectus and any supplementary document or prospectus and, if given or made, such information or representations must not be relied upon as having been authorised by the Company, the Investment Adviser or JPMC or any of their respective affiliates, officers, directors, employees or agents. Without prejudice to any legal or regulatory obligation on the Company to publish a supplementary prospectus pursuant to section 87G of FSMA and Rule 3.4 of the Prospectus Rules, neither the publication or delivery of this document or the Prospectus nor any subscription or sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Company since the date of this document or the Prospectus or that the information in this document or the Prospectus is correct as at any time subsequent to its date.

The contents of this document are not to be construed as legal, business or tax advice. Each Qualifying ZDP Shareholder should consult their own legal, financial or tax adviser for legal, financial or tax advice.

Overseas Territories

Neither this document nor the Election Form constitute or form part of any offer or invitation to sell or issue, or any solicitation of any offer to acquire, the 2022 ZDP Shares to any person with a registered address, or who is resident or located, in the United States or any of the Excluded Territories or to any US Person, subject to certain exceptions, or to any person in any jurisdiction in which such an offer or solicitation is unlawful.

The 2022 ZDP Shares have not been and will not be registered under the applicable securities laws of any Excluded Territory. Accordingly, subject to certain exceptions, the 2022 ZDP Shares may not be offered or sold in such jurisdictions or to, or for the account or benefit of, any resident of such jurisdictions except pursuant to an applicable exemption from and in compliance with any applicable securities laws. There will be no public offer of the 2022 ZDP Shares in any of the Excluded Territories.

Subject to certain exceptions, this document and the Election Form should not be distributed, forwarded to or transmitted in or into the United States or the Excluded Territories, to US Persons or in or into any jurisdiction or to any person (including US Persons) where the extension or availability of the ZDP Rollover Offer would breach any applicable law.

The 2022 ZDP Shares have not been and will not be registered under the US Securities Act of 1933, as amended (the “**US Securities Act**”), or under the securities laws of any state or other jurisdiction of the United States and, subject to certain exceptions, may not be offered, sold, resold, taken up, transferred, delivered or distributed, directly or indirectly, within the United States or to, or for the account or benefit of, US Persons (as defined in Regulation S under the US Securities Act (“**Regulation S**”)). There will be no public offer of the 2022 ZDP Shares in the United States. The Company has not been and will not be registered under the US Investment Company Act of 1940, as amended (the “**US Investment Company Act**”), and investors will not be entitled to the benefits of that Act.

The ZDP Rollover Offer will, subject to certain exceptions, only be available to Qualifying ZDP Shareholders. Information regarding Overseas ZDP Shareholders is set out in the section headed “*Overseas ZDP Shareholders*” in the letter from the Chairman of the Company which is set out in Part 1 (*Letter from the Chairman*) of this document. The ZDP Rollover Offer is not being and will not be made, and the 2022 ZDP Shares will not be offered or sold, to any person with a registered address in, or who is resident or located in, the United States or to any US Person.

The 2022 ZDP Shares have not been approved or disapproved by the United States Securities and Exchange Commission, any state securities commission in the United States or any US regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of the offering of the 2022 ZDP Shares or the accuracy or adequacy of this document. Any representation to the contrary is a criminal offence in the United States.

The 2016 ZDP Shares and the 2022 ZDP Shares are subject to selling and transfer restrictions in certain jurisdictions. Prospective purchasers should read the restrictions described in paragraph 3 of Part 2 (*Details of the 2016 ZDP Shares and the 2022 ZDP Shares*) of this document.

General Notice

JPMC and any of its affiliates may have engaged in transactions with, and provided various investment banking, financial advisory and other services for, the Company and the Investment Adviser, for which they would have received customary fees. JPMC and any of its affiliates may provide such services to the Company and the Investment Adviser and any of its affiliates in the future.

In connection with the ZDP Rollover Offer, each of the JPMC and any of its affiliates, acting as an investor for its or their own account(s), in accordance with applicable legal and regulatory provisions, may retain, purchase, sell, offer to sell or otherwise deal for its or their own account(s) in relation to the 2016 ZDP Shares, the 2022 ZDP Shares and/or related instruments in connection with the ZDP Rollover Offer or otherwise. Accordingly, references in this document to the 2016 ZDP Shares and the 2022 ZDP Shares being issued, offered, subscribed, acquired, placed or otherwise dealt in should be read as including any issue or offer to, or subscription, acquisition, placing or dealing by, JPMC and any of its affiliates acting as investors for its or their own account(s). Except as required by applicable law or regulation, JPMC does not propose to make any public disclosure in relation to such transactions. In addition, JPMC and its affiliates may enter into financing arrangements (including swaps or contracts for difference) with investors in connection with which JPMC (or its affiliates) may from time to time acquire, hold or dispose of 2016 ZDP Shares and/or 2022 ZDP Shares.

The contents of this document should not be construed as legal, financial, business, investment, tax or other professional advice. Each Qualifying ZDP Shareholder should consult his, her or its legal adviser, independent financial adviser or tax adviser for legal, financial, business, investment or tax advice. Qualifying ZDP Shareholders must inform themselves as to: (i) the legal requirements within their own countries for the purchase, election, holding, transfer, redemption or other disposal of the 2016 ZDP Shares and/or the 2022 ZDP Shares; (ii) any foreign exchange restrictions applicable to the purchase, election, holding, transfer, redemption or other disposal of the 2016 ZDP Shares and/or the 2022 ZDP Shares which they might encounter; and (iii) the income and other tax consequences which may apply in their own countries as a result of the purchase, election, holding, transfer, redemption or other disposal of the 2016 ZDP Shares and/or the 2022 ZDP Shares. This document is for your information only and nothing in this document is intended to endorse or recommend a particular course of action.

In making an investment decision, each Qualifying ZDP Shareholder must rely on its own examination, analysis and enquiry of the Company and the terms of the ZDP Rollover Offer, including the merits and risks involved. Each Qualifying ZDP Shareholder acknowledges that: (i) it has not relied on JPMC or any person affiliated with JPMC in connection with any investigation of the accuracy of any information contained in this document, the Prospectus or its investment decision; and (ii) it has relied only on the information contained in this document, the Prospectus and any information contained in any supplementary document or prospectus provided prior to Admission of the 2022 ZDP Shares, and that no person has been authorised to give any information or to make any representation concerning the Company or its subsidiaries or the 2016 ZDP Shares or the 2022 ZDP Shares (other than as contained in this document, the Prospectus and any supplementary document or prospectus and, if given or made, any such other information or representation should not be relied upon as having been authorised by the Company, the Investment Adviser or JPMC or any of their respective affiliates, officers, directors, employees or agents).

Certain terms used in this document, including certain technical and other items, are explained and defined in Part 7 (*Definitions and Glossary*) of this document.

This document and the Prospectus should be read in their entirety before making an election for the 2022 ZDP Shares pursuant to the ZDP Rollover Offer.

If you are in any doubt about the contents of this document, you should consult your stockbroker, bank manager, solicitor, accountant or financial adviser.

It should be remembered that the price of the 2016 ZDP Shares and the 2022 ZDP Shares can go down as well as up and that ZDP Shareholders may not receive, on sale or the cancellation or redemption, the amount that they invested and/or their predetermined final capital entitlement.

The Directors of the Company have taken all reasonable care to ensure that the facts stated in this document are true and accurate in all material respects, and that there are no other facts the omission of which would make misleading any statement in the document, whether of facts or of opinion. All the Directors accept responsibility accordingly.

This document is dated 4 September 2015.

TABLE OF CONTENTS

	<i>Page</i>
IMPORTANT INFORMATION	7
EXPECTED TIMETABLE OF PRINCIPAL EVENTS	12
STATISTICS RELATING TO THE ZDP ROLLOVER OFFER	14
FORMS ACCOMPANYING THIS DOCUMENT AND ACTION TO BE TAKEN BY QUALIFYING ZDP SHAREHOLDERS	15
PART 1 LETTER FROM THE CHAIRMAN	18
PART 2 DETAILS OF THE 2016 ZDP SHARES AND THE 2022 ZDP SHARES	26
PART 3 PRINCIPAL BASES AND ASSUMPTIONS	36
PART 4 RISK FACTORS	38
PART 5 TAXATION	44
PART 6 ADDITIONAL INFORMATION	49
PART 7 DEFINITIONS AND GLOSSARY	53

IMPORTANT INFORMATION

This document and the Prospectus should be read in their entirety before making an election for the 2022 ZDP Shares pursuant to the ZDP Rollover Offer. Qualifying ZDP Shareholders should rely only on the information contained in this document, the Prospectus and any information contained in any supplementary document or prospectus provided prior to Admission of the 2022 ZDP Shares. No person has been authorised to give any information or make any representations other than as contained in this document, the Prospectus and any supplementary document or prospectus and, if given or made, such information or representations must not be relied on as having been authorised by the Company, the Investment Adviser or JPMC or any of their respective affiliates, officers, directors, employees or agents. Without prejudice to the Company's obligations under the Prospectus Rules, the Listing Rules (with which the Company voluntarily complies) and the Disclosure and Transparency Rules including the obligation of the Company to publish a supplementary prospectus pursuant to section 87G(1) of the FSMA, neither the delivery of this document or the Prospectus nor any election made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Company since the date of this document or the Prospectus or that the information in this document or the Prospectus is correct as at any time subsequent to their respective dates. The Company will, in the event of any significant new factor, material mistake or inaccuracy relating to the information included in this document or the Prospectus which is capable of affecting the assessment of any 2016 ZDP Shares and/or any 2022 ZDP Shares, prepare a supplement to this document and/or the Prospectus, in compliance with section 87G(1) of the FSMA. This document and the Prospectus should be read and construed with any supplement thereto.

Qualifying ZDP Shareholders must not treat the contents of this document or the Prospectus or any subsequent communications from the Company, the Investment Adviser or JPMC or any of their respective affiliates, officers, directors, employees or agents as advice relating to legal, taxation, accounting, regulatory, investment or any other matters.

Regulatory information

This document does not constitute an offer to sell, or the solicitation of an offer to subscribe for or buys 2022 ZDP Shares in any jurisdiction in which such offer or solicitation is unlawful. The issue or circulation of this document may be prohibited in some countries.

Overseas ZDP Shareholders should consider (to the extent relevant to them) the information in the section headed "*Overseas ZDP Shareholders*" in the letter from the Chairman of the Company which is set out in Part 1 (*Letter from the Chairman*) of this document.

Data protection

The information that a Qualifying ZDP Shareholder provides in documents in relation to an election for the 2022 ZDP Shares pursuant to the ZDP Rollover Offer or which it or any subsequent purchaser of the 2016 ZDP Shares and/or the 2022 ZDP Shares subsequently provides by whatever means which relates to the Qualifying ZDP Shareholder or such subsequent purchaser (if it is an individual) or a third party individual ("**personal data**") will be held and processed by the Company (and any third party in Guernsey to whom it may delegate certain administrative functions in relation to the Company) in compliance with the relevant data protection legislation and regulatory requirements of Guernsey. Each Qualifying ZDP Shareholder and any subsequent purchaser of the 2016 ZDP Shares and/or the 2022 ZDP Shares will be deemed to acknowledge one's consent that such information will be held and processed by the Company (or any third party, functionary, or agent appointed by the Company) for the following purposes:

- verifying the identity of such Shareholder or subsequent purchaser to comply with statutory and regulatory requirements in relation to anti-money laundering procedures;
- contacting such Shareholder or subsequent purchaser with information about other products and services provided by the Investment Adviser, or its affiliates, which may be of interest to such Shareholder or subsequent purchaser;

- carrying out the business of the Company and the administering of interests in the Company;
- meeting the legal, regulatory, reporting and/or financial obligations of the Company in Guernsey or elsewhere; and
- disclosing personal data to other functionaries of, or advisers to, the Company to operate and/or administer the Company.

Each Qualifying ZDP Shareholder and any subsequent purchaser of the 2016 ZDP Shares and/or the 2022 ZDP Shares acknowledges and consents that where appropriate it may be necessary for the Company (or any third party service provider, functionary, or agent appointed by the Company) to:

- disclose personal data to third party service providers, agents or functionaries appointed by the Company or its agents to provide services to such Shareholders or subsequent purchasers; and
- transfer personal data outside of the EEA to countries or territories which do not offer the same level of protection for the rights and freedoms of such Shareholders or subsequent purchasers as Guernsey.

If the Company (or any third party service provider, functionary or agent appointed by the Company) discloses personal data to such a third party, agent or functionary and/or makes such a transfer of personal data it will use reasonable endeavours to ensure that any third party, agent or functionary to whom the relevant personal data is disclosed or transferred is contractually bound to provide an adequate level of protection in respect of such personal data.

Qualifying ZDP Shareholders and any subsequent purchasers of 2016 ZDP Shares and/or 2022 ZDP Shares are responsible for informing any third party individual (to whom the personal data relates) of the disclosure and use of such data in accordance with these provisions.

Investment considerations

An election for the 2022 ZDP Shares pursuant to the ZDP Rollover Offer is suitable only for investors who are capable of evaluating the merits and risks of such an investment, who understand the potential risk of capital loss and that there may be limited liquidity in the 2022 ZDP Shares, for whom an election for the 2022 ZDP Shares pursuant to the ZDP Rollover Offer constitutes part of a diversified investment portfolio, who fully understand and are willing to assume the risks involved in investing in the Company and who have sufficient resources to be able to bear losses (which may equal the whole amount invested) that may result from such an investment. Investors in the Company are expected to be professional or experienced investors, or those who have taken appropriate professional advice, institutional investors, high net worth investors and advised individual investors who understand the risks involved in investing in the Company. Typical investors for whom the Company is designed are institutional investors, investment funds, private client fund managers and private client brokers, as well as other professionally advised private investors, seeking long-term capital growth and income from debt and equity investments primarily in businesses in the United States and Europe and in US real estate providing a superior overall return comprised of a current yield and significant capital appreciation. Qualifying ZDP Shareholders may want to consult their stockbroker, bank manager, solicitor, accountant or other independent financial adviser before making an election decision.

Qualifying ZDP Shareholders should be aware that the value of an investment in the Company is subject to normal market fluctuations and other risks inherent in investing in securities. The 2016 ZDP Shares and the 2022 ZDP Shares are designed to be held over the long-term and may not be suitable as short-term investments. There is no guarantee that any appreciation in the value of the 2016 ZDP Shares and/or the 2022 ZDP Shares will occur and the original amount invested in the Company may not be recouped and/or their final capital entitlement may not be paid. The corporate objective of the Company is a target only and should not be treated as assurances or guarantees of performance. There can be no assurance that the Company's corporate objective will be achieved.

As the Company's portfolio is constructed without reference to any stock market index, an investment in the Company is unsuitable for those who seek investments that are in some way correlated to a stock market index.

The contents of this document are not to be construed as advice relating to legal, financial, taxation, accounting or regulatory matters, investment decisions or any other matter. Qualifying ZDP Shareholders must inform themselves as to:

- the legal requirements within their own countries for the purchase, election, holding, transfer, redemption or other disposal of the 2016 ZDP Shares and/or the 2022 ZDP Shares;
- any foreign exchange restrictions applicable to the purchase, election, holding, transfer, redemption or other disposal of the 2016 ZDP Shares and/or the 2022 ZDP Shares which they might encounter; and
- the income and other tax consequences which may apply to them as a result of the purchase, election, holding, transfer, redemption or other disposal of the 2016 ZDP Shares and/or the 2022 ZDP Shares.

Qualifying ZDP Shareholders must rely upon their own representatives, including their own legal advisers and accountants, as to legal, tax, accounting, regulatory, investment or any other related matters concerning the Company and an investment in the Company.

Without prejudice to its obligations and responsibilities under the Listing Rules (with which the Company voluntarily complies), the Company will endeavour to ensure fair treatment of investors to comply with the requirements of the AIFM Directive. Investment in the Company will not automatically grant investors any rights against third parties engaged by the Company to provide services to the Company. It should be remembered that the price of the 2016 ZDP Shares and/or the 2022 ZDP Shares can go down as well as up and that the 2016 ZDP Shares and/or the 2022 ZDP Shares may also not receive, on sale or the cancellation or redemption, the amount that they invested and/or their respective final capital entitlements.

This document and the Prospectus should be read in their entirety before making an election for the 2022 ZDP Shares pursuant to the ZDP Rollover Offer. Qualifying ZDP Shareholders are entitled to the benefit of, are bound by, and are deemed to have notice of, the provisions of the memorandum of association and Articles which Qualifying ZDP Shareholders should review. A summary of the Articles and the proposed amendments to the same as contained in the New Articles are included in paragraphs 5.2 and 5.3 respectively of Part X (*Additional Information*) of the Prospectus.

No incorporation of websites

The contents of the Company's website at <http://www.jzcp.com> and JZ Partners, LLC's website at <http://www.jzpartners.com>, the contents of any website accessible from hyperlinks on the Company's website and JZ Partners, LLC's website, or any other website referred to in this document are not incorporated and do not form part of this document. Qualifying ZDP Shareholders should base their decision to make an election for the 2022 ZDP Shares on the contents of this document and the Prospectus alone, and should consult their professional advisers prior to making an election for the 2022 ZDP Shares pursuant to the ZDP Rollover Offer.

Forward-Looking Statements

This document contains statements that are, or may be deemed to be, forward-looking statements, including, without limitation, statements containing the words "anticipates", "believes", "estimates", "expects", "intends", "may", "plans", "projects", "should" or "will" or, in each case, their negative or other variations or similar expressions. These forward-looking statements include all matters that are not historical facts. They appear in a number of places throughout this document and include, but are not limited to, statements regarding the Company's intentions, beliefs or current expectations concerning, among other things, the Company's results of operations, financial position, prospects, growth, investment strategy, financing strategies, prospects for relationships with tenants, liquidity of the Company's assets and expectations for the markets in which the Company invests.

Such forward-looking statements involve unknown risks, uncertainties and other factors, which may cause the actual results of operations, performance or achievement of the Company, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such

forward-looking statements. In addition, even if the Company's results of operations, financial position and growth, and the development of the markets and the industry in which the Company operates, are consistent with the forward-looking statements contained in this document, those results or developments may not be indicative of results or developments in subsequent periods.

Given these uncertainties, Qualifying ZDP Shareholders are cautioned not to place any undue reliance on such forward-looking statements. These forward-looking statements speak only as at the date of this document. Subject to its compliance with its legal and regulatory obligations (including under the Listing Rules (with which the Company voluntarily complies), Prospectus Rules and Disclosure and Transparency Rules), the Company undertakes no obligation to update or revise any forward-looking statement contained in this document, nor will it publicly release any revisions it may make to these forward-looking statements, to reflect any change in expectations with regard thereto or any change in events, conditions or circumstances on which any statement is based. Qualifying ZDP Shareholders should note that the contents of these paragraphs relating to forward-looking statements are not intended to qualify the statements made as to sufficiency of working capital in the Prospectus.

Market, Economic and Industry Data

This document contains certain market data and other information extracted from official and industry sources and other sources the Company believes to be reliable. The Company has not independently verified these industry publications, surveys and forecasts and cannot guarantee their accuracy or completeness. However, such information, data and statistics have been accurately reproduced and, as far as the Company is aware and is able to ascertain from information published by the aforementioned sources, no facts have been omitted which would render the reproduced information, data and statistics inaccurate or misleading. Such information, data and statistics include certain projections and estimates of future events. Such projections and estimates are by their nature uncertain and are not statements of fact. The Company expressly disclaims liability for the occurrence of events or circumstances implied by such projections and estimates. See also "*Forward-Looking Statements*" above.

Currency Presentation

Unless otherwise indicated, all references in this document to "£" or "**Pounds Sterling**" or "**pence**" (including the abbreviation "**p**") are to the lawful currency of the United Kingdom, all references to "**US\$**" or "**US Dollars**" or "**cents**" are to the lawful currency of the United States, and all references to "€" or "**Euro**" are to the single currency of Participating Member States.

Latest practicable date

All references in this document to the latest practicable date prior to the publication of this document should be regarded as being references to 3 September unless otherwise indicated.

Foreign Currency Translation

Unless otherwise indicated, all references in this document to amounts stated in both US Dollars and Pounds Sterling are calculated using an exchange rate of GBP/USD 1.52540, the spot rate published by WM/Reuters as at 3 September 2015.

Rounding

Some financial information in this document has been rounded. As a result of this rounding, figures shown as totals in this document may vary slightly from the exact arithmetic aggregation of the figures that precede them. In addition, certain percentages presented in this document reflect calculations based upon the underlying information prior to rounding and, accordingly, may not conform exactly to the percentages that would be derived if the relevant calculations were based upon the rounded numbers.

Definitions

A glossary and a list of defined terms used in this document is set out in Part 7 (*Definitions and Glossary*) of this document.

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Each of the dates and times in the table below (except for the dates and times in relation to the Separate Class Meetings and the Extraordinary General Meeting) are indicative only and may be adjusted by the Company, in which event details of the new times and dates will be notified to the UK Listing Authority, the London Stock Exchange and, where appropriate, to ZDP Shareholders by way of an announcement via an RIS provider.

Qualifying ZDP Shareholders should refer to the Prospectus for an expected timetable of principal events that includes the dates and times in relation to the Placing and Open Offer as well as the ZDP Rollover Offer.

Announcement of the ZDP Rollover Offer	7.00 a.m. on 4 September 2015
Publication and posting of:	4 September 2015
- the Prospectus and the Forms of Proxy for use in connection with the Separate Class Meetings and the Extraordinary General Meeting; and - this document and the Election Forms	
Last time and date for receipt of Election Forms and Settlement of TTE instructions through CREST	11.00 a.m. on 24 September 2015
ZDP Rollover Offer Record Date	6.00 p.m. on 24 September 2015
Announcement of the results of the ZDP Rollover Offer	25 September 2015
Latest time and date for receipt of Forms of Proxy for use in connection with the Class Meeting of Ordinary Shareholders and electronic proxy appointments via CREST	11.00 a.m. on 25 September 2015
Latest time and date for receipt of Forms of Proxy for use in connection with the Class Meeting of ZDP Shareholders and electronic proxy appointments via CREST	11.05 a.m. on 25 September 2015
Latest time and date for receipt of Forms of Proxy for use in connection with the Extraordinary General Meeting and electronic proxy appointments via CREST	11.10 a.m. on 25 September 2015
Class Meeting of Ordinary Shareholders	11.00 a.m. on 29 September 2015
Class Meeting of ZDP Shareholders	11.05 a.m. on 29 September 2015 (or as soon thereafter as the Class Meeting of Ordinary Shareholders has been concluded or adjourned)
Extraordinary General Meeting	11.10 a.m. on 29 September 2015 (or as soon thereafter as the Class Meeting of ZDP Shareholders has been concluded or adjourned)
Announcement of the results of the Class Meetings and the Extraordinary General Meeting	29 September 2015
Exchange of 2016 ZDP Shares, in respect of which valid elections made and not revoked, for 2022 ZDP Shares	8.00 a.m. on 1 October 2015

Admission of the 2022 ZDP Shares and commencement in dealings expected in respect of the 2022 ZDP Shares issued pursuant to the ZDP Rollover Offer

8.00 a.m. on 1 October 2015

CREST stock accounts of Qualifying ZDP Shareholders exchanging 2016 ZDP Shares for 2022 ZDP Shares expected to be credited in respect of 2022 ZDP Shares issued pursuant to the ZDP Rollover Offer

as soon as possible after
8.00 a.m. on 1 October 2015

Despatch of share certificates in respect of 2022 ZDP Shares issued pursuant to the ZDP Rollover Offer in certificated form

within seven days of Admission
of the 2022 ZDP Shares

Notes:

- (1) References to times are to London time unless otherwise stated.
- (2) The ability to participate in the ZDP Rollover Offer is, subject to certain exceptions, only available to Qualifying ZDP Shareholders. Overseas ZDP Shareholders should consider (to the extent relevant to them) the information in the section headed “*Overseas ZDP Shareholders*” in the letter from the Chairman of the Company which is set out in Part 1 (*Letter from the Chairman*) of this document.
- (3) If you have any queries on the procedure for election of the ZDP Rollover Offer, you should refer to the section of this document headed “*Forms Accompanying This Document And Action To Be Taken By Qualifying ZDP Shareholders*”. Alternatively, you should contact Equiniti Limited, Corporate Actions, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA, UK by telephone on 0871-384-2124, if calling from within the UK, or on +44 121-415-0839, if calling from outside the UK. Calls to the 0871-384-2124 number from within the UK cost 8 pence per minute excluding VAT, plus network extras. Other network providers’ or network costs may vary. Calls to the +44 121-415-0839 number from outside the UK will be charged at applicable international rates. Different charges may apply to calls from mobile telephones. Lines are open 8.30 a.m. to 5.00 p.m. (London time) Monday to Friday. Calls may be recorded and randomly monitored for security and training purposes. Equiniti Limited cannot advise on the merits of the ZDP Rollover Offer or provide you with investment or tax advice.

STATISTICS RELATING TO THE ZDP ROLLOVER OFFER

The following illustrative financial statistics are based on, and should be read in conjunction with, the Assumptions set out in Part 3 (*Principal Bases and Assumptions*) of this document. You should note that actual outcomes can be expected to differ from these illustrations. The illustrations are not guarantees of future performance and involve certain risks and uncertainties that are hard to predict. You should therefore not rely on the illustrations.

2022 ZDP Share Issue Price	349.6p
2022 ZDP Share Final Capital Entitlement per 2022 ZDP Share	444.7p – 483.7p
Gross Redemption Yield per 2022 ZDP Share	3.50% – 4.75%
Estimated 2022 ZDP Share Cumulative Final Cover	1.67x – 1.64x
Estimated 2022 ZDP Share Hurdle Rate	5.18% – 4.90%
Minimum size of the 2022 ZDP Share Issue	£20 million
Maximum size of the 2022 ZDP Share Issue	£50 million

FORMS ACCOMPANYING THIS DOCUMENT AND ACTION TO BE TAKEN BY QUALIFYING ZDP SHAREHOLDERS

Accompanying this document is an Election Form in respect of the ZDP Rollover Offer.

IF YOU DO NOT WISH TO PARTICIPATE IN THE ZDP ROLLOVER OFFER IN RESPECT OF ALL OR ANY OF YOUR 2016 ZDP SHARES OR, SUBJECT TO CERTAIN EXCEPTIONS, YOU ARE AN OVERSEAS ZDP SHAREHOLDER, YOU NEED NOT COMPLETE OR RETURN THE ELECTION FORM.

QUALIFYING ZDP SHAREHOLDERS WHO DO NOT MAKE A VALID ELECTION TO EXCHANGE ALL OR SOME OF THEIR 2016 ZDP SHARES FOR 2022 ZDP SHARES PURSUANT TO THE ZDP ROLLOVER OFFER WILL BE DEEMED TO HAVE ELECTED TO BE REPAID THE 2016 ZDP SHARE FINAL CAPITAL ENTITLEMENT IN RESPECT OF THEIR 2016 ZDP SHARES NOT VALIDLY ELECTED PLUS A FURTHER 3.7 PENCE PER 2016 ZDP SHARE NOT THE SUBJECT OF A VALID ELECTION TO BE PAID ON THE 2016 ZDP SHARE REPAYMENT DATE IN ACCORDANCE WITH THE TERMS AND CONDITIONS OF THE 2016 ZDP SHARES.

OVERSEAS ZDP SHAREHOLDERS SHOULD CONSIDER (TO THE EXTENT RELEVANT TO THEM) THE INFORMATION IN THE SECTION HEADED “OVERSEAS ZDP SHAREHOLDERS” IN THE LETTER FROM THE CHAIRMAN OF THE COMPANY WHICH IS SET OUT IN PART 1 (LETTER FROM THE CHAIRMAN) OF THIS DOCUMENT.

Qualifying ZDP Shareholders holding 2016 ZDP Shares in certificated form

To elect to participate in the ZDP Rollover Offer in respect of 2016 ZDP Shares in certificated form Qualifying ZDP Shareholders (other than, subject to certain exceptions, Excluded Territory Shareholders and ZDP Shareholders with registered addresses in the United States or who are otherwise located in the United States) holding 2016 ZDP Shares in certificated form should complete and return the Election Form together with their valid 2016 ZDP Share certificate(s) and/or other documents of title by post or by hand (during normal business hours) to Equiniti Limited, Corporate Actions, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA, UK, as soon as possible and in any event by no later than 11.00 a.m. on 24 September 2015. A pre-paid envelope is enclosed for your use.

The Company reserves the absolute right to inspect (either itself or through its agents) all Election Forms and may consider void and reject any Election Form that does not in the Company’s sole judgement (acting reasonably) meet the requirements of the ZDP Rollover Offer. The Company also reserves the absolute right to waive any defect or irregularity in relation to the acceptance of the ZDP Rollover Offer by Qualifying ZDP Shareholders, including any Election Form (in whole or in part) which is not entirely in order or which is received after the 24 September 2015, missing share certificate(s) and/or other document(s) of title or an indemnity acceptable to the Company in lieu thereof. None of the Company, Equiniti Limited or any other person will be under any duty to give notification of any defects or irregularities in acceptances under the ZDP Rollover Offer or incur any liability for failure to give any such notification.

If a Qualifying ZDP Shareholder signs and returns an Election Form but does not specify in Box 2 of the Election Form how many 2016 ZDP Shares he or she wishes to elect to participate in the ZDP Rollover Offer and/or does not return any valid 2016 ZDP Share certificates (or other documents of title), the Election Form will be rejected. If a Qualifying ZDP Shareholder signs and returns an Election Form and does not specify in Box 2 of the Election Form how many 2016 ZDP Shares he or she wishes to elect to participate in the ZDP Rollover Offer, but has returned some or all of his or her valid 2016 ZDP Share certificates (or other documents of title) he or she will be deemed to have elected to participate in respect of the number of 2016 ZDP Shares represented by the valid certificates (or other documents of title) accompanying such Election Form at the Strike GRY.

Qualifying ZDP Shareholders holding 2016 ZDP Shares in uncertificated form (that is through CREST).

To elect to participate in the ZDP Rollover Offer in respect of 2016 ZDP Shares held in uncertificated form, Qualifying ZDP Shareholders (other than, subject to certain exceptions, Excluded Territory Shareholders and ZDP Shareholders with registered addresses in the United States or who are otherwise located in the United States) holding 2016 ZDP Shares in certificated form should send (or if you are a CREST sponsored member procure that your CREST sponsor sends) to Euroclear a TTE instruction in relation to their 2016 ZDP Shares. A TTE instruction to Euroclear must be properly authenticated in accordance with Euroclear's specifications for Transfer to Escrow and must contain the following details:

- the corporate action number of the ZDP Rollover Offer. This is allocated by Euroclear and will be available on screen from Euroclear;
- the number of 2016 ZDP Shares in respect of which you wish to elect to participate in the ZDP Rollover Offer;
- your Member Account ID;
- your participant ID;
- the participant ID of the escrow agent, in its capacity as a CREST receiving agent. This is 5RA95;
- the Member Account ID of the escrow agent for each Gross Redemption Yield is;
 - For a Gross Redemption Yield of 3.50 per cent. – JZCAP350;
 - For a Gross Redemption Yield of 3.75 per cent. – JZCAP375;
 - For a Gross Redemption Yield of 4.00 per cent. – JZCAP400;
 - For a Gross Redemption Yield of 4.25 per cent. – JZCAP425;
 - For a Gross Redemption Yield of 4.50 per cent. – JZCAP450;
 - For a Gross Redemption Yield of 4.75 per cent. – JZCAP475;
 - For a Gross Redemption Yield equal to the Strike GRY – JZCAPGRY; and
- the intended settlement date for the ZDP Rollover Offer, being 11.00 a.m. on 24 September 2015;
- the ISIN of the 2016 ZDP Shares. This is: GG00B40D7X85;
- input with the standard delivery instruction, priority 80; and
- a contact name and telephone number in the shared note field.

You 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. You should therefore ensure that all necessary action is taken by you (or by your CREST Sponsor) to enable a TTE Instruction relating to your 2016 ZDP Shares to settle prior to 11.00 a.m. on 24 September 2015. In this respect, you are referred in particular to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

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

The latest time and date for election under the ZDP Rollover Offer is 11.00 a.m. on 24 September 2015.

Full details of the action to be taken are set out in this document and in the instructions on the Election Form. **YOU SHOULD READ THE WHOLE OF THIS DOCUMENT AND THE PROSPECTUS, WHICH CONTAINS THE MATERIAL TERMS OF THE ZDP ROLLOVER OFFER, AND NOT JUST THIS SECTION WHEN DECIDING WHAT ACTION TO TAKE.**

The attention of Overseas ZDP Shareholders is drawn to the section headed “*Overseas ZDP Shareholders*” in the letter from the Chairman of the Company which is set out in Part 1 (*Letter from the Chairman*) of this document.

If you have any further queries regarding the ZDP Rollover Offer, please contact Equiniti Limited by telephone on 0871-384-2124, if calling from within the UK, or on +44 121-415-0839, if calling from outside the UK. Calls to the 0871-384-2124 number from within the UK cost 8 pence per minute excluding VAT, plus network extras. Other network providers’ or network costs may vary. Calls to the +44 121-415-0839 number from outside the UK will be charged at applicable international rates. Different charges may apply to calls from mobile telephones. Lines are open 8.30 a.m. to 5.00 p.m. (London time) Monday to Friday (excluding public holidays). Calls may be recorded and randomly monitored for security and training purposes. Equiniti Limited cannot advise on the merits of the ZDP Rollover Offer or provide you with investment, legal or tax advice.

PART 1

LETTER FROM THE CHAIRMAN

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)

Directors

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

Registered Office:

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

4 September 2015

Dear ZDP Shareholder

Rollover Offer of 2016 ZDP Shares for 2022 ZDP Shares

1. Introduction

The Company announced on 4 September 2015 the proposed rollover offer of 2016 ZDP Shares for 2022 ZDP Shares, being the ZDP Rollover Offer, pursuant to which the Company is proposing to issue 2022 ZDP Shares and to seek Admission of the 2022 ZDP Shares to trading on the London Stock Exchange's Specialist Fund Market. Pursuant to the ZDP Rollover Offer, the Company will offer Qualifying ZDP Shareholders the option of: (a) exchanging a proportion of their 2016 ZDP Shares for 2022 ZDP Shares on 1 October 2015; (b) repayment of the 2016 ZDP Share Final Capital Entitlement in respect of their 2016 ZDP Shares plus a further 3.7 pence per 2016 ZDP Share held to be paid on the 2016 ZDP Share Repayment Date, being 22 June 2016, in accordance with the terms and conditions of the 2016 ZDP Shares; or (c) a combination of (a) and (b) above.

The Company also announced on 4 September 2015 a proposed share issue by way of a Placing and Open Offer in aggregate up to 23,406,698 New Ordinary Shares at an Offer Price of 419.19 pence per New Ordinary Share to raise total gross proceeds of £98.1 million (and Net Proceeds receivable by the Company (after the deduction of costs and expenses (exclusive of VAT) of, or incidental to, the Placing and Open Offer payable by the Company) of approximately £95.1 million). Details of the Placing and Open Offer are included in the Prospectus that will be sent to Shareholders. The Prospectus also includes information in relation to the ZDP Rollover Offer and the proposal by the Company to increase the amount of funding it contributes together with John (Jay) W. Jordan II and David W. Zalaznick (and their respective affiliates) in its asset management business, Spruceview Capital Partners, which would be considered a Related Party Transaction under Chapter 11 of the Listing Rules (with which the Company voluntarily complies).

In addition, the Prospectus contains Notices of Separate Class Meetings and an Extraordinary General Meeting of the Company together with Forms of Proxy for voting by Shareholders. The ZDP Rollover Offer, the Placing and Open Offer and the Company's proposed investment in Spruceview Capital Partners are subject to the approval of Ordinary Shareholders and/or ZDP Shareholders at the Separate Class Meetings and/or the Extraordinary General Meeting. The ZDP Rollover Offer is subject to the approval of relevant Shareholders entitled to vote at each of the meetings.

This document is the Separate ZDP Circular in respect of the ZDP Rollover Offer referred to in the Prospectus and this document and the Prospectus should be read in their entirety. The purpose of this document is to explain the terms and conditions of the ZDP Rollover Offer and the process for electing to exchange 2016 ZDP Shares for 2022 ZDP Shares should Qualifying ZDP Shareholders wish to do so.

2. Background to, and Reasons for, the ZDP Rollover Offer

The Company has become aware that there is appetite from certain investors who invest in zero dividend preference shares for the continuance of the 2016 ZDP Shares on terms which the Board believes will be beneficial to the Company. As a result, the Company is proposing to issue 2022 ZDP Shares pursuant to the ZDP Rollover Offer and to seek Admission of the 2022 ZDP Shares to trading on the London Stock Exchange's Specialist Fund Market. Pursuant to the ZDP Rollover Offer, the Company will offer Qualifying ZDP Shareholders the option of: (a) exchanging a proportion of their 2016 ZDP Shares for 2022 ZDP Shares on 1 October 2015; (b) repayment of the 2016 ZDP Share Final Capital Entitlement in respect of their 2016 ZDP Shares plus a further 3.7 pence per 2016 ZDP Share held to be paid on the 2016 ZDP Share Repayment Date, being 22 June 2016, in accordance with the terms and conditions of the 2016 ZDP Shares; or (c) a combination of (a) and (b) above. A consequence of the ZDP Rollover Offer will therefore be to enable the Company to degear its balance sheet and rebalance its debt maturity profile.

The Board also notes that notwithstanding the Company's good financial health, strong balance sheet and a record of achieving NAV growth in 23 out of the last 25 quarters, the price of the Company's Ordinary Shares remain at a discount to NAV. While there are undoubtedly a number of reasons for this persistent discount, including lack of size and market liquidity, the Board believes that speculation about the impending redemption of the 2016 ZDP Shares is a factor affecting this. To the extent that the redemption of the 2016 ZDP Shares is a factor affecting the discount of Ordinary Share price to NAV, the elimination or reduction of such speculation will assist with addressing the discount to NAV of the Company's Ordinary Share price.

The ZDP Rollover Offer, as well as the Placing and Open Offer will also enable the Company to degear its balance sheet and rebalance its debt making profile.

The background to, and reasons for, the Placing and Open Offer and the Company's proposed investment in Spruceview Capital Partners are included in the Prospectus.

3. The 2022 ZDP Shares

The 2022 ZDP Shares, if issued and fully paid pursuant to the ZDP Rollover Offer, will have substantially the same rights as those attaching to the 2016 ZDP Shares save for a different final capital entitlement and repayment date. The rights attaching to the 2022 ZDP Shares are set out in Part 2 (*Details of the 2016 ZDP Shares and the 2022 ZDP Shares*) of this document. The 2022 ZDP Shares will be denominated in Pounds Sterling.

The holders of 2022 ZDP Shares will be entitled to receive a capital sum, being the 2022 ZDP Share Final Capital Entitlement, on the 2022 ZDP Share Repayment Date, being 1 October 2022. The 2022 ZDP Share Final Capital Entitlement will be the Accrued Capital Entitlement of a 2022 ZDP Share on the 2022 ZDP Share Repayment Date as determined by the terms and conditions of the ZDP Rollover Offer.

The 2022 ZDP Share Gross Redemption Yield has not been set at the date of this document but will be determined by way of a book-build reflecting orders received pursuant to the ZDP Rollover Offer. The 2022 ZDP Share GRY will be announced by the Company, on or around 25 September 2015, by way of an announcement through a RIS.

Qualifying ZDP Shareholders participating in the ZDP Rollover Offer will be required to indicate the number of 2016 ZDP Shares they wish to exchange for 2022 ZDP Shares pursuant to the ZDP Rollover Offer at different Gross Redemption Yields ranging from 3.50 per cent. to 4.75 per cent. or at the Strike GRY. These orders will be aggregated by Equiniti Limited indicating the amount of demand at each gross redemption yield.

The 2022 ZDP Share GRY will be set at the lowest gross redemption yield at which valid elections under the ZDP Rollover Offer have been received in respect of 2022 ZDP Shares with an aggregate value, at the Issue Price, of at least £20 million and of not more than £50 million. Valid elections will therefore be subject to scaling back in the event of excess demand. All valid elections under the ZDP Rollover Offer that are accepted will be exchanged at the 2022 ZDP Share GRY.

The 2022 ZDP Share GRY will impact the 2022 ZDP Share Final Capital Entitlement, the 2022 ZDP Share Cumulative Final Cover and the 2022 ZDP Share Hurdle Rate. The chart below sets out this information at Gross Redemption Yields between 3.50 per cent and 4.75 per cent.

2022 ZDP Share Gross Redemption Yield	3.50%	3.75%	4.00%	4.25%	4.50%	4.75%
2022 ZDP Share Final Capital Entitlement	444.7p	452.3p	460.0p	467.8p	475.7p	483.7p
2022 ZDP Share Hurdle Rate	(5.18%)	(5.14%)	(5.11%)	(5.07%)	(5.04%)	(5.00%)
2022 ZDP Share Estimated Final Net Asset Cover	1.67x	1.67x	1.66x	1.65x	1.65x	1.64x
2022 ZDP Share Gross Redemption Yield if priced at the 2016 ZDP Share price of 357.3p	3.18%	3.43%	3.68%	3.93%	4.18%	4.42%

Pro forma initial cover in respect of the 2022 ZDP Shares will be 3.4 times.

The above illustrative statistics are calculated on the basis of the principal bases and assumptions set out in Part 3 (*Principal Bases and Assumptions*) of this document.

The 2022 ZDP Shares will rank behind the Company's creditors and prior ranking securities including the CULS but in priority to the final capital entitlements of the Ordinary Shares. The 2022 ZDP Shares will rank *pari passu* with the 2016 ZDP Shares for the period when both classes of Shares are in issue until the 2016 ZDP Shares are redeemed on the 2016 ZDP Share Repayment Date. The 2022 ZDP Shares, the same as the 2016 ZDP Shares, carry no entitlement to income and the whole of their return will therefore take the form of capital.

The 2022 ZDP Shares will not have the right to vote at any general meetings of the Company except in certain circumstances as detailed in the New Articles. Holders of 2022 ZDP Shares will have the right to vote upon any resolution to alter, modify or abrogate the special rights or privileges attaching to the 2022 ZDP Shares.

Qualifying ZDP Shareholders should note that the 2016 ZDP Share Final Capital Entitlement and the 2022 ZDP Share Final Capital Entitlement are not guaranteed repayment amounts.

4. The ZDP Rollover Offer

Overview

Pursuant to the ZDP Rollover Offer, the Company will offer Qualifying ZDP Shareholders the option of: (a) exchanging a proportion of their 2016 ZDP Shares for 2022 ZDP Shares; (b) repayment of the 2016 ZDP Share Final Capital Entitlement plus a further 3.7 pence per 2016 ZDP Share held to be paid on the 2016 ZDP Share Repayment Date, being 22 June 2016, in accordance with the terms and conditions of the 2016 ZDP Shares; or (c) a combination of (a) and (b) above.

The rollover value attributed to a 2016 ZDP Share will be equal to its Accrued Capital Entitlement as at the ZDP Rollover Date, being 349.6 pence. The 2022 ZDP Shares arising on the exchange of 2016 ZDP Shares pursuant to the ZDP Rollover Offer will be deemed to be issued at the 2022 ZDP Share Issue Price.

Subject to the ZDP Rollover Offer becoming unconditional and completed in accordance with its terms, each 2016 ZDP Share validly elected to be rolled over will be exchanged for one 2022 ZDP Share to be issued pursuant to the ZDP Rollover Offer. As mentioned above, the 2022 ZDP Shares, if issued and fully paid pursuant to the ZDP Rollover Offer, will have substantially the same rights as those attaching to the 2016 ZDP Shares save for a different final capital entitlement and repayment date. The rights attaching to the 2022 ZDP Shares are set out in Part 2 (*Details of the 2016 ZDP Shares and the 2022 ZDP Shares*) of this document.

The ZDP Rollover Offer is, subject to certain exceptions, open to all Qualifying ZDP Shareholders. All such persons shall be entitled to have accepted in the ZDP Rollover Offer all valid elections in respect of his or her holding, subject to scaling back in the event of excess demand. All valid elections that are accepted under the ZDP Rollover offer will rollover at the 2022 ZDP Share GRY.

Fractional Entitlements

Fractions of 2022 ZDP Shares will not be issued. The number of 2022 ZDP Shares arising pursuant to an election under the ZDP Rollover Offer will be rounded down to the nearest whole number and any excess monies will be retained by the Company.

Elections

Qualifying ZDP Shareholders participating in the ZDP Rollover Offer will be required to indicate the number of 2016 ZDP Shares they wish to exchange for 2022 ZDP Shares pursuant to the ZDP Rollover Offer and at different gross redemption yields, ranging between 3.50 per cent and 4.75 per cent. Qualifying ZDP Shareholders will also be able to elect to rollover their 2016 ZDP Shares at the Strike GRY. The total number of 2016 ZDP Shares that a Qualifying ZDP Shareholder elects to rollover at each Gross Redemption Yield will be cumulative with the number of 2016 ZDP Shares elected to be rolled over at lower Gross Redemption Yields. The aggregate number of 2016 ZDP Shares that a Qualifying ZDP Shareholder can elect to rollover will be restricted to the number of 2016 ZDP Shares held by the Qualifying ZDP Shareholder on the ZDP Rollover Offer Record Date.

In order to elect to participate in the ZDP Rollover Offer, Qualifying ZDP Shareholders are advised to refer to the section headed “*Forms Accompanying This Document And Action To Be Taken By Qualifying ZDP Shareholders*” on pages 15 to 17 of this document and to complete the Election Form in accordance with the instructions printed thereon or submit a TTE Instruction through CREST, in each case in accordance with the instructions set out in this document and the Election Form.

The Company reserves the absolute right to inspect (either itself or through its agents) all Election Forms and may consider void and reject any Election Form that does not in the Board’s sole judgement (acting reasonably) meet the requirements of the ZDP Rollover Offer. The Company also reserves the absolute right to waive any defect or irregularity in relation to the acceptance of the ZDP Rollover Offer by Qualifying ZDP Shareholders, including any Election Form (in whole or in part) which is not entirely in order or which is received after 24 September 2015, missing share certificate(s) and/or other document(s) of title or an indemnity acceptable to the Company in lieu thereof. None of the Company, Equiniti Limited or any other person will be under any duty to give notification of any defects or irregularities in acceptances under the ZDP Rollover Offer or incur any liability for failure to give any such notification.

If a Qualifying ZDP Shareholder signs and returns an Election Form but does not specify in Box 2 of the Election Form how many 2016 ZDP Shares he or she wishes to elect to participate in the ZDP Rollover Offer and/or does not return any valid 2016 ZDP Share certificate(s) and/or other documents of title, the Election Form will be rejected. If a Qualifying ZDP Shareholder signs and returns an Election Form and does not specify in Box 2 of the Election Form how many 2016 ZDP Shares he or she wishes to elect to participate in the ZDP Rollover Offer but has returned some or all of his or her valid 2016 ZDP Share certificate(s) and/or other documents of title he or she will be deemed to have elected to participate in respect of the number of 2016 ZDP Shares represented by the valid certificates (or other documents of title) accompanying such Election Form at the Strike GRY.

The latest time and date for election under the ZDP Rollover Offer is 11.00 a.m. on 24 September 2015.

Qualifying ZDP Shareholders who do not make a valid election to exchange all or some of their 2016 ZDP Shares for 2022 ZDP Shares pursuant to the ZDP Rollover Offer will be deemed to have elected to be repaid the 2016 ZDP Share Final Capital Entitlement in respect of their 2016 ZDP Shares not validly elected plus a further 3.7 pence per 2016 ZDP Share not the subject of a valid election to be paid on the 2016 ZDP Share Repayment Date. Payment of such further amount will be conditional upon the Admission of the 2022 ZDP Shares and the ZDP Rollover Offer becoming unconditional and completed in accordance with its terms.

Mechanics of the ZDP Rollover Offer

The ZDP Rollover Offer will be effected by the redemption of the 2016 ZDP Shares in respect of which valid elections to participate in the ZDP Rollover Offer are received in exchange for the issue of new 2022 ZDP Shares issued pursuant to the ZDP Rollover Offer on the terms set out in the Company’s New Articles.

Subject to completion of the ZDP Rollover Offer, each 2016 ZDP Share validly elected to participate in the ZDP Rollover Offer will be exchanged for one 2022 ZDP Share at Admission of the 2022 ZDP Shares on and subject to the terms and conditions set out in this document and the Election Form.

Forthwith upon exchange, any certificates relating to 2016 ZDP Shares that are exchanged into 2022 ZDP Shares pursuant to the ZDP Rollover Offer shall be cancelled and the Company shall issue to each such participant in the ZDP Rollover Offer new certificates in respect of the 2022 ZDP Shares issued on exchange, unless such participant in the ZDP Rollover Offer elects to hold their 2022 ZDP Shares in uncertificated form.

The rights attaching to 2016 ZDP Shares that are not exchanged for 2022 ZDP Shares pursuant to the ZDP Rollover Offer will remain unchanged other than any effect on or modification to those rights which may result from the implementation of the ZDP Rollover Offer. The 2016 ZDP Share Final Capital Entitlement of 369.84 pence per 2016 ZDP Share will remain due on 22 June 2016 plus a further 3.7 pence per 2016 ZDP Share on the assumption that the ZDP Rollover Offer completes.

Overseas ZDP Shareholders

In order to avoid any inadvertent breach of overseas securities laws, Overseas ZDP Shareholders shall be deemed to have elected not to participate in the ZDP Rollover Offer. Notwithstanding any other provision of this document, the Company reserves the right to permit any Overseas ZDP Shareholders to receive 2022 ZDP Shares if the Directors, in their sole and absolute discretion, are satisfied at any time prior to 24 September 2015 that the transaction in question is exempt from, or not subject to, the legislation or regulations giving rise to the restrictions in question.

Scaling back and allocation

The 2022 ZDP Share GRY will be set at the lowest 2022 ZDP Share Gross Redemption Yield at which valid elections under the ZDP Rollover Offer have been received in respect of 2022 ZDP Shares with an aggregate value, at the 2022 ZDP Share Issue Price, of at least £20 million and of not more than £50 million.

Qualifying ZDP Shareholders should therefore note that:

- (a) elections pursuant to the ZDP Rollover Offer at a gross redemption yield above the 2022 ZDP Share GRY will not be satisfied;
- (b) all elections pursuant to the ZDP Rollover Offer at a Gross Redemption Yield below the 2022 ZDP Share GRY will be satisfied in full; and
- (c) elections pursuant to the ZDP Rollover Offer at either:
 - (i) an amount equal to the 2022 ZDP Share GRY; or
 - (ii) the Strike GRY,

may, if the ZDP Rollover Offer is oversubscribed at the 2022 ZDP Share GRY, be subject to scaling back on the following basis:

- (A) elections at the Strike GRY will be satisfied in full and elections at an amount equal to the 2022 ZDP Share GRY will be scaled back (unless the 2022 ZDP Share GRY is 3.50 per cent., in which case the elections at a Gross Redemption Yield of 3.50 per cent. and elections at the Strike GRY will be scaled back pro rata);
- (B) in the event the elections received pursuant to the ZDP Rollover Offer are required to be scaled back, such scaling back will be on a pro rata basis, in each case subject to the satisfaction of Listing Rule 14.2.2 (with which the Company voluntarily complies), as discussed below.

The ZDP Rollover Offer is conditional on Admission of the 2022 ZDP Shares, and therefore subject to the satisfaction of Listing Rule 14.2.2 (with which the Company voluntarily complies), which requires that at least 25 per cent. of the 2022 ZDP Shares are held in public hands as at Admission of the 2022 ZDP Shares.

The Directors will have the discretion to scale back elections under the ZDP Rollover Offer otherwise than on a *pro rata* basis if the Directors consider this necessary to ensure that sufficient 2022 ZDP Shares are held in public hands so as to satisfy Listing Rule 14.2.2.

5. Shareholder approval and Separate Class Meetings and Extraordinary General Meeting of the Company

As mentioned above, the ZDP Rollover Offer is subject to the approval of relevant Shareholders entitled to vote at each of the Separate Class Meeting and the Extraordinary General Meeting of the Company.

The Resolutions the subject of the Separate Class Meetings are being proposed to seek Ordinary Shareholder and ZDP Shareholder approval of the ZDP Rollover Offer. Specifically the approvals being sought are to approve the Resolutions to be proposed at the Extraordinary General Meeting that relate to the ZDP Rollover Offer and to sanction any effect on or modification to the rights attaching to the Ordinary Shares and the 2016 ZDP Shares which may result from the passing of those Resolutions or the implementation of the ZDP Rollover Offer. The other approvals being sought are to approve the creation of the 2022 ZDP Shares, the exchange (subject to valid election) of 2016 ZDP Shares for the 2022 ZDP Shares, the issue of the 2022 ZDP Shares and the ZDP Rollover Offer.

The Resolutions to be proposed at the Extraordinary General Meeting that relate to the ZDP Rollover Offer are being proposed to seek Shareholder approval of the ZDP Rollover Offer and the amendments to the Articles. Specifically the first approval being sought is the ZDP Rollover Resolution to approve the creation of the 2022 ZDP Shares, the exchange (subject to valid election) of 2016 ZDP Shares for the 2022 ZDP Shares, the issue of the 2022 ZDP Shares and the ZDP Rollover Offer. The second approval being sought is the Articles Amendment Resolution to approve the amendments to the Articles by adopting the New Articles in place of the existing Articles which is a consequence of the issue of 2022 ZDP Shares pursuant to the ZDP Rollover Offer and are needed in order to facilitate the implementation of the ZDP Rollover Offer.

The ZDP Rollover Offer is not conditional on the Placing and Open Offer or the Company's proposed investment in Spruceview Capital Partners.

Details of all of the Resolutions to be proposed at the Separate Class Meetings and the Extraordinary General Meeting (including details of the Resolutions in relation to the Placing and Open Offer and the Company's proposed investment in Spruceview Capital partners) are included in the Prospectus and the Notices of Meetings contained therein.

The Separate Class Meetings of Ordinary Shareholders and of the ZDP Shareholders are to be held at 11.00 a.m. and 11.05 a.m. on 29 September 2015 (or, in the case of the Class Meeting of ZDP Shareholders, as soon thereafter as the Class Meeting of Ordinary Shareholders has been concluded or adjourned). The Extraordinary General Meeting is to be held at 11.10 a.m. on 29 September 2015 (or as soon thereafter as the Class Meeting of ZDP Shareholders has been concluded or adjourned). All three meetings are to be held at the offices of Northern Trust International Fund Administration Services (Guernsey) Limited, Trafalgar Court, Les Banques, St Peter Port, Guernsey, Channel Islands.

Forms of proxy are also enclosed with the Prospectus for use by Shareholders in connection with the Separate Class Meetings and the Extraordinary General Meeting. To be valid, the Forms of Proxy should be completed, signed and returned in accordance with the instructions printed thereon, so as to be received by Equiniti Limited, Corporate Actions, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA, UK as soon as possible and in any event not later than 48 hours before the appointed time of the relevant meeting (excluding any part of a day which is non-working). Completion and return of the Forms of Proxy will not preclude Shareholders from attending and voting in person at the Separate Class Meetings and the Extraordinary General Meeting should they so wish and be so entitled. Shareholders are advised to review the instructions on pages 275 to 284 of the Prospectus regarding the proper completion and return of the Forms of Proxy.

The Notice of the Separate Class Meetings and the Notice of Extraordinary General Meeting provide all Shareholders with notice of the Separate Class Meetings and the Extraordinary General Meeting. Shareholders are advised that Ordinary Shareholders only have the right to attend and vote on the Resolution

to be proposed at the Class Meeting of Ordinary Shareholders and ZDP Shareholders only have the right to attend and vote on the Resolution to be proposed at the Class Meeting of ZDP Shareholders in both cases in respect of which they are entitled. All Shareholders (being Ordinary Shareholders and ZDP Shareholders) 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.

6. Conditions to the ZDP Rollover Offer

The ZDP Rollover Offer is conditional, *inter alia*, upon:

- the passing of each of the Resolutions to be proposed at the Separate Class Meetings;
- the passing of each of the ZDP Rollover Offer Resolution and the Articles Amendment Resolution each of which is to be proposed at the Extraordinary General Meeting;
- Admission of the 2022 ZDP Shares becoming effective by not later than 8.00 a.m. on 1 October 2015 (or such later time and/or date as the Company and the Investment Adviser may agree with JPMC, not being later than 8.00 a.m. on 30 October 2015);
- the Placing Agreement becoming unconditional in all respects in relation to the ZDP Rollover Offer and not having been terminated in accordance with its terms; and
- the ZDP Rollover Offer becoming unconditional and completed in accordance with its terms (including valid elections under the ZDP Rollover Offer being received in respect of 2022 ZDP Shares with an aggregate value, at the 2022 ZDP Share Issue Price, of at least £20 million).

The ZDP Rollover Offer is not conditional on, among other things, the Placing and Open Offer or the Spruceview Related Party Transaction.

If any of the above conditions are not satisfied, the ZDP Rollover Offer will lapse and Admission of the 2022 ZDP Shares will not proceed.

7. Announcement of the results of the ZDP Rollover Offer

The results of the ZDP Rollover Offer will be announced via a RIS of the London Stock Exchange on or around 25 September 2015. This announcement will include the number of 2022 ZDP Shares arising pursuant to the ZDP Rollover Offer and the number of 2016 ZDP Shares that have elected to take part in the ZDP Rollover Offer.

8. Costs of the ZDP Rollover Offer

The expenses of the Company in connection with the ZDP Rollover Offer are estimated to be approximately £0.5 million.

9. Admission and dealings

It is expected that, subject to Ordinary Shareholder and ZDP Shareholder approval of the ZDP Rollover Offer at the Separate Class Meetings and Shareholder approval of the ZDP Rollover Offer and the amendments to the Articles at the Extraordinary General Meeting, application will be made to the London Stock Exchange for the 2022 ZDP Shares to be admitted to trading on its Specialist Fund Market. It is expected that Admission of the 2022 ZDP Shares will become effective and that dealings will commence in the 2022 ZDP Shares at 8.00 a.m on 1 October 2015.

The 2022 ZDP Shares will be issued in registered form and may be held either in certificated form or in uncertificated form and settled through CREST.

Participation in CREST is voluntary and investors who wish to hold 2022 ZDP Shares outside of CREST will be entered on the register and issued with a share certificate evidencing ownership.

Application will be made for the 2022 ZDP Shares to be admitted to CREST on Admission of the 2022 ZDP Shares.

Shares initially issued in certificated form may subsequently be deposited into CREST. Certificates in respect of 2022 ZDP Shares issued in certificated form are expected to be within seven days of Admission of the 2022 ZDP Shares.

Temporary documents of title will not be issued pending the delivery of 2022 ZDP Shares to the persons entitled thereto and, during that period, transfers will be certified against the register of the relevant class of ZDP Shareholders.

10. Taxation

Information concerning the tax status of the Company and the taxation of ZDP Shareholders is set out in Part 5 (*Taxation*) of this document and is for information purposes only and is not intended to be exhaustive. If you are in any doubt about the tax consequences of acquiring, holding, electing, transferring, redeeming or disposing of securities issued by the Company, or you are subject to tax in a jurisdiction other than Guernsey, the United Kingdom or the United States, you should consult your own independent tax adviser without delay.

11. Risk Factors

Qualifying ZDP Shareholders should be aware that an investment in the Company involves a high degree of risk. The Company's businesses, financial condition or results of operations could be materially and adversely affected by a number of risks. Your attention is drawn to Part 4 (*Risk Factors*) of this document.

12. Further Information

Your attention is drawn to the sections of this document headed "*Important Information*", "*Expected Timetable of Principal Events*", "*Statistics Relating to the ZDP Rollover Offer*" and "*Forms Accompanying This Document And Action To Be Taken By Qualifying ZDP Shareholders*" and Part 1 (*Letter from the Chairman*) to Part 7 (*Definitions and Glossary*) of this document, which provide additional information on the matters referred to in this letter. Qualifying ZDP Shareholders are advised to read the whole of this document and the Prospectus and not to rely on the information in this Part 1 (*Letter from the Chairman*) of this document only.

13. Action to be taken

Information concerning the forms accompanying this document and the action to be taken by Shareholders is set out in the section of this document headed "*Forms Accompanying This Document And Action To Be Taken By Qualifying ZDP Shareholders*".

14. Recommendation

The Board refers to its recommendation in relation to the ZDP Rollover Offer included in the Prospectus including its recommendation in relation to voting at the Separate Class Meeting and the Extraordinary General Meeting of the Company. The Board considers the issue of 2022 ZDP Shares pursuant to the ZDP Rollover Offer to be in the best interests of the Company and its Shareholders as a whole.

Details of the Board's recommendations in relation to the Placing and Open Offer and the Company's proposed investment in Spruceview Capital Partners are also included in the Prospectus.

Yours sincerely

David Macfarlane
Chairman

PART 2

DETAILS OF THE 2016 ZDP SHARES AND THE 2022 ZDP SHARES

The Company's share capital currently consists of Ordinary Shares and 2016 ZDP Shares both of which are admitted to trading on the London Stock Exchange's Specialist Fund Market. The Company also has CULS in issue in an aggregate nominal amount of £38,861,140, which are convertible into Ordinary Shares in accordance with their terms.

The rights attaching to the 2016 ZDP Shares are set out in the Articles and together with the 2022 ZDP Shares will, subject to the necessary Shareholder approvals, be set out in the New Articles.

A summary of the Articles and the proposed amendments to the same as contained in the New Articles are included in paragraphs 5.2 and 5.3 respectively of Part X (*Additional Information*) of the Prospectus. A summary of the rights attaching to the 2016 ZDP Shares and the 2022 ZDP Shares follows:

1. 2016 ZDP Shares

Rights attaching to the 2016 ZDP Shares

Income

- (i) The 2016 ZDP Shares carry no right to receive dividends out of revenue or any other profits of the Company.

Capital

- (ii) For so long as both the 2016 ZDP Shares and the 2022 ZDP Shares are in issue, on a return of capital, on a winding-up or otherwise other than a redemption of the 2016 ZDP Shares in accordance with paragraph 1(viii), the assets of the Company available for distribution to members in accordance with the Companies Law shall be applied as follows:

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

- (1) the 2016 ZDP Shares an amount calculated at the time of the relevant return of capital which is equal to 215.80 pence per 2016 ZDP Share as increased on the twenty-fourth day of each month at such rate compounded each month as will give an entitlement to 369.84 pence plus 3.7 pence at 22 June 2016, the first such increase to be deemed to have occurred on 22 July 2009 and the last to occur on 22 June 2016,
- (2) the 2022 ZDP Shares an amount calculated at the time of the relevant return of capital which is equal to the 2022 ZDP Share Issue Price as increased on the twenty-fourth day of each month at such rate compounded each month as will give the entitlement specified in the regulatory information service announcement released by the Company on completion of the ZDP Rollover Offer, the first such increase to be deemed to have occurred on 1 October 2015 and the last to occur on 1 October 2022,

provided that the 2016 ZDP Shares and the 2022 ZDP Shares shall rank equally in the return of capital such that in the event that, upon a return of capital, on a winding-up or otherwise, the assets of the Company are insufficient fully to discharge the payment obligations set out in this paragraph 1(ii)(A), such amount as represents the assets of the Company available for distribution shall be paid to the holders of the 2016 ZDP Shares and the holders of the 2022 ZDP Shares pro rata to the amounts accrued pursuant to the calculations set out in paragraphs 1(ii)(A)(1) and 1(ii)(A)(2); and

- (B) secondly, there shall be paid to the holders of the Ordinary Shares the balance (if any) of the assets of the Company available for distribution in accordance with the Companies Law and the Articles.

Voting rights

- (iii) The holders of the 2016 ZDP Shares shall have the right to receive notice of, but shall not have the right to attend or vote at, any general meeting of the Company except:
 - (A) upon any resolution to alter, modify or abrogate the special rights or privileges attached to the 2016 ZDP Shares; and
 - (B) upon any 2016 ZDP Share Liquidation Resolution, 2016 ZDP Share Recommended Resolution, or 2016 ZDP Share Reconstruction Resolution (each being defined in paragraphs 1(x), (xi) and (xv) respectively),

and, save as otherwise provided in paragraphs 1(iv) and (v), on a show of hands each holder of 2016 ZDP Shares present in person and entitled to vote shall have one vote and upon a poll each such holder who is present in person or by proxy and entitled to vote shall have one vote in respect of every 2016 ZDP Share held by him.
- (iv) Notwithstanding any other provision of the Articles, on any vote on a 2016 ZDP Share Liquidation Resolution, each holder of the 2016 ZDP Shares present in person or by proxy who votes in favour of such resolution shall, on a poll, have such number of votes in respect of each 2016 ZDP Share held by him (including fractions of a vote) that the aggregate number of votes cast in favour of the resolution is four times the aggregate number of such Shares in respect of which votes are cast against the resolution and each member present in person or by proxy and entitled to vote who votes against such resolution shall on a poll have one vote for each Share held by him. Any vote on any 2016 ZDP Share Liquidation Resolution shall be by means of a poll.
- (v) Notwithstanding any other provision of the Articles, on any vote on a 2016 ZDP Share Recommended Resolution or 2016 ZDP Share Reconstruction Resolution, each holder of the 2016 ZDP Shares present in person or by proxy shall, on a poll, have such number of votes in respect of each 2016 ZDP Share held by him (including fractions of a vote) that the aggregate number of votes cast in favour of the resolution is four times the aggregate number of votes cast against the resolution and each member present in person or by proxy and entitled to vote who votes against such resolution shall on a poll have one vote for each Share held by him; provided that, if any term of any offer referred to in paragraph 1(xiii) or any arrangement referred to in paragraphs 1(xi) and (xv) (as the case may be) shall (as regards any one or more members) have been breached in any material respect of which the chairman of the relevant meeting has written notice prior to the commencement of such meeting then, notwithstanding anything in the Articles to the contrary, each member shall, at any such meeting at which such they are present in person or by proxy, and entitled to vote, on a poll have one vote for every such Share held by him. Any vote on any 2016 ZDP Share Reconstruction Resolution or 2016 ZDP Share Recommended Resolution shall be by means of a poll.

Class rights

- (vi) The Company shall not without the previous sanction of an extraordinary resolution of the holders of the 2016 ZDP Shares passed at a separate meeting of such holders convened and held in accordance with the provisions of the Articles:
 - (A) issue any further Shares or rights to subscribe or convert any securities into Shares or reclassify issued share capital into Shares of a particular class where such Shares rank, or would on issue, conversion or reclassification rank, as to capital in priority to or *pari passu* with the 2016 ZDP Shares (taking account for this purpose of any intra-group liabilities corresponding to and supporting such Shares or securities), save that the Company may, subject to the provisions of the Articles, issue further Shares, rights or securities provided that the Directors shall have calculated and the Auditors of the Company shall have reported to the Directors on such calculations within 60 days prior to the proposed issue or reclassification that, were the further Shares to be issued or the Shares to be reclassified or rights of subscription or conversion to be issued and immediately exercised at the date of the report, those 2016 ZDP Shares in issue immediately thereafter would have a cover of not less than 2.1 times. For this purpose, the

cover of the 2016 ZDP Shares shall represent a fraction where the numerator is equal to the total net assets of the Company at the end of the immediately preceding financial year and the denominator is equal to the amount which would be paid on the 2016 ZDP Shares as a class (and on all Shares ranking as to capital in priority thereto or *pari passu* therewith, save to the extent already taken into account in the calculation of the total of share capital and reserves) in a winding-up of the Company on the date of repayment of the 2016 ZDP Shares, being 22 June 2016 (the “**2016 ZDP Share Repayment Date**”). In calculating such cover, the Directors shall:

- (1) use the figures set out in the most recently filed audited accounts of the Company;
 - (2) assume that the share capital or rights proposed to be issued or arising on reclassification had been issued and/or exercised and/or reclassified at the end of the financial period dealt with in such accounts;
 - (3) adjust the total net assets of the Company at the end of the said financial period by adding the minimum gross consideration (if any) which would be received upon such issue, reclassification or exercise;
 - (4) take account of the entitlements to be attached to the new Shares or securities or rights to be issued;
 - (5) aggregate the final capital entitlements of the 2016 ZDP Shares derived from the said accounts and the capital entitlements of the new Shares or securities or rights to be issued as aforesaid;
 - (6) make such other adjustments as they consider appropriate; or
- (B) pass any resolution, other than any 2016 ZDP Share Recommended Resolution or 2016 ZDP Share Reconstruction Resolution, releasing the Directors from their obligations to convene an extraordinary general meeting at which the 2016 ZDP Share Liquidation Resolution is to be proposed or otherwise vary the effect of paragraphs 1(iv) and (v) or 1(viii) to (xvi) (inclusive); or
- (C) pass a resolution to reduce the capital of the Company (including undistributable reserves and uncalled capital) in any manner, or any resolution authorising the Directors to purchase Shares in the Company, other than the 2016 ZDP Share Liquidation Resolution, the 2016 ZDP Share Reconstruction Resolution or a 2016 ZDP Share Recommended Resolution or other than the 2022 ZDP Liquidation Resolution, the 2022 ZDP Reconstruction Resolution or a 2022 ZDP Recommended Resolution; or
- (D) pass any resolution to wind up the Company, other than the 2016 ZDP Share Liquidation Resolution, the 2016 ZDP Share Reconstruction Resolution or a 2016 ZDP Share Recommended Resolution or other than the 2022 ZDP Liquidation Resolution, the 2022 ZDP Reconstruction Resolution or a 2022 ZDP Recommended Resolution; or
- (E) alter any object set out in the memorandum of association of the Company; or
- (F) pass any resolution which authorises the Directors to pay a dividend out of the Capital Reserve; or
- (G) pass any resolution authorising or permitting any increase in the borrowing limit referred to in the New Articles.
- (vii) Notwithstanding anything in the Articles to the contrary, one of the rights attaching to:
- (A) the Ordinary Shares and the 2016 ZDP Shares and the 2022 ZDP Shares shall be that the passing and implementation of any 2016 ZDP Share Liquidation Resolution, 2016 ZDP Share Reconstruction Resolution or 2016 ZDP Share Recommended Resolution shall be in

accordance with the rights attached to the Ordinary Shares, the 2016 ZDP Shares and the 2022 ZDP Shares; and

- (B) the Ordinary Shares and the 2022 ZDP Shares shall be that the passing and implementation of any 2022 ZDP Liquidation Resolution, 2022 ZDP Reconstruction Resolution or 2022 ZDP Recommended Resolution shall be in accordance with the rights attached to the Ordinary Shares and the 2022 ZDP Shares, with the result that neither the passing nor the implementation of any such resolution shall be treated as varying, modifying or abrogating such rights and so that the consent or sanction of any such class of Shares as a separate class shall not be required thereto.

Redemption

- (viii) On the 2016 ZDP Repayment Date, the Company shall redeem all, and not some only, of the 2016 ZDP Shares which remain in issue on such date at 369.84p per Share plus a further 3.7p per 2016 ZDP Share. If, prior to the 2016 ZDP Redemption Date, the holders of any 2016 ZDP Shares have elected pursuant to the ZDP Rollover Offer to exchange any of their 2016 ZDP Shares for 2022 ZDP Shares, the Company shall redeem any 2016 ZDP Shares in respect of which such elections have been made validly and accepted pursuant to the terms and conditions of the ZDP Rollover Offer, and in consideration for such redemption, 2022 ZDP Shares shall be issued to any such holders of 2016 ZDP Shares on the basis of one 2022 ZDP Share for each 2016 ZDP Share the subject of a valid election. The 2016 ZDP Shares shall not be redeemed otherwise than in accordance with this paragraph 1(viii). For the avoidance of doubt, the Company shall, subject to complying with applicable law, be permitted to remove any reference in these Articles to the 2016 ZDP Shares (including but not limited to the rights attached to the 2016 ZDP Shares) upon the redemption of all of the 2016 ZDP Shares in accordance with this paragraph 1(viii).
- (ix) Redemption of the 2016 ZDP Shares is subject to any restrictions imposed by law.
- (x) If the Company is unable to redeem all of the 2016 ZDP Shares (excluding those 2016 ZDP Shares that have been exchanged for 2022 ZDP Shares in accordance with the ZDP Rollover Offer) on 22 June 2016 in accordance with this paragraph 1(x) on 22 June 2016 then, subject to paragraphs 1(xi), (xiii) and (xv), the Directors shall convene an extraordinary general meeting of the Company to be held as soon as reasonably practicable following the 2016 ZDP Share Repayment Date at which a special resolution (the “**2016 ZDP Share Liquidation Resolution**”) shall be proposed requiring the Company to be forthwith wound up voluntarily pursuant to section 391 of the Companies Law.

Recommended resolutions, offers and reconstruction resolutions

- (xi) Notwithstanding the provisions paragraph 1(x) in the event that at any general meeting(s) held after 30 April 2016 but on or prior to the twenty-first day following the 2016 ZDP Share Repayment Date (and before the passing of the 2016 ZDP Share Liquidation Resolution) there is proposed any resolution or resolutions recommended by the Directors and complying with the provisions of paragraph 1(xii) (a “**2016 ZDP Share Recommended Resolution**”) the effect of which would be that the holders of the 2016 ZDP Shares would, in consideration or in consequence of the repurchase or other repayment in respect of their 2016 ZDP Shares, receive by not later than 21 days after the 2016 ZDP Share Repayment Date an amount in cash equal to not less than such holders would otherwise have been entitled on the winding-up of the Company as a result of the passing of the 2016 ZDP Share Liquidation Resolution (ignoring any option any holders of the 2016 ZDP Shares may be given to elect to receive their entitlement otherwise than in cash), then paragraph 1(x) shall not apply.
- (xii) Any 2016 ZDP Share Recommended Resolution shall not involve the winding-up of the Company or other return of capital in respect of the Ordinary Shares nor the 2022 ZDP Shares nor any variation, modification or abrogation of any of the rights or privileges attaching to the Ordinary Shares nor the 2022 ZDP Shares.
- (xiii) Notwithstanding the provisions of paragraph 1(x) if all the holders of the 2016 ZDP Shares receive an offer recommended by the Directors and complying with the provisions of paragraph 1(xiv) (whether

from the Company or any other person) which becomes or is declared unconditional after 30 April 2016 but on or prior to the twenty-first day following the 2016 ZDP Share Repayment Date (and before the passing of the 2016 ZDP Share Liquidation Resolution), under which such holders (or holders other than the offeror and/or persons acting in concert with the offeror) would receive not later than 21 days after the 2016 ZDP Share Repayment Date an amount in cash equal to not less than such holders would otherwise have been entitled on the winding-up of the Company as a result of the passing of the 2016 ZDP Share Liquidation Resolution (ignoring any option any holders of the 2016 ZDP Shares may be given to elect to receive alternative consideration pursuant to the offer), then paragraph 1(x) shall not apply.

- (xiv) Any such offer as is referred to in paragraph 1.1(a)(xiii) must be stated to be, in the opinion of a financial adviser appointed by the Directors, fair and reasonable and in the interests of the members as a whole.
- (xv) Notwithstanding the provisions of paragraph 1(x), in the event that at any general meeting(s) held after 30 April 2016 but on or prior to the twenty-first day following the 2016 ZDP Share Repayment Date (and before the passing of the 2016 ZDP Share Liquidation Resolution) there is proposed any resolution or resolutions recommended by the Directors and complying with the provisions of paragraph 1(xvi) (a “**2016 ZDP Share Reconstruction Resolution**”) to (aa) wind up the Company voluntarily or any other arrangement which the Directors consider to be of substantially similar effect or (bb) effect any other arrangement by means of a reduction of capital, distribution in specie or any other lawful procedure or arrangement whatsoever whether or not involving the winding-up of the Company in either case such that the holders of the Ordinary Shares, the 2016 ZDP Shares and the 2022 ZDP Shares shall receive not later than 21 days after the 2016 ZDP Share Repayment Date an amount in cash estimated by the Directors to be not less than that to which the Directors estimate that such holders would respectively otherwise be entitled on a winding-up as a result of the passing of the 2016 ZDP Share Liquidation Resolution on the 2016 ZDP Share Repayment Date in accordance with paragraph 1(x) (ignoring any option any of them may be given to elect to receive their entitlements otherwise than in cash pursuant to the arrangement), then paragraph 1(x) shall not apply.
- (xvi) Any 2016 ZDP Share Reconstruction Resolution must be stated to be, in the opinion of a financial adviser appointed by the Directors, fair and reasonable and in the interests of the members as a whole.

2. 2022 ZDP Shares

Rights attaching to the 2022 ZDP Shares

Income

- (i) The 2022 ZDP Shares carry no right to receive dividends out of revenue or any other profits of the Company.

Capital

- (ii) On a return of capital, on a winding up or otherwise other than a redemption of the 2016 ZDP Shares in accordance with paragraph 1(viii) or otherwise than a redemption of the 2022 ZDP Shares in accordance with paragraph 2(viii), the assets of the Company available for distribution to Members in accordance with the Law shall be applied as follows:
 - (A) first, there shall be paid to holders of:
 - (1) the 2016 ZDP Shares (for so long as the 2016 ZDP Shares are in issue) an amount calculated at the time of the relevant return of capital which is equal to 215.80p per 2016 ZDP Share as increased on the twenty-fourth day of each month at such rate compounded each month as will give an entitlement to 369.84p plus 3.7p at 22 June 2016, the first such increase to be deemed to have occurred on 22 July 2009 and the last to occur on 22 June 2016; and

- (2) the 2022 ZDP Shares an amount calculated at the time of the relevant return of capital which is equal to the 2022 ZDP Share Issue Price as increased on the twenty-fourth day of each month at such rate compounded each month as will give the entitlement specified in the regulatory information service announcement released by the Company on completion of the ZDP Rollover Offer, the first such increase to be deemed to have occurred on 1 October 2015 and the last to occur on 1 October 2022,

provided that the 2016 ZDP Shares and the 2022 ZDP Shares shall rank equally in the return of capital such that in the event that, upon a return of capital, on a winding up or otherwise, the assets of the Company are insufficient fully to discharge the payment obligations set out in this sub-clause (A), such amount as represents the assets of the Company available for distribution shall be paid to the holders of 2016 ZDP Shares and the holders of 2022 ZDP Shares pro rata to the amounts accrued pursuant to the calculations set out in Articles 2(ii)(A)(1) and 2(ii)(A)(2) respectively; and

- (B) second, there shall be paid to the holders of the Ordinary Shares the balance (if any) of the assets of the Company available for distribution in accordance with the Law and the Articles.

Voting rights

- (iii) The holders of the 2022 ZDP Shares shall have the right to receive notice of, but shall not have the right to attend or vote at, any general meeting of the Company except:

- (A) upon any resolution to alter, modify or abrogate the special rights or privileges attached to the 2022 ZDP Shares; and
- (B) upon any 2022 ZDP Liquidation Resolution, 2022 ZDP Recommended Resolution, or 2022 ZDP Reconstruction Resolution,

and, save as otherwise provided in paragraph 2(iv) or 2(v), on a show of hands each holder of 2022 ZDP Shares present in person and entitled to vote shall have one vote and upon a poll each such holder who is present in person or by proxy and entitled to vote shall have one vote in respect of every 2022 ZDP Share held by him.

- (iv) Notwithstanding any other provision of the Articles, on any vote on a 2022 ZDP Liquidation Resolution, each holder of 2022 ZDP Shares present in person or by proxy who votes in favour of such resolution shall, on a poll, have such number of votes in respect of each 2022 ZDP Share held by him (including fractions of a vote) that the aggregate number of votes cast in favour of the resolution is four times the aggregate number of such Shares in respect of which votes are cast against the resolution and each member present in person or by proxy and entitled to vote who votes against such resolution shall on a poll have one vote for each Share held by him. Any vote on any 2022 ZDP Liquidation Resolution shall be by means of a poll.
- (v) Notwithstanding any other provision of the Articles, on any vote on a 2022 ZDP Recommended Resolution or 2022 ZDP Reconstruction Resolution, each holder of 2022 ZDP Shares present in person or by proxy shall, on a poll, have such number of votes in respect of each 2022 ZDP Share held by him (including fractions of a vote) that the aggregate number of votes cast in favour of the resolution is four times the aggregate number of votes cast against the resolution and each member present in person or by proxy and entitled to vote who votes against such resolution shall on a poll have one vote for each Share held by him; provided that, if any term of any offer referred to in paragraph 2(xiii) or any arrangement referred to in paragraph 2(xi) or 2(xv) (as the case may be) shall (as regards any one or more members) have been breached in any material respect of which the chairman of the relevant meeting has written notice prior to the commencement of such meeting then, notwithstanding anything in the Articles to the contrary, each member shall, at any such meeting at which such shareholder is present in person or by proxy, and entitled to vote, on a poll have one vote for every such Share held by him. Any vote on any 2022 ZDP Reconstruction Resolution or 2022 ZDP Recommended Resolution shall be by means of a poll.

Class rights

- (vi) The Company shall not without the previous sanction of an Extraordinary Resolution of the holders of the 2022 ZDP Shares passed at a separate meeting of such holders convened and held in accordance with the provisions of the Articles:
- (A) issue any further Shares or rights to subscribe or convert any securities into Shares or reclassify issued share capital into Shares of a particular class where such Shares rank, or would on issue, conversion or reclassification rank, as to capital in priority to or *pari passu* with the 2022 ZDP Shares (taking account for this purpose of any intra-group liabilities corresponding to and supporting such Shares or securities), save that the Company may, subject to the provisions of the Articles, issue further Shares, rights or securities provided that the directors shall have calculated and the auditors of the Company shall have reported to the directors on such calculations within 60 days prior to the proposed issue or reclassification that, were the further Shares to be issued or the Shares to be reclassified or rights of subscription or conversion to be issued and immediately exercised at the date of the report, those 2022 ZDP Shares in issue immediately thereafter would have a cover of not less than 2.1 times. For this purpose, the cover of the 2022 ZDP Shares shall represent a fraction where the numerator is equal to the total net assets of the Company at the end of the immediately preceding financial year and the denominator is equal to the amount which would be paid on the 2022 ZDP Shares as a class (and on all Shares ranking as to capital in priority thereto or *pari passu* therewith, save to the extent already taken into account in the calculation of the total of share capital and reserves) in a winding up of the Company on the 2022 ZDP Repayment Date. In calculating such cover, the directors shall:
- (1) use the figures set out in the most recently filed audited accounts of the Company;
 - (2) assume that the share capital or rights proposed to be issued or arising on reclassification had been issued and/or exercised and/or reclassified at the end of the financial period dealt with in such accounts;
 - (3) adjust the total net assets of the Company at the end of the said financial period by adding the minimum gross consideration (if any) which would be received upon such issue, reclassification or exercise;
 - (4) take account of the entitlements to be attached to the new Shares or securities or rights to be issued;
 - (5) aggregate the final capital entitlements of the existing 2022 ZDP Shares derived from the said accounts and the capital entitlements of the new Shares or securities or rights to be issued as aforesaid;
 - (6) make such other adjustments as they consider appropriate; or
- (B) pass any resolution, other than any 2022 ZDP Recommended Resolution or 2022 ZDP Reconstruction Resolution, releasing the directors from their obligations to convene an extraordinary general meeting at which the 2022 ZDP Liquidation Resolution is to be proposed or otherwise vary the effect of paragraphs 2(iv) and 2(v) or 2(viii) to 2(xvi) inclusive; or
- (C) pass a resolution to reduce the capital of the Company (including undistributable reserves and uncalled capital) in any manner, or any resolution authorising the directors to purchase Shares in the Company, other than the 2016 ZDP Liquidation Resolution, the 2016 ZDP Reconstruction Resolution or a 2016 ZDP Recommended Resolution or other than the 2022 ZDP Liquidation Resolution, the 2022 ZDP Reconstruction Resolution or a 2022 ZDP Recommended Resolution; or
- (D) pass any resolution to wind up the Company, other than the 2016 ZDP Liquidation Resolution, the 2016 ZDP Reconstruction Resolution or a 2016 ZDP Recommended Resolution or other

than the 2022 ZDP Liquidation Resolution, the 2022 ZDP Reconstruction Resolution or a 2022 ZDP Recommended Resolution; or

- (E) alter any object set out in the Memorandum; or
 - (F) pass any resolution which authorises the directors to pay a dividend out of the Capital Reserve; or
 - (G) pass any resolution authorising or permitting any increase in the borrowing limit set out in the New Articles.
- (vii) Notwithstanding anything in the Articles to the contrary, one of the rights attaching to:
- (A) the Ordinary Shares, the 2016 ZDP Shares and the 2022 ZDP Shares shall be that the passing and implementation of any 2016 ZDP Liquidation Resolution, 2016 ZDP Reconstruction Resolution or 2016 ZDP Recommended Resolution shall be in accordance with the rights attached to the Ordinary Shares, the 2016 ZDP Shares and the 2022 ZDP Shares; and
 - (B) the Ordinary Shares and the 2022 ZDP Shares shall be that the passing and implementation of any 2022 ZDP Liquidation Resolution, 2022 ZDP Reconstruction Resolution or 2022 ZDP Recommended Resolution shall be in accordance with the rights attached to the Ordinary Shares and the 2022 ZDP Shares,

with the result that neither the passing nor the implementation of any such resolution shall be treated as varying, modifying or abrogating such rights and so that the consent or sanction of any such class of Shares as a separate class shall not be required thereto.

Redemption

- (viii) On the 2022 ZDP Repayment Date, the Company shall redeem all, and not some only, of the 2022 ZDP Shares which remain in issue on such date at an amount specified in the regulatory information service announcement released by the Company on completion of the ZDP Rollover Offer. The 2022 ZDP Shares shall not be redeemed otherwise than in accordance with this paragraph 2(viii). For the avoidance of doubt, the Company shall, subject to complying with applicable law, be permitted to remove any reference in these Articles to the 2022 ZDP Shares (including but not limited to the rights attached to the 2022 ZDP Shares) upon the redemption of all of the 2022 ZDP Shares in accordance with this paragraph 2(viii).
- (ix) Redemption of the 2022 ZDP Shares is subject to any restrictions imposed by law.
- (x) If the Company is unable to redeem all of the 2022 ZDP Shares on 1 October 2022 in accordance with paragraph 2(viii) then, subject to paragraphs 2(xi), 2(xiii) and 2(xv), the directors shall convene an extraordinary general meeting of the Company to be held as soon as reasonably practicable following the 2022 ZDP Repayment Date at which a special resolution (the “**2022 ZDP Liquidation Resolution**”) shall be proposed requiring the Company to be forthwith wound up voluntarily pursuant to section 391 of the Law.

Recommended resolutions, offers and reconstruction resolutions

- (xi) Notwithstanding the provisions of paragraph 2(x), in the event that at any general meeting(s) held after 30 July 2022 but on or prior to the twenty-first day following the 2022 ZDP Repayment Date (and before the passing of the 2022 ZDP Liquidation Resolution) there is proposed any resolution or resolutions recommended by the directors and complying with the provisions of paragraph 2(xii) (a “**2022 ZDP Recommended Resolution**”) the effect of which would be that the holders of the 2022 ZDP Shares would, in consideration or in consequence of the repurchase or other repayment in respect of their 2022 ZDP Shares, receive by not later than 21 days after the 2022 ZDP Repayment Date an amount in cash equal to not less than such holders would otherwise have been entitled on the winding-up of the Company as a result of the passing of the 2022 ZDP Liquidation Resolution (ignoring any

option any holders of 2022 ZDP Shares may be given to elect to receive their entitlement otherwise than in cash), then paragraph 2(x) shall not apply.

- (x) Any 2022 ZDP Recommended Resolution shall not involve the winding-up of the Company or other return of capital in respect of the Ordinary Shares nor any variation, modification or abrogation of any of the rights or privileges attaching to the Ordinary Shares.
- (xi) Notwithstanding the provisions of paragraph 2(x), if all the holders of the 2022 ZDP Shares receive an offer recommended by the directors and complying with the provisions of paragraph 2(xiv) (whether from the Company or any other person) which becomes or is declared unconditional after 30 July 2022 but on or prior to the twenty-first day following the 2022 ZDP Repayment Date (and before the passing of the 2022 ZDP Liquidation Resolution), under which such holders (or holders other than the offeror and/or persons acting in concert with the offeror) would receive not later than 21 days after the 2022 ZDP Repayment Date an amount in cash equal to not less than such holders would otherwise have been entitled on the winding-up of the Company as a result of the passing of the 2022 ZDP Liquidation Resolution (ignoring any option any holders of 2022 ZDP Shares may be given to elect to receive alternative consideration pursuant to the offer), then paragraph 2(x) shall not apply.
- (xii) Any such offer as is referred to in paragraph 2(xiii) must be stated to be, in the opinion of a financial adviser appointed by the directors, fair and reasonable and in the interests of the Members as a whole.
- (xiii) Notwithstanding the provisions of paragraph 2(x), in the event that at any general meeting(s) held after 30 July 2022 but on or prior to the twenty-first day following the 2022 ZDP Repayment Date (and before the passing of the 2022 ZDP Liquidation Resolution) there is proposed any resolution or resolutions recommended by the directors and complying with the provisions of paragraph 2(xvi) (a “**2022 ZDP Reconstruction Resolution**”) to (aa) wind up the Company voluntarily or any other arrangement which the directors consider to be of substantially similar effect or (bb) effect any other arrangement by means of a reduction of capital, distribution in specie or any other lawful procedure or arrangement whatsoever whether or not involving the winding-up of the Company in either case such that the holders of the Ordinary Shares and the 2022 ZDP Shares shall receive not later than 21 days after the 2022 ZDP Repayment Date an amount in cash estimated by the directors to be not less than that to which the directors estimate that such holders would respectively otherwise be entitled on a winding-up as a result of the passing of the 2022 ZDP Liquidation Resolution on the 2022 ZDP Repayment Date in accordance with paragraph 2(x) (ignoring any option any of them may be given to elect to receive their entitlements otherwise than in cash pursuant to the arrangement), then paragraph 2(x) shall not apply.
- (xiv) Any 2022 ZDP Reconstruction Resolution must be stated to be, in the opinion of a financial adviser appointed by the directors, fair and reasonable and in the interests of the Members as a whole.

3. US Ownership and Transfer Restrictions on the 2016 ZDP Shares and the 2022 ZDP Shares

The 2016 ZDP Shares and the 2022 ZDP Shares are or will be subject to certain United States ownership and transfer restrictions. The Directors may decline to register a person as a holder of the 2016 ZDP Shares and/or the 2022 ZDP Shares or to require the transfer of those 2016 ZDP Shares and/or 2022 ZDP Shares (including by way of a disposal effected by the Company itself) if in certain circumstances they believe that the person: (a) is a US Person and not a qualified purchaser and either a qualified institutional buyer or an accredited investor; (b) is a Benefit Plan Investor; or (c) is, or is related to, a citizen or resident of the United States, a US partnership, a US corporation or a certain type of estate or trust and that ownership of those 2016 ZDP Shares and/or 2022 ZDP Shares by the person would materially increase the risk that the Company could be or become a Controlled Foreign Corporation. Investment in the Company by Benefit Plan Investors is prohibited and the fiduciary provisions of Non-ERISA Plans may impose limitations on investment in the Company. Further details in relation to ownership and transfer restrictions on the 2016 ZDP Shares and the 2022 ZDP Shares are included in the Prospectus.

4. AIFM Directive

The Company is an AIF and the Investment Adviser is the AIFM, as such terms are defined, for the purposes of the AIFM Directive and both the Company and the Investment Adviser are located outside the EEA. Accordingly, the Investment Adviser is seeking to market the 2022 ZDP Shares into the United Kingdom in reliance on Article 42 of the AIFM Directive, as implemented in the national laws. To this end the Investment Adviser, as the Company's AIFM has submitted (or will submit) all required notifications and obtained all necessary approvals to enable it to market its 2022 ZDP Shares in the United Kingdom.

As no other marketing application will be made to market the 2022 ZDP Shares into other EEA countries, marketing of the 2022 ZDP Shares can only occur in the United Kingdom pursuant to the AIFM Directive.

Further, the 2022 ZDP Shares may only be marketed (as that term is used in the AIFM Directive) in the United Kingdom to professional investors (as that term is used in the AIFM Directive).

PART 3

PRINCIPAL BASES AND ASSUMPTIONS

Unless otherwise indicated, the statistics contained in this document relating to the 2022 ZDP Shares have been calculated on the following principal bases and assumptions:

- The unaudited total assets and net assets of the Company as at 31 July 2015 were \$1,034.5 million and \$689.5 million respectively.
- The £/US\$ exchange rate is assumed to be 1.56.
- The balance sheet for the purpose of calculating the estimated 2022 ZDP Share Cumulative Final Cover and the estimated 2022 ZDP Share Hurdle Rate reflects the balance sheet of the Company as at 31 July 2015, adjusted for:
 - The Net Proceeds of \$145.4 million from the Placing and Open Offer being used to pay down the outstanding balance of the Deutsche Bank Facility, with the remainder added to the current value of the Company's investments;
 - The rollover into 2022 ZDP Shares of £50 million worth of 2016 ZDP Shares at their Accrued Capital Entitlement as at 1 October 2015 of 348.9p;
 - A premium of 1.0 per cent. being added to the 2016 ZDP Share Final Capital Entitlement of those 2016 ZDP Shares in respect of which elections to rollover are not received;
 - The repayment of the 2016 ZDP Share Final Capital Entitlement out of the Company's cash balances at the 2016 ZDP Share Repayment Date of 22 June 2016; and
 - The repayment of the CULS, due June 2021, out of the Company's cash balances, and then assuming that the Company liquidates investments to cover any shortfall once the cash balance is reduced to zero.
- The Gross Redemption Yield of a 2016 ZDP Share is 8.0 per cent. The new Accrued Capital Entitlement of the 2016 ZDP Shares after the addition of the 1.0 per cent. premium to the 2016 ZDP Share Final Capital Entitlement is calculated by working backwards from that increased final capital entitlement and assuming the Gross Redemption Yield of 8.0 per cent. remains constant.
- The aggregate 2022 ZDP Share Final Capital Entitlement is £50 million, increased by the 2022 ZDP Share GRY, compounded from its issue date (expected to be 1 October 2015) up to (but not including) the 2022 ZDP Share Repayment Date. The 2022 ZDP Share Final Capital Entitlement will be payable on the 2022 ZDP Share Repayment Date.
- Management costs, interest on borrowings, and running expenses are accrued over the life of the 2022 ZDP Shares and paid out of capital as at the 2022 ZDP Share Repayment Date.
- No redemption, conversions or repurchases of any Ordinary Shares are made prior to the 2022 ZDP Share Repayment Date.
- Prior charges are equal to the sum of accrued costs attributable to the ordinary course of portfolio management, the costs incurred servicing the Company's various liabilities, and the value of the Company's outstanding debts (excluding the 2022 ZDP Shares) as at the 2022 ZDP Share Repayment Date.
- The 2022 ZDP Share Cumulative Final Cover is equal to the ratio of: (a) the total assets of the Company at the point of issuance of the 2022 ZDP Shares, less prior charges; to (b) the Cumulative Final Capital Entitlement of the 2022 ZDP Shares plus prior charges.

- The 2022 ZDP Share Hurdle Rate is equal to the compound annual growth rate on the Company's investments required to reduce the cumulative final cover of the 2022 ZDP Shares to less than one times covered.
- Wind up costs equal to one per cent. of each of the 2016 ZDP Share Final Capital Entitlement and the 2022 ZDP Share Final Capital Entitlement.

PART 4

RISK FACTORS

An election for the 2022 ZDP Shares pursuant to the ZDP Rollover Offer or continuing an investment in the 2016 ZDP Shares is subject to a number of risks. Accordingly, prior to making any election decision, Qualifying ZDP Shareholders should carefully consider all the information contained in this document and, in particular, the risk factors described below.

Qualifying ZDP Shareholders should also read the Prospectus in its entirety and, in particular, the risk factors described therein before making any election for the 2022 ZDP Shares pursuant to the ZDP Rollover Offer. The Prospectus contains risk factors in relation to, inter alia, the Company's business and its investments, the Investment Adviser and risks relating to taxation that are not contained in this document and which should also be carefully considered by Qualifying ZDP Shareholders prior to making any election decision.

The Board considers the following risks to be material for Qualifying ZDP Shareholders. However, the following is not an exhaustive list or explanation of all risks that Qualifying ZDP Shareholders may face when making an election for the 2022 ZDP Shares pursuant to the ZDP Rollover Offer or continuing an investment in the 2016 ZDP Shares and should be used as guidance only. In particular, the following does not include the risk factors in relation to the Company's business and its investments, the Investment Adviser and risks relating to taxation which are contained in the Prospectus. In addition, further risks and uncertainties not currently known to the Board, or that the Board currently deems immaterial, may also have a material adverse effect on the Company's financial condition, business, prospects and/or results of operations. In such a case, the market price of the 2016 ZDP Shares and/or 2022 ZDP Shares could decline and ZDP Shareholders and/or holders of 2022 ZDP Shares may lose all or part of their investment and their respective final capital entitlements. Qualifying ZDP Shareholders should consider carefully whether an election for the 2022 ZDP Shares pursuant to the ZDP Rollover Offer or continuing an investment in the 2016 ZDP Shares is suitable for them in light of the information in this document and the Prospectus. If Qualifying ZDP Shareholders are in any doubt about any action they should take, they should consult their stockbroker, bank manager, solicitor, accountant or other independent financial adviser authorised under the FSMA or, in the case of Qualifying ZDP Shareholders outside the United Kingdom, another appropriately authorised independent financial adviser. The order in which risks are presented is not necessarily an indication of the likelihood of the risks actually materialising, of the potential significance of the risks or of the scope of any potential harm to the Company's financial condition, business, prospects and/or results of operations.

Qualifying ZDP Shareholders should read this section in conjunction with this entire document and the Prospectus and, in particular, the risk factors contained in the Prospectus in relation to, inter alia, the Company's business and its investments, the Investment Adviser and risks relating to taxation that are not contained in this document.

If any of the conditions of the ZDP Rollover Offer are not satisfied, the ZDP Rollover Offer will lapse and Admission of the 2022 ZDP Shares will not proceed.

The ZDP Rollover Offer is conditional on, among other things, Ordinary Shareholder and ZDP Shareholder approval of the ZDP Rollover Offer at the Separate Class Meetings, Shareholder approval of the ZDP Rollover Offer and the amendments to the Articles at the Extraordinary General Meeting and the Placing Agreement becoming unconditional in all respects in relation to the ZDP Rollover Offer and not having been terminated in accordance with its terms. If any of the Resolutions to be proposed at the Separate Class Meetings or the ZDP Rollover Offer Resolution or the Articles Amendment Resolution, each of which is to be proposed at the Extraordinary General Meeting, are not passed, or if the Placing Agreement does not become unconditional in all respects in relation to the ZDP Rollover Offer or is terminated in accordance with its terms, the ZDP Rollover Offer will lapse and Admission of the 2022 ZDP Shares will not proceed. In these circumstances, the Company will not exchange any 2016 ZDP Shares for 2022 ZDP Shares and therefore will not issue any 2022 ZDP Shares pursuant to the ZDP Rollover Offer. The Company's obligation

to redeem all of the 2016 ZDP Shares on the 2016 ZDP Share Repayment Date in accordance with the terms and conditions of the 2016 ZDP Shares will remain in place.

ZDP Shareholders and/or holders of 2022 ZDP Shares may not receive their respective final capital entitlements.

The 2016 ZDP Share Final Capital Entitlement is 369.84 pence and the 2016 ZDP Share Repayment Date is 22 June 2016. Qualifying ZDP Shareholders who do not make a valid election to exchange all or some of their 2016 ZDP Shares for 2022 ZDP Shares pursuant to the ZDP Rollover Offer will, if the ZDP Rollover proceeds, also receive a further 3.7 pence per 2016 ZDP Share not the subject of a valid election, to be paid on the 2016 ZDP Share Repayment Date. The 2022 ZDP Share Final Capital Entitlement will be the accrued capital entitlement of a 2022 ZDP Share on the 2022 ZDP Share Repayment Date as determined by the terms and conditions of the ZDP Rollover Offer and the 2022 ZDP Share Repayment Date will be 1 October 2022. The 2016 ZDP Shares and the 2022 ZDP Shares, whilst ranking ahead of the Ordinary Shares in respect of the repayment of their respective final capital entitlements from the assets in the Company, rank behind any borrowings made by the Company that remain outstanding and any prior ranking securities of the Company including the CULS. The 2022 ZDP Shares will rank *pari passu* with the 2016 ZDP Shares for the period when both classes of Shares are in issue until the 2016 ZDP Shares are redeemed on the 2016 ZDP Share Repayment Date. The final capital entitlements of both the 2016 ZDP Shares and the 2022 ZDP Shares are not guaranteed repayment amounts. On a return of assets, including pursuant to the winding-up of the Company, ZDP Shareholders and holders of 2022 ZDP Shares would receive their accrued entitlement only if there are sufficient surplus assets of the Company (less any prior charges and winding-up expenses and less the revenue profits (including accumulated revenue reserves) of the Company) to the date of winding up or return of such assets. ZDP Shareholders and holders of 2022 ZDP Shares may also receive less than their accrued entitlement if a liquidation resolution, recommended resolution, or reconstruction resolution in respect of the 2016 ZDP Shares or the 2022 ZDP Shares is approved in accordance with the Articles and, subject to Shareholder approval, the New Articles. 2016 ZDP Shares and 2022 ZDP Shares are both not protected or guaranteed investments.

Interest rate rises are likely to lead to reductions in the market value of the 2016 ZDP Shares and/or the 2022 ZDP Shares.

The market value of the 2016 ZDP Shares and the 2022 ZDP Shares will be affected by changes in general interest rates, with upward movements in interest rates likely to lead to reductions in the market value of the 2016 ZDP Shares and/or the 2022 ZDP Shares.

There may be potential structural conflicts of interest between the different classes of shares of the Company.

The Company currently has two classes of Shares in issue – the Ordinary Shares and the 2016 ZDP Shares.

Following the ZDP Rollover Offer, the Company will also have a third class of shares in issue, being the 2022 ZDP Shares, if issued pursuant to the ZDP Rollover Offer, as pursuant to the ZDP Rollover Offer, the Company will offer Qualifying ZDP Shareholders the option of, among other things, exchanging a proportion of their 2016 ZDP Shares for 2022 ZDP Shares. The 2022 ZDP Shares, if issued and fully paid, will have substantially the same rights as those attaching to the 2016 ZDP Shares save for a different final capital entitlement and repayment date. The 2022 ZDP Shares will rank *pari passu* with the 2016 ZDP Shares for the period when both classes of Shares are in issue until the 2016 ZDP Shares are redeemed on the 2016 ZDP Share Repayment Date.

The different rights and expectations of holders of the share classes in issue from time to time may give rise to conflicts of interest between them. ZDP Shareholders will have the expectation that the capital value of the investment portfolio will be sufficient to repay the final capital entitlement of the 2016 ZDP Shares on the 2016 ZDP Share Repayment Date. Similarly, holders of 2022 ZDP Shares will have the expectation that the capital value of the investment portfolio will be sufficient to repay the final capital entitlement of the New ZDP Shares on the 2022 ZDP Share Repayment Date. ZDP Shareholders and holders of 2022 ZDP Shares can be expected to have no interest in any growth in capital in excess of that pre-determined amount.

Conversely, Ordinary Shareholders will be interested in increases in the capital value of the investment portfolio in the period up to the repayment dates in excess of the respective final capital entitlements of the 2016 ZDP Shares and the 2022 ZDP Shares since this will form the basis of capital returns to be made in respect of the Ordinary Shares. Ordinary Shareholders will also be interested in the revenue that the investment portfolio produces and hence the level of distributions which will be capable of being paid on the Ordinary Shares. However, achieving income is only a secondary objective of the Company.

While the Company's corporate objective and investment strategy will need to seek to balance the interests of Ordinary Shareholders in maximising capital growth (with income as a secondary objective) with the interests of ZDP Shareholders and holders of 2022 ZDP Shares in meeting their respective final capital entitlements with as little capital risk as possible (and with little focus on revenue generation other than to meet the Company's operating expenses), there can be no guarantee that such a balance can be achieved.

If there is a material fall in the capital value of the investment portfolio such that the respective final capital entitlements of the 2016 ZDP Shares and the 2022 ZDP Shares is significantly uncovered, the Directors may find it impossible to meet fully the expectations of all classes of shareholders. In such circumstances, the Directors will need to act in a manner which they consider to be fair and equitable to all classes of shares but having regard to the entitlements of all classes of shares under the Articles in accordance with their terms.

The 2016 ZDP Shares and the 2022 ZDP Shares will rank behind the interests of the Company's creditors and prior ranking securities including the CULS.

In the event of a winding-up of the Company, the 2016 ZDP Shares and the 2022 ZDP Shares will rank behind any creditors of the Company and prior ranking securities of the Company including the CULS but in priority to the final capital entitlements of the Ordinary Shares. The 2022 ZDP Shares will rank *pari passu* with the 2016 ZDP Shares for the period when both classes of Shares are in issue until the 2016 ZDP Shares are redeemed on the 2016 ZDP Share Repayment Date. Therefore, any positive return for ZDP Shareholders and holders of 2022 ZDP Shares will depend on the Company's assets being sufficient to meet the relevant prior entitlements.

There may not be a liquid secondary market for the 2016 ZDP Shares and/or the 2022 ZDP Shares, the price of which may all fluctuate.

There may not be a liquid secondary market for the 2016 ZDP Shares and/or the 2022 ZDP Shares, the price of which may all fluctuate, and an investment in the Company should be regarded as long-term in nature and may not be suitable as a short-term investment. In addition, the value of the 2016 ZDP Shares and/or the 2022 ZDP Shares can go down as well as up. The market price and the realisable value of the 2016 ZDP Shares and the 2022 ZDP Shares, as well as being affected by the underlying value of the Company's net assets, will be affected by interest rates, supply and demand for the 2016 ZDP Shares or the 2022 ZDP Shares, as applicable, market conditions and general investor sentiment. As such, the market value and the realisable value of the 2016 ZDP Shares and the 2022 ZDP Shares will fluctuate and may vary considerably from the underlying value of the Company's net assets and may fall when the underlying value of the Company's net assets is rising, or vice versa. Accordingly, the value of an investment in the 2016 ZDP Shares and/or the 2022 ZDP Shares may go down as well as up and ZDP Shareholders and/or holders of 2022 ZDP Shares may not be able to realise the amount of their original investment and their respective final capital entitlements. In addition, the published market price of the 2016 ZDP Shares and the 2022 ZDP Shares will be, typically, their respective middle market prices. Due to the potential difference between the middle market price and the price at which the 2016 ZDP Shares or the 2022 ZDP Shares, as applicable, can be sold, there is no guarantee that the realisable value of the 2016 ZDP Shares and/or the 2022 ZDP Shares will be the same as the published market price.

The Company is a closed-ended vehicle and does not have a fixed winding-up date. Accordingly, ZDP Shareholders and holders of 2022 ZDP Shares have no right to have their 2016 ZDP Shares or 2022 ZDP Shares, as applicable, redeemed by the Company at any time other than on their respective repayment dates. ZDP Shareholders and holders of 2022 ZDP Shares wishing to realise their investment in the Company will be required to wait until their respective repayment dates or dispose of their 2016 ZDP Shares or 2022 ZDP Shares, as applicable, through the market in which case they may be unable to realise their shares at their quoted market price.

Market liquidity in the shares of investment companies is sometimes less than market liquidity in shares issued by larger companies that are traded on the London Stock Exchange. There can be no guarantee that a liquid market in the 2016 ZDP Shares and/or the 2022 ZDP Shares will be maintained or will exist. Accordingly, ZDP Shareholders and/or holders of 2022 ZDP Shares may be unable to realise their 2016 ZDP Shares or 2022 ZDP Shares, as applicable, at the quoted market price or at all. Low levels of liquidity in the 2016 ZDP Shares and/or the 2022 ZDP Shares may mean that the shares are more likely to experience price and volume volatility which could adversely affect the market price for the 2016 ZDP Shares and/or the 2022 ZDP Shares.

The 2016 ZDP Shares are admitted to trading on the London Stock Exchange's Specialist Fund Market and subject to Ordinary Shareholder and ZDP Shareholder approval of the ZDP Rollover Offer at the Separate Class Meetings and Shareholder approval of the ZDP Rollover Offer and the amendments to the Articles at the Extraordinary General Meeting, application will also be made to the London Stock Exchange for the 2022 ZDP Shares to be admitted to trading on its Specialist Fund Market. Securities exchanges, including the Specialist Fund Market, typically have the right to suspend or limit trading in a company's securities. Any suspension or limits on trading in the 2016 ZDP Shares and/or the 2022 ZDP Shares may affect the ability of ZDP Shareholders or holders of 2022 ZDP Shares, as applicable, to realise their investment.

In addition, stock markets have from time to time experienced extreme price and volume volatility, which, could adversely affect the market price for the 2016 ZDP Shares and/or the 2022 ZDP Shares. To optimise returns, investors may need to hold the 2016 ZDP Shares and/or the 2022 ZDP Shares on a long-term basis and they may not be suitable for short-term investment. Admission to trading on the Specialist Fund Market should not be taken as implying that there will be a liquid market for the 2016 ZDP Shares and/or the 2022 ZDP Shares. There is no guarantee that an active market will develop or be sustained for the 2016 ZDP Shares and/or the 2022 ZDP Shares. If an active trading market is not developed or maintained, the liquidity and trading price of the 2016 ZDP Shares and/or the 2022 ZDP Shares could be adversely affected.

The London Stock Exchange's Specialist Fund Market is less stringently regulated than the premium segment of the Official List and the Main Market of the London Stock Exchange and so the protections afforded to investors in Specialist Fund Market companies are less rigorous than those afforded to investors in companies listed on the premium segment of the Official List.

The 2016 ZDP Shares are admitted to trading on the London Stock Exchange's Specialist Fund Market and also subject to Ordinary Shareholder and ZDP Shareholder approval of the ZDP Rollover Offer at the Separate Class Meetings and Shareholder approval of the ZDP Rollover Offer and the amendments to the Articles at the Extraordinary General Meeting, application will also be made to the London Stock Exchange for the 2022 ZDP Shares to be admitted to trading on the London Stock Exchange's Specialist Fund Market. Accordingly, the 2016 ZDP Shares and the 2022 ZDP Shares will be subject to the regulatory and disciplinary controls of the Specialist Fund Market. The Specialist Fund Market is the London Stock Exchange's regulated market for specialist investment funds, targeting institutional, professional and highly knowledgeable investors. The Specialist Fund Market is less stringently regulated than the premium segment of the Official List and the Main Market of the London Stock Exchange and so the protections afforded to investors in Specialist Fund Market companies are less rigorous than those afforded to investors in companies listed on the premium segment of the Official List. Accordingly, an investment in securities traded on the Specialist Fund Market generally carries a higher risk than an investment in securities listed on the premium segment of the Official List. Notwithstanding this, the Board acts and intends to continue to act as if the regulatory framework which would apply to the Company if the 2016 ZDP Shares and the 2022 ZDP Shares were listed on the premium segment of the Official List applies to it in all material respects, including voluntary compliance by the Company with various requirements set out in the Listing Rules. In addition, the levels of liquidity experienced on the Specialist Fund Market may be lower than those levels of liquidity on the premium segment of the Official List.

Future issues of securities could dilute the interests of ZDP Shareholders and/or holders of 2022 ZDP Shares and lower the price of the 2016 ZDP Shares and/or the 2022 ZDP Shares.

The Company may issue additional securities in subsequent public offerings or private placements in order to fund additional investments or for other corporate purposes, which may dilute the existing investors'

interests in the Company. Issues of additional securities may be of or include 2022 ZDP Shares and/or one or more new classes of securities ranking in priority to the 2016 ZDP Shares and/or the 2022 ZDP Shares. In addition, the issue of additional securities by the Company, or the possibility of such issue, may cause the market price of the 2016 ZDP Shares and/or the 2022 ZDP Shares to decline. Furthermore, such additional securities may be of a class ranking in priority to the 2016 ZDP Shares and/or the 2022 ZDP Shares in respect of dividends or other distributions or other rights, which may change the risk reward characteristics and reduce the value of the 2016 ZDP Shares and/or the 2022 ZDP Shares. In addition, the terms of the CULS require the Company to make an adjustment to the Conversion Price of the CULS for issues of shares, rights, share-related securities and other securities by the Company. Such issues which give rise to an adjustment of the Conversion Price of the CULS could lower the price of the 2016 ZDP Shares and/or the 2022 ZDP Shares.

The Conversion Price of the CULS is subject to adjustment upon the occurrence of certain events which could lower the price of the 2016 ZDP Shares and/or the 2022 ZDP Shares.

The Conversion Price of the CULS is subject to adjustment, including in respect of: (a) consolidation and subdivision of the Ordinary Shares; (b) certain dividend payments made by the Company; (c) issues of shares, rights, share-related securities and other securities by the Company; (d) in the event of demergers; and (e) in the event of a change of control of the Company. The occurrence of any of the events giving rise to an adjustment of the Conversion Price of the CULS could lower the price of the 2016 ZDP Shares and/or the 2022 ZDP Shares.

The 2016 ZDP Shares and the 2022 ZDP Shares are or will be subject to certain United States ownership and transfer restrictions and forced transfer provisions.

The Directors may decline to register a person as a holder of any share of any class in the capital of the Company or any other securities of the Company or require the compulsory transfer of those shares or securities (including by way of a disposal effected by the Company itself) if in certain circumstances they believe that the person:

- a) is a US Person and not a qualified purchaser;
- b) is a Benefit Plan Investor; or
- c) is, or is related to, a citizen or resident of the United States, a US partnership, a US corporation or a certain type of estate or trust and that ownership of the Ordinary Shares by the person would materially increase the risk that the Company could be or become a Controlled Foreign Corporation.

Accordingly, 2016 ZDP Shares and/or 2022 ZDP Shares will be restricted in terms of who they are permitted to transfer their 2016 ZDP Shares and/or 2022 ZDP Shares to and may themselves be subject to the forced transfer provisions in which case they could be forced to sell their 2016 ZDP Shares and/or 2022 ZDP Shares.

In addition, any action by the Company taken for the purposes of forcing the sale of 2016 ZDP Shares and/or 2022 ZDP Shares or other securities which the Company believes to be held in breach of the above and other restrictions imposed by the Articles could lead to potential claims and related costs. Although the Company considers that it would be acting in accordance with the powers that it has under the Articles and does not believe that any claim in respect of the exercise of forced sale provisions in accordance with the Articles would be valid as a matter of Guernsey law, there can be no assurance that claims will not be asserted, or that the Company will not incur costs in defending against or settling any such claims.

The 2016 ZDP Shares and the 2022 ZDP Shares are subject to prohibitions on Benefit Plan Investors.

Investment in the Company by Benefit Plan Investors is prohibited so that the assets of the Company will not be deemed to constitute “plan assets” of a Benefit Plan Investor. Each purchaser and subsequent transferee of 2016 ZDP Shares and 2022 ZDP Shares will be required to represent, warrant and covenant, or will be deemed to have represented, warranted and covenanted that it is not, and is not acting on behalf of or with the assets of a Benefit Plan Investor to acquire the 2016 ZDP Shares or 2022 ZDP Shares, as

applicable. The Directors have the power to require the sale or transfer of 2016 ZDP Shares and 2022 ZDP Shares in order to avoid the assets of the Company being treated as “plan assets” for the purpose of ERISA.

The 2016 ZDP Shares and the 2022 ZDP Shares are subject to restrictions on Non-ERISA Plans.

The fiduciary provisions of pension codes applicable to Non-ERISA Plans may impose limitations on investment in the Company. Fiduciaries of Non-ERISA Plans, in consultation with their advisers, should consider, to the extent applicable, the impact of such fiduciary rules and regulations on an investment in the Company. Among other considerations, the fiduciary of a Non-ERISA Plan should take into account: the composition of the Non-ERISA Plan’s portfolio with respect to diversification; the cash flow needs of the Non-ERISA Plan and the effects thereon of the illiquidity of the investment; the economic terms of the Non-ERISA Plan’s investment in the Company; the Non-ERISA Plan’s funding objectives; the tax effects of the investment and the tax and other risks associated with the investment; the fact that the investors in the Company are expected to consist of a diverse group of investors (including taxable, tax exempt, domestic and foreign entities) and the fact that the management of the Company will not take the particular objectives of any investors or class of investors into account. Non-ERISA Plan fiduciaries should also take into account the fact that, while the Board and the Investment Adviser will have certain general fiduciary duties to the Company, the Board and the Investment Adviser will not have any direct fiduciary relationship with or duty to any investor, either with respect to its investment in 2016 ZDP Shares or 2022 ZDP Shares or with respect to the management and investment of the assets of the Company. Similarly, it is intended that the assets of the Company will not be considered plan assets of any Non-ERISA Plan or be subject to any fiduciary or investment restrictions that may exist under pension codes specifically applicable to such Non-ERISA Plans. Each Non-ERISA Plan will be required to acknowledge and agree in connection with its investment in shares to the foregoing status of the Company, the Board and the Investment Adviser that there is no rule, regulation or requirement applicable to such investor that is inconsistent with the foregoing description of the Company, the Board and the Investment Adviser.

Each purchaser or transferee that is a Non-ERISA Plan will be deemed to have represented, warranted and covenanted as follows:

- a) the Non-ERISA Plan is not a Benefit Plan Investor;
- b) the decision to commit assets of the Non-ERISA Plan for investment in the Company was made by fiduciaries independent of the Company, the Board, the Investment Adviser and any of their respective agents, representatives or affiliates, which fiduciaries: (a) are duly authorised to make such investment decision and have not relied on any advice or recommendations of the Company, the Board, the Investment Adviser or any of their respective agents, representatives or affiliates; and (b) in consultation with their advisers, have carefully considered the impact of any applicable federal, state or local law on an investment in the Company;
- c) none of the Company, the Board, the Investment Adviser or any of their respective agents, representatives or affiliates has exercised any discretionary authority or control with respect to the Non-ERISA Plan’s investment in the Company, nor has the Company, the Board, the Investment Adviser or any of their respective agents, representatives or affiliates rendered individualised investment advice to the Non-ERISA Plan based upon the Non-ERISA Plan’s investment policies or strategies, overall portfolio composition or diversification with respect to its commitment to invest in the Company and the investment programme thereunder; and
- d) it acknowledges and agrees that it is intended that the Company will not hold plan assets of the Non-ERISA Plan and that none of the Company, the Board, the Investment Adviser or any of their respective agents, representatives or affiliates will be acting as a fiduciary to the Non-ERISA Plan under any applicable federal, state or local law governing the Non-ERISA Plan, with respect to either: (a) the Non-ERISA Plan’s purchase or retention of its investment in the Company; or (b) the management or operation of the business or assets of the Company. It also confirms that there is no rule, regulation, or requirement applicable to such purchaser or transferee that is inconsistent with the foregoing description of the Company, the Board and the Investment Adviser.

PART 5

TAXATION

The statements on taxation referred to in this Part 5 (Taxation) of this document are for general information purposes only and are not intended to be a comprehensive summary of all technical aspects of the structure and are not intended to constitute legal or tax advice to potential investors.

The statements on taxation below are intended to be a general summary of certain tax consequences that may arise for ZDP Shareholders who as part of the ZDP Rollover Offer receive 2022 ZDP Shares (which may vary depending upon the particular individual circumstances and status of prospective investors), and a general guide to the tax treatment of the Company. These comments are based on the laws and published practices as at the time of writing and may be subject to future revision (possibly with retrospective effect). This discussion is not intended to constitute advice to any person and should not be so construed.

Each ZDP Shareholder should consult their own tax advisers as to the possible tax consequences of buying, holding or selling 2022 ZDP Shares under the laws of their country of citizenship, residence or domicile or other jurisdictions in which they are subject to tax.

1. Guernsey

1.1 Introduction

The following information is general in nature and relates only to Guernsey taxation applicable to the Company and the anticipated tax treatment in Guernsey that applies to persons holding 2022 ZDP Shares in the Company as an investment. The summary does not constitute legal or tax advice and is based on taxation law and practice at the date of this document. Investors and prospective investors should be aware that the level and bases of taxation may change from those described and should consult their own professional advisers on the implications of acquiring, holding, disposing of, transferring or redeeming 2022 ZDP Shares in the Company under the laws of the countries in which they are liable to taxation.

1.2 The Company

The Company has been granted tax exempt status by the Director of Income Tax 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.

In response to the review carried out by the EUCCG, the States of Guernsey has abolished exempt status for the majority of companies and introduced a zero rate of tax for companies carrying on all but a few specified types of regulated business. The States of Guernsey has also agreed that, as collective investment schemes were not one of the regimes in Guernsey that were classified by the EUCCG as being harmful, such schemes such as the Company would continue to be able to apply for exempt status for Guernsey tax purposes.

A review of Guernsey's corporate regime was announced by the States of Guernsey in October 2009, again in response to further comments from the EUCCG. A consultation document was issued on 21 June 2010. The EUCCG reviewed Guernsey following similar reviews of other Crown Dependencies in 2011, and then reported that Guernsey's deemed distribution regime was not compliant with the EU Code of Conduct. The States of Guernsey responded by agreeing to abolish

deemed distributions to subsequently allow Guernsey to become EU Code of Conduct compliant and for the States of Guernsey review of its company tax regime to be concluded. The EUCCG confirmed in September 2012 that Guernsey's tax regime would then conform to the EU Code of Conduct and this was ratified by the ECOFIN in December 2012. The States of Guernsey abolished deemed distributions with effect from 1 January 2013. Again, collective investment schemes have not been affected and can continue to apply for exempt tax status.

The Policy Council of the States of Guernsey has stated that it may consider further revenue raising measures in the future, including the possible introduction of a goods and services tax, depending on the state of Guernsey's public finances at the time.

1.3 *EU Savings Tax Directive*

Although not a Member State of the European Union, Guernsey, in common with certain other jurisdictions, entered into bilateral agreements with EU Member States on the taxation of savings income. From 1 July 2011 paying agents in Guernsey must automatically report to the Director of Income Tax in Guernsey any interest payment to individuals resident in the contracting EU Member States which falls within the scope of the EU Savings Directive (2003/48/EC) (the "**EU Savings Directive**") as applied in Guernsey. However, whilst such interest payments may include distributions from the proceeds of 2022 ZDP Shares or units in certain collective investment schemes which are, or are equivalent to, UCITS, in accordance with EC Directive 85/611/EEC (as recast by EC Directive 2009/65/EC (recast)) and guidance notes issued by the States of Guernsey on the implementation of the bilateral agreements, the Company should not be regarded as, or as equivalent to, a UCITS. Accordingly, any payments made by a paying agent in Guernsey to ZDP Shareholders will not be subject to reporting obligations pursuant to the agreements between Guernsey and EU Member States to implement the EU Savings Directive in Guernsey. It is unclear whether paying agents in other jurisdictions that have implemented the EU Savings Directive or equivalent measures will also view the Company as outside the scope of the EU Savings Directive.

The operation of the EU Savings Directive was reviewed by the European Commission and Council Directive 2014/48/EU was adopted on 24 March 2014 which amends the EU Savings Tax Directive. It is not yet known what these measures are likely to be but a number of proposed changes may significantly widen its scope to additional types of funds and could lead to the Company being required to comply with the EU Savings Directive. As a result it is expected that the Company could also be subject to equivalent measures. The amending directive will have effect from 1 January 2017. ZDP Shareholders are recommended to check how the amending directive will impact on their investment.

1.4 *ZDP Shareholders*

Non-Guernsey resident ZDP Shareholders will not be subject to any income tax in Guernsey in respect of or in connection with the acquisition, holding or disposal of any 2022 ZDP Shares owned by them. Such ZDP Shareholders will receive dividends without deduction of Guernsey income tax.

Any ZDP Shareholders who are resident in Guernsey will be subject to Guernsey income tax on any dividends paid to such persons but will not suffer any deduction of tax by the Company from any such dividends payable where the Company is granted tax exempt status. The Company is however required to provide details of distributions made to ZDP Shareholders resident in Guernsey to the Director of Income Tax in Guernsey.

At present Guernsey does not levy taxes upon capital gains, capital transfer, wealth, inheritance, gifts, sales or turnover, nor are there any duties save for an ad valorem fee for the grant of probate or letters of administration. No stamp duty is chargeable in Guernsey on the issue, transfer, switching or redemption of 2022 ZDP Shares in the Company.

1.5 *Foreign tax considerations*

It is the intention of the Directors to conduct the affairs of the Company so that the central management and control of the Company is not exercised anywhere other than in Guernsey. They also intend not to carry on a trade through any permanent establishment. Thus the Company is not expected to be considered tax resident or subject to tax in any jurisdiction other than Guernsey.

2. *United Kingdom*

2.1 *Redemption of 2016 ZDP Shares*

Individual ZDP Shareholders who are resident in the UK for tax purposes will generally be subject to capital gains tax in respect of any gains realised on the redemption of 2016 ZDP Shares.

UK resident corporate ZDP Shareholders should note that proceeds (over and above the amount originally subscribed for the 2016 ZDP Shares) received on a redemption or repurchase of the 2016 ZDP Shares by the Company other than in the course of a winding up of the Company could fall to be treated as a distribution to such ZDP Shareholders. Such a distribution would potentially be taxable as income, but would generally qualify to be treated as exempt under Part 9A of the Corporation Tax Act 2009 for a UK resident corporate shareholder that is not a “small company”.

2.2 *Exchange of 2016 ZDP Shares for 2022 ZDP Shares*

On the exchange of a holding of 2016 ZDP Shares for 2022 ZDP Shares under the ZDP Rollover Offer, the exchange should be treated as a reorganisation of share capital for chargeable gains purposes and a holder of the 2016 ZDP Shares should not be regarded as disposing of those 2016 ZDP Shares for the purposes of the UK taxation of chargeable gains. Instead, for such purposes, the 2022 ZDP Shares acquired should be treated as the same asset as the holding of 2016 ZDP Shares converted: accordingly, the ZDP Shareholder will be regarded as having acquired those 2022 ZDP Shares at the same time and for the same base cost as his or her holding of 2016 ZDP Shares.

2.3 *Gains arising on sale or other disposal of 2022 ZDP Shares*

It is not expected that gains realised on 2022 ZDP Shares will be taxed under the legislation relating to offshore funds. Any profit on the disposal (including a redemption insofar as the proceeds of that redemption are capital) of 2022 ZDP Shares by a ZDP Shareholder who is resident in the UK or in the case of an individual, is ordinarily resident in the UK, or a ZDP Shareholder who carries on a trade in the UK through a branch, agency or permanent establishment with which its 2022 ZDP Shares are connected should be charged to UK tax as a capital gain. A ZDP Shareholder who is temporarily non-resident for tax purposes in the UK and who returns to the UK and satisfies the residence requirements within a period of less than five years of assessment from the date of his departure and who disposes of his 2022 ZDP Shares during that period may also be liable, on his return to the UK, to UK taxation of chargeable gains.

Under current law, an individual ZDP Shareholder who is resident or ordinarily resident in the UK for taxation purposes will benefit from an annual exemption which in the tax year 2015/16 exempts the first £11,100 of any gains from the sum charged to capital gains tax. After use of the annual exemption and relief for losses, if relevant, capital gains realised on the sale or other disposal of 2022 ZDP Shares will be taxed at a flat rate of 18 per cent. for basic rate tax payers and 28 per cent. for higher and additional rate tax payers in respect of the tax year 2015/16. No indexation allowance is available to individual ZDP Shareholders for capital gains tax purposes.

ZDP Shareholders who are subject to corporation tax should still benefit from indexation allowance on any chargeable gain realised on the disposal of their 2022 ZDP Shares.

Subject to the potential application of certain provisions contained in Part 6 to the Corporation Tax Act 2009 that are discussed below, ZDP Shareholders within the charge to UK corporation tax will be subject to UK corporation tax on chargeable gains realised:

- on the sale of their 2022 ZDP Shares (other than a repurchase or redemption by the Company); or
- where the final capital entitlement of the 2022 ZDP Shares is received pursuant to a liquidation of the Company.

The current main rate of corporation tax is 20 per cent. and is scheduled to be reduced to 19 per cent. for the financial year commencing 1 April 2017 and to 18 per cent. for the financial year commencing 1 April 2020.

Any chargeable gains realised by ZDP Shareholders within the charge to UK corporation tax will generally be calculated by reference to the disposal proceeds received less the sum of the base cost of their 2022 ZDP Shares plus indexation allowance and incidental selling expenses.

UK resident corporate ZDP Shareholders should note that proceeds (over and above the amount originally subscribed for the 2022 ZDP Shares) received on a redemption or repurchase of the 2022 ZDP Shares by the Company other than in the course of a winding up of the Company could fall to be treated as a distribution to such ZDP Shareholders. Such a distribution would potentially be taxable as income, but would generally qualify to be treated as exempt under Part 9A of the Corporation Tax Act 2009 for a UK resident corporate shareholder that is not a “small company”.

2.4 *Disguised interest*

ZDP Shareholders within the charge to UK corporation tax should, however, note the provisions of Chapter 2A (Disguised interest) and Chapter 6A (Shares Accounted for as Liabilities) of Part 6 to the Corporation Tax Act 2009. Those provisions can apply where an arrangement on the shares produce a return which is “economically equivalent to interest”, one of the requirements for which is that there must be no “practical likelihood” that the return will cease to be produced. Where these provisions apply, sums paid to such ZDP Shareholders on the sale, redemption or other disposal of their 2022 ZDP Shares will not be treated as capital receipts but will instead be treated as amounts economically equivalent to interest and will be taken into account in determining amounts taxable under the UK loan relationships regime.

However, the legislation includes provisions that seek to exclude returns derived from certain shares that are admitted to trading on a regulated market from being taxed as income. HMRC’s published guidance confirms that shares admitted to trading on a regulated market will be within the excluded shares exception unless the shareholder’s return is virtually guaranteed on launch, for example where the company’s portfolio is not exposed to investment risk.

UK individual ZDP Shareholders are also reminded that a subsequent “relevant arrangement” made by any person could result in the disguised interest provisions applying to the 2022 ZDP Shares even where those provisions did not previously apply to the 2022 ZDP Shares.

ZDP Shareholders who may be affected by the disguised interest provisions highlighted above should consult their own professional tax advisers.

2.5 *ISA status of the 2022 ZDP Shares*

It is expected that the 2022 ZDP Shares will be eligible for inclusion in an ISA. The subscription limit for an ISA account is £15,240 (for the tax year 2015/2016).

2.6 *Stamp Duty and Stamp Duty Reserve Tax (SDRT)*

Provided that the 2022 ZDP Shares are not registered in any register of the Company kept in the United Kingdom, are not paired with shares issued or raised by a UK company and any document transferring the 2022 ZDP Shares is not executed or brought into the UK, no United Kingdom stamp duty or SDRT will be payable on any transfer of the 2022 ZDP Shares or an agreement to transfer the 2022 ZDP Shares.

The above statement is intended as a general guide to the current stamp duty and SDRT position and does not relate to persons such as market makers, brokers, dealers, intermediaries and persons connected with depositary arrangements and clearance services.

2.7 *Other United Kingdom tax considerations*

The attention of companies resident in the UK is drawn to the controlled foreign companies legislation contained in Part 9A of the Taxation (International and Other Provisions) Act 2010. Broadly, a charge may arise to UK tax resident companies if the Company is controlled directly or indirectly by persons who are resident in the UK, it has profits which are attributable to its significant people functions and one of the exemptions does not apply.

The attention of individuals ordinarily resident in the United Kingdom for United Kingdom tax purposes is drawn to the provisions of Chapter 2 of Part 13 of the Income Tax Act 2007, which may render them liable to income tax in respect of any undistributed income of the Company or any capital sum received from the Company.

It is anticipated that the shareholdings in the Company will be such as to ensure that it would not be a “close company” if it were resident in the United Kingdom (broadly, controlled by five or fewer participants). If, however, the Company would be a close company if so resident, capital gains accruing to it may be apportioned to United Kingdom resident or ordinarily resident shareholders, under the provisions of section 13 Taxation of Chargeable Gains Act 1992, who may thereby become chargeable to capital gains tax, or corporation tax on chargeable gains, on the gains apportioned to them.

If any ZDP Shareholder is in doubt as to his taxation position, he is strongly recommended to consult an independent professional adviser without delay.

3. *United States Federal Income Taxation*

This discussion does not address the US federal income tax consequences of the acquisition, holding or disposition of 2022 ZDP Shares by ZDP Shareholders that are US persons (as defined in the US Code) or that are otherwise subject to US taxation. The ZDP Rollover Offer is not being and will not be made, and the ZDP 2022 Shares will not be offered or sold, to any person with a registered address in, or who is resident or located in, the United States or to any US Person. Any ZDP Shareholders that are subject to US federal income tax should consult with their own tax adviser regarding the US federal, state and local tax treatment and consequences of acquiring and holding the 2022 ZDP Shares.

PART 6

ADDITIONAL INFORMATION

1. Persons Responsible

The Company and its Directors, whose names appear on page 18 of this document, accept responsibility for the information contained in this document. To the best of the knowledge and belief of the Company and the Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this document is in accordance with the facts and contains no omissions likely to affect the import of such information.

2. Directors

- 2.1 As at 3 September 2015 (being the latest practicable date prior to the publication of this document) and as they will be immediately following Admission of the New Ordinary Shares pursuant to the Placing and Open Offer, the interests (all of which were beneficial, unless otherwise indicated) of the Directors, their immediate families and related trusts (and, so far as known to or could with reasonable diligence be ascertained by the Directors, any persons connected with them for the purposes of the Disclosure and Transparency Rules) in the Ordinary Shares were as set out in the following table.

	<i>No. of Existing Ordinary Shares as at 3 September 2015</i>	<i>% of Existing Ordinary Share Capital as at 3 September 2015</i>	<i>No. of Ordinary Shares immediately following Admission of the New Ordinary Shares</i>	<i>% of Ordinary Shares immediately following Admission of the New Ordinary Shares</i>
<i>Ordinary Shareholder</i>				
David Macfarlane	55,000	0.08	74,800	0.08
Patrick Firth	4,000	0.01	5,440	0.01
Christopher Waldron	2,000	0.00	2,720	0.00
James Jordan	30,000	0.05	40,800	0.05
Tanja Tibaldi	2,000	0.00	2,720	0.00

The issue of the 2022 ZDP Shares pursuant to the ZDP Rollover Offer will not affect the Directors' interests in the issued share capital of the Company.

- 2.2 The Directors and persons connected with the Directors for the purposes of the Disclosure and Transparency Rules also have the interests (all of which are beneficial, unless otherwise indicated) in the CULS (which are convertible into Ordinary Shares in accordance with their terms) as at 3 September 2015 (being the latest practicable date prior to the publication of this document) as set out in the following table.

<i>Director</i>	<i>Nominal Amount of CULS (£)</i>
David Macfarlane (Chairman)	7,340
Patrick Firth	7,340
Tanja Tibaldi	3,670

3. Substantial Share Interests

- 3.1 Under Chapter 5 of the Disclosure and Transparency Rules, subject to certain exemptions, a person must notify the Company of the percentage of voting rights they hold if they acquire or dispose of shares in the Company to which voting rights are attached and if, as a result of the acquisition or disposal, the percentage of voting rights which they hold as an Ordinary Shareholder (or, in certain

cases, which they hold indirectly) or through their direct or indirect holding of certain types of financial instruments (or a combination of such holdings) reaches, exceeds or falls below five per cent. and each five per cent. threshold thereafter or reaches, exceeds or falls below an applicable threshold as a result of events changing the breakdown of voting rights and on the basis of the total voting rights notified to the market by the Company. The notification must be made within four trading days.

Under the Disclosure and Transparency Rules, the Company must announce the notification to the public as soon as possible and in any event by not later than the end of the trading day following receipt of a notification in relation to voting rights.

- 3.2 So far as the Company is aware, as at 3 September 2015 (being the latest practicable date prior to the publication of this document) and as they will be immediately following Admission of the New Ordinary Shares pursuant to the Placing and Open Offer, the following persons (other than the Directors) had notifiable interests in five per cent. or more of the Company's issued share capital or voting rights:

	<i>No. of Existing Ordinary Shares as at 3 September 2015</i>	<i>% of Existing Ordinary Share Capital as at 3 September 2015</i>	<i>No. of Ordinary Shares immediately following Admission of the New Ordinary Shares⁽¹⁾</i>	<i>% of Ordinary Shares immediately following Admission of the New Ordinary Shares⁽¹⁾</i>
<i>Ordinary Shareholder</i>				
Edgewater ⁽²⁾	13,494,037	20.75	19,323,194	21.85
Jordan ⁽³⁾	7,764,318	11.94	11,118,349	12.57
Zalaznick ⁽⁴⁾	6,000,443	9.23	11,118,349	12.57
Leucadia ⁽⁵⁾	6,427,563	9.89	8,454,105	9.56
Abrams ⁽⁶⁾	5,694,389	8.76	7,744,369	8.76

(1) Assuming no Placing Shares are clawed back to satisfy valid applications under the Open Offer.

(2) Edgewater Growth Capital Partners.

(3) John (Jay) W. Jordan II and affiliates.

(4) David W. Zalaznick and affiliates.

(5) Leucadia Financial Corporation and Leucadia National Corporation

(6) Abrams Capital Management.

Abrams Capital Management also has an interest in 661,055 CULS as at 3 September 2015 (being the latest practicable date prior to publication of this document). The CULS are convertible into Ordinary Shares in accordance with their terms.

The issue of 2022 ZDP Shares pursuant to the ZDP Rollover Offer will not affect the number of Ordinary Shares.

- 3.3 None of the Company's major shareholders of Ordinary Shares detailed at paragraph 3.2 of this Part 6 (*Additional Information*) of this document have different voting rights from the Ordinary Shareholders.
- 3.4 The Company is not aware of any person who, immediately following the ZDP Rollover Offer or Placing and Open Offer, can, will or could, directly or indirectly, jointly or severally, exercise control over the Company or any arrangement, the operation of which may at a subsequent date result in a change of control of the Company.

4. Material Contracts

Save for the contracts described in paragraph 8 of Part X (*Additional Information*) of the Prospectus, the Company has not entered into any other contract (not being a contract entered into in the ordinary course of

business) in the two years immediately preceding the date of this document or which contains any provision under which the Company has any obligation or entitlement which is material to the Company as at the date of this document.

5. Enforcement of Foreign Judgments in Guernsey Courts

5.1 *For judgments which comply with the requirements of the Judgments (Reciprocal Enforcement) (Guernsey) Law 1957:*

A final and conclusive judgment, capable of execution, obtained in a superior court of a reciprocating country (including but not limited to England and Wales), having jurisdiction over a defendant for a fixed sum (other than for taxes or similar charges) and after hearing of the merits in such court, would be recognised and enforced by the Royal Court of Guernsey without re-examination of the merits of that case, but subject to compliance with procedural and other requirements of Guernsey's reciprocal enforcement legislation, unless any such judgment:

- (a) is obtained by fraud;
- (b) is in conflict with Guernsey public policy;
- (c) has already been satisfied wholly; or
- (d) could not be enforced by execution in the jurisdiction of origin.

5.2 *For judgments which do not comply with requirements of the Judgments (Reciprocal Enforcement) (Guernsey) Law 1957:*

A final and conclusive judgment obtained in a superior court of a non-reciprocating country would not be subject to the same legislative regime as would a final and conclusive judgment obtained in a superior court of a reciprocating country pursuant to the provisions of the Judgments (Reciprocal Enforcement) (Guernsey) Law 1957. Instead, a judgment creditor with a final and conclusive judgment from such court, for a fixed or ascertainable sum of money, would be entitled to sue on that foreign judgment itself by commencing an action in Guernsey and, if the matter were placed on the pleading list in Guernsey, by applying for summary judgment. Broadly, a judgment creditor relying on this enforcement procedure would be prevented from suing on its foreign judgment in Guernsey if any of the following grounds applied:

- (a) the foreign court did not have jurisdiction to give the relevant judgment;
- (b) there is fraud on the part of the party in whose favour the judgment was given or on the part of the court pronouncing the foreign judgment;
- (c) where enforcement in the Guernsey court would be contrary to public policy;
- (d) the foreign judgment is obtained in contravention of natural justice.

6. Miscellaneous

- 6.1 Save as disclosed in this document and the Prospectus, no persons involved in the ZDP Rollover Offer have any interests that are material to the ZDP Rollover Offer.
- 6.2 No application is being made for the 2022 ZDP Shares to be listed or dealt in on any stock exchange or investment exchange other than the Specialist Fund Market.
- 6.3 JPMC has given and not withdrawn its written consent to the inclusion in this document of the references to its name in the form and context in which they appear.

7. Documents Available for Inspection

Copies of the following documents are available for inspection at the offices of Ashurst LLP, Broadwalk, House, 5 Appold Street, London EC2A 2HA during normal business hours on any day (Saturdays, Sundays and public holidays excepted) until 30 September 2015 (or if later Admission of the 2022 ZDP Shares):

- (a) the Articles;
- (b) the New Articles;
- (c) the independent auditors' reports and audited financial statements (including notes to those financial statements (including accounting policies)) of the Company for the three financial years ended 28 February 2015 (as contained in the Company's annual reports and accounts); and
- (d) the written letter of consent from JPMC referred to in paragraph 6.3 of this Part 6 (*Additional Information*) of this document.

PART 7

DEFINITIONS AND GLOSSARY

The following definitions apply throughout this document unless the context requires otherwise:

“€” or “Euro”	the single currency of Participating Member States;
“£” or “Pounds Sterling” or “pence” (including the abbreviation “p”)	the lawful currency of the United Kingdom;
“US\$” or “US Dollars” or “cents”	the lawful currency of the United States;
“2016 ZDP Shares Final Capital Entitlement”	the Accrued Capital Entitlement of a 2016 ZDP Share on the 2016 ZDP Share Repayment Day;
“2016 ZDP Shares”	zero dividend redeemable preference shares of no par value in the capital of the Company issued on or around 22 June 2009;
“2016 ZDP Share Repayment Date”	22 June 2016;
“2022 ZDP Share Cumulative Final Cover”	has the meaning set out in Part 3 (<i>Principal Bases and Assumptions</i>) of this document;
“2022 ZDP Share Final Capital Entitlement”	the accrued capital entitlement of a 2022 ZDP Share on the 2022 ZDP Share Repayment Day;
“2022 ZDP Share GRY”	the 2022 ZDP Share Gross Redemption Yield of the 2022 ZDP Shares to be announced by the Company, on or around 25 September 2015, by way of an announcement through a RIS;
“2022 ZDP Shares”	zero dividend redeemable preference shares of no par value in the capital of the Company which the Company is proposing to issue pursuant to the ZDP Rollover Offer;
“2022 ZDP Share Hurdle Rate”	has the meaning set out in Part 3 (<i>Principal Bases and Assumptions</i>) of this document;
“2022 ZDP Share Issue Price”	349.6 pence per 2022 ZDP Share;
“2022 ZDP Share Repayment Date”	1 October 2022;
“Accrued Capital Entitlement”	the entitlement of a ZDP Share on any particular date reflecting the issue price plus the amount accrued at the relevant Gross Redemption Yield;
“Admission of the 2022 ZDP Shares”	admission of the 2022 ZDP Shares pursuant to the ZDP Rollover Offer to trading on the London Stock Exchange’s Specialist Fund Market;
“Admission of the New Ordinary Shares”	admission of the New Ordinary Shares pursuant to the Placing and Open Offer to trading on the London Stock Exchange’s Specialist Fund Market;
“AIF”	an alternative investment fund within the meaning of AIFMD;

“AIFM”	an alternative investment fund manager within the meaning of AIFMD;
“AIFMD” or “AIFM Directive”	Directive 2011/61/EU of the European Parliament and of the Council of 8 June 2011 on Alternative Investment Fund Managers, as amended;
“Articles”	the articles of incorporation of the Company, as amended from time to time;
“Articles Amendment Resolution”	the resolution 6 to be proposed at the Extraordinary General Meeting set out in the Notice of Extraordinary General Meeting;
“Board”	the board of directors of the Company (or any duly authorised committee thereof) from time to time;
“Business Day”	a day on which the London Stock Exchange and banks in Guernsey and London are normally open for business;
“certificated” or “certificated form”	not in uncertificated form;
“Class Meeting of Ordinary Shareholders”	the class meeting of Ordinary Shareholders to be held at 11.00 a.m. on 29 September 2015 at the offices of Northern Trust International Fund Administration Services (Guernsey) Limited, Trafalgar Court, Les Banques, St Peter Port, Guernsey, Channel Islands, including any adjournment thereof, notice of which is set out at the end of the Prospectus;
“Class Meeting of ZDP Shareholders”	the class meeting of ZDP Shareholders to be held at 11.05 a.m. on 29 September 2015 (or as soon thereafter as the Class Meeting of Ordinary Shareholders has been concluded or adjourned) at the offices of Northern Trust International Fund Administration Services (Guernsey) Limited, Trafalgar Court, Les Banques, St Peter Port, Guernsey, Channel Islands, including any adjournment thereof, notice of which is set out at the end of the Prospectus;
“Companies Law”	the Companies (Guernsey) Law 2008 (as amended);
“Company”	JZ Capital Partners Limited (with registration no. 48761);
“CREST”	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;
“CREST Manual”	the rules governing the operation of CREST, consisting of the CREST Reference Manual, CREST International Manual, CREST Central Counterparty Service Manual, CREST Rules, Registrars Service Standards, Settlement Discipline Rules, CCSS Operations Manual, Daily Timetable, CREST Application Procedures and CREST Glossary of Terms (all as defined in the CREST Glossary of Terms promulgated by Euroclear on 15 July 1996 and as amended since that date);
“CREST Regulations”	the Uncertificated Securities Regulations 2001 (S.I. 2001, No. 3755);

“CULS”	the 6.00 per cent. convertible unsecured subordinated loan stock due 2021 of the Company in an aggregate nominal amount of £38,861,140 in issue as at the date of the Prospectus;
“Directors”	the directors of the Company from time to time;
“Disclosure and Transparency Rules”	the disclosure rules and the transparency rules of the FCA made pursuant to section 73A of the FSMA;
“Election Form”	the election form accompanying the separate Circular in respect of the ZDP Rollover Offer sent to ZDP Shareholders for use in connection with the ZDP Rollover Offer;
“ERISA”	the US Employee Retirement Income Security Act of 1974, as amended;
“Euroclear”	Euroclear UK and Ireland Limited, the operator of CREST;
“Excluded Territories” and each an “Excluded Territory”	Australia, Canada, Japan, the Republic of South Africa and the United States;
“Excluded Territory Shareholder”	an Ordinary Shareholder whose registered address is in an Excluded Territory;
“Existing Ordinary Shares”	Ordinary Shares currently in issue;
“Extraordinary General Meeting”	the extraordinary general meeting of the Company to be held at 11.10 a.m. on 29 September 2015 (or as soon thereafter as the Class Meeting of ZDP Shareholders has been concluded or adjourned) at the offices of Northern Trust International Fund Administration Services (Guernsey) Limited, Trafalgar Court, Les Banques, St Peter Port, Guernsey, Channel Islands, including any adjournment thereof, notice of which is set out at the end of the Prospectus;
“FCA”	the Financial Conduct Authority;
“Forms of Proxy”	the forms of proxy accompanying the Prospectus for use in connection with the Separate Class Meetings and the Extraordinary General Meeting;
“FSMA”	the Financial Services and Markets Act 2000, as amended;
“Guernsey Code”	the Guernsey Financial Services Commission’s “Finance Sector Code of Corporate Governance”, as amended from time to time;
“Gross Redemption Yield” or “GRY”	in respect of a ZDP Share, the annually compounded rate of return at which the total discounted values of future payments of capital equate to its actual or assumed value at the date of calculation;
“HMRC”	HM Revenue & Customs;
“IFRS”	International Financial Reporting Standards as adopted by the European Union;
“Investment Adviser”	Jordan/Zalaznick Advisers, Inc.;
“ISIN”	an International Securities Identification Number;
“JPMC” or “Adviser”	J.P. Morgan Securities plc (which conducts its UK investment banking business as J.P. Morgan Cazenove);

“Listing Rules”	the listing rules made by the FCA pursuant to section 73A of FSMA;
“London Stock Exchange”	the London Stock Exchange plc;
“NAV” or “Net Asset Value”	the net asset value of the Company as calculated by the Company in accordance with the Company’s normal accounting policies or, as the context so requires, the net asset value per Ordinary Share being calculated by dividing the net asset value of the Company by the number of Ordinary Shares in issue on the relevant date);
“Net Proceeds”	the proceeds of the Placing and Open Offer after deducting the costs payable by the Company in connection with the Placing and Open Offer;
“New Articles”	the proposed articles of incorporation of the Company details of which are set out in paragraph 5.3 of Part X (<i>Additional Information</i>) of the Prospectus;
“New Ordinary Shares”	the 23,406,698 new ordinary shares of no par value in the capital of the Company which the Company is proposing to issue pursuant to the Placing and Open Offer;
“Notice of Class Meeting of Ordinary Shareholders”	the notice of Class Meeting of Ordinary Shareholders set out at the end of the Prospectus;
“Notice of Class Meeting of ZDP Shareholders”	the notice of Class Meeting of ZDP Shareholders set out at the end of the Prospectus;
“Notice of Extraordinary General Meeting”	the notice of Extraordinary General Meeting set out at the end of the Prospectus;
“Notices of the Separate Class Meetings”	the Notice of Class Meeting of Ordinary Shareholders and the Notice of Class Meeting of ZDP Shareholders;
“Offer Price”	419.19 pence per New Ordinary Share;
“Open Offer”	the offer to Qualifying Shareholders constituting an invitation to apply for the Open Offer Shares on the terms and subject to the conditions set out in the Prospectus, and in the case of Qualifying Non-CREST Shareholders, the Application Form;
“Ordinary Shares”	ordinary shares of no par value in the capital of the Company (which include the Existing Ordinary Shares and the New Ordinary Shares);
“Ordinary Shareholders”	holders of Ordinary Shares;
“Overseas Shareholders”	Ordinary Shareholders who are resident in, or citizens of, or who have registered addresses in, territories other than the United Kingdom;
“participant ID”	the identification code or membership number used in CREST to identify a particular CREST member or other CREST participant;
“Participating Member State”	any member of the European Union that has the Euro as its lawful currency in accordance with legislation of the European Union relating to the Economic and Monetary Union;
“Placees”	any persons who have agreed or shall agree to subscribe for Open Offer Shares pursuant to the Placing subject to clawback to satisfy

	valid applications by Qualifying Shareholders pursuant to the Open Offer;
“Placing”	the conditional placing of the Placing Shares with Placees in accordance with the Placing Agreement;
“Placing Agreement”	the placing agreement between the Company, the Investment Adviser and JPMC, a summary of which is set out in paragraph 8.1 of Part X (<i>Additional Information</i>) of the Prospectus;
“Placing and Open Offer”	the issue of New Ordinary Shares pursuant to the Placing and the Open Offer, as further described in the Prospectus;
“Placing Shares”	the New Ordinary Shares which are the subject of the Placing;
“Prospectus”	the Prospectus in respect to the Placing and Open Offer, the ZDP Rollover Offer and the Company’s proposed investment in Spruceview Capital Partners dated as of the date of this document;
“Prospectus Directive”	Directive 2003/71/EC of the European Parliament and Council on the prospectus to be published when transferable securities are offered to the public or admitted to trading, as amended;
“Prospectus Rules”	the prospectus rules made by the FCA pursuant to section 73A of the FSMA;
“Qualifying Shareholder”	holders of Existing Ordinary Shares on the Register on the Open Offer Record Date, with the exception of certain Overseas Shareholders;
“Register”	the register of members of the Company;
“Regulation S”	Regulation S under the US Securities Act;
“Resolutions”	the resolutions to be proposed at the Separate Class Meetings set out in the Notices of the Separate Class Meetings and the resolutions 1 to 7 (inclusive) to be proposed at the Extraordinary General Meeting set out in the Notice of Extraordinary General Meeting;
“RIS”	a regulatory information service that is on the list of regulatory information services maintained by the FCA;
“RIS provider”	a regulatory information services provider;
“Separate Class Meetings”	the Class Meeting of Ordinary Shareholders and the Class Meeting of ZDP Shareholders;
“Shareholders”	holders of Ordinary Shares and 2016 ZDP Shares;
“Shares”	Ordinary Shares and 2016 ZDP Shares;
“Specialist Fund Market”	Specialist Fund Market of the London Stock Exchange;
“Strike GRY”	the gross redemption yield at which elections pursuant to the ZDP Rollover Offer can be made reflecting an order at the clearing GRY following the book-build to set the 2022 ZDP GRY;
“UK” or “United Kingdom”	the United Kingdom of Great Britain and Northern Ireland;

“uncertificated” or “in uncertificated form”	recorded on the Register as being held in uncertificated form in CREST and title to which may be transferred by means of CREST;
“US” or “USA” or “United States”	the United States of America (including each of its states and the District of Columbia), its territories, possessions and other areas subject to its jurisdiction;
“US Code”	the US Internal Revenue Code of 1986, as amended;
“US Exchange Act”	the US Securities Exchange Act of 1934, as amended;
“US Investment Company Act”	the US Investment Company Act of 1940, as amended;
“US Person”	has the meaning given in Regulation S;
“US Securities Act”	the US Securities Act of 1933, as amended;
“ZDP Rollover Offer”	the rollover of 2016 ZDP Shares into 2022 ZDP Shares under which the Company will offer ZDP Shareholders the option of: (a) exchanging a proportion of their 2016 ZDP Shares into 2022 ZDP Shares on 1 October 2015; (b) repayment of the final capital entitlement of their 2016 ZDP Shares plus a premium of 3.7 pence on the existing date of their repayment, being 22 June 2016, in accordance with the terms and conditions of the 2016 ZDP Shares; or (c) a combination of (a) and (b) above;
“ZDP Rollover Offer Record Date”	the date on which the entitlement of Qualifying Shareholders to subscribe for 2022 ZDP Shares will be determined by reference to the Register, expected to be 6.00 p.m. on 24 September 2015; and
“ZDP Rollover Offer Resolution”	the resolution 5 to be proposed at the Extraordinary General Meeting set out in the Notice of Extraordinary General Meeting.

