

**THIS DOCUMENT AND THE ACCOMPANYING FORM OF PROXY ARE IMPORTANT AND REQUIRE YOUR IMMEDIATE ATTENTION. If you are in any doubt as to the action you should take or the contents of this document, you should consult your stockbroker, bank manager, solicitor, accountant or other independent financial adviser authorised under the Financial Services and Markets Act 2000, as amended, if you are a resident in the United Kingdom or, if not, from another appropriately authorised financial adviser without delay.**

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

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

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

---

## **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)*

**Recommended Proposals to approve  
The Company's proposed acquisition of a 27.696% ownership interest and related  
investments  
in Deflecto Holdings, LLC  
The Company's proposed investments in JZI Fund IV, L.P.**

**and**

**Notice of Extraordinary General Meeting**

---

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

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

Unless otherwise defined herein, capitalised terms used in this document have the meanings given to them in the section entitled "Definitions" set out on pages 21 to 25 of this document.

Your attention is drawn to the letter from the Chairman of the Company in the section entitled "Chairman's Letter" set out on pages 5 to 12 of this document which contains the unanimous recommendation of the Directors of the Company that Ordinary Shareholders vote in favour of the Resolutions to be proposed at the Extraordinary General Meeting of the Company in respect of which they are entitled to vote as the Directors intend to do in respect of their own beneficial holdings. Your attention is also drawn to paragraph 4 of the letter from the Chairman of the Company in the section entitled "Chairman's Letter" which sets out the forms accompanying this document and the action to be taken by Ordinary Shareholders in respect thereof. This document should be read in its entirety.

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

The Extraordinary General Meeting of the Company is to be held at 1.30 p.m. on 26 June 2018 (or as soon thereafter as the Annual General Meeting of the Company convened for the same day and place has been

concluded or adjourned). The Extraordinary General Meeting is to be held at the offices of Northern Trust International Fund Administration Services (Guernsey) Limited, Trafalgar Court, Les Banques, St Peter Port, Guernsey GY1 3QL, Channel Islands.

A Form of Proxy will accompany this document for use by Ordinary Shareholders in connection with the Extraordinary General Meeting of the Company. To be valid, the Form of Proxy should be completed, signed and returned in accordance with the instructions printed thereon, so as to be received by Equiniti Limited, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA, United Kingdom as soon as possible and in any event not later than 48 hours before the appointed time for the holding of the Extraordinary General Meeting (excluding any part of a day which is non-working). Completion and return of the Form of Proxy will not preclude Ordinary Shareholders from attending and voting in person at the Extraordinary General Meeting should they so wish and be so entitled to vote. Ordinary Shareholders are advised to review the instructions on page 26 to 30 of this document regarding the proper completion and return of the Form of Proxy.

J.P. Morgan Securities plc (which conducts its UK investment banking business as J.P. Morgan Cazenove ("**JPMC**"), which is authorised in the United Kingdom by the Prudential Regulation Authority and regulated in the United Kingdom by the Financial Conduct Authority and the Prudential Regulation Authority, is acting solely for the Company and no one else in connection with the Proposal concerning the Company's proposed investments in JZI Fund IV, L.P. which is a Related Party Transaction of the Company (insofar as the Listing Rules are applicable to the Company by virtue of its voluntary compliance with the same), being the Fund IV Proposal and will not be responsible to anyone other than the Company for providing the protections afforded to clients of JPMC nor for providing advice in relation to the Fund IV Proposal or any other matter referred to in this document.

Shareholders should note that the Proposal concerning the Company's proposed acquisition of a 27.696% ownership interest and related investments in Deflecto Holdings, LLC, being the Deflecto Proposal is also a Related Party Transaction of the Company (insofar as the Listing Rules are applicable to the Company by virtue of its voluntary compliance with the same). However, whilst the Listing Rules provide for written confirmation to be obtained from a sponsor that the terms of a Related Party Transaction are fair and reasonable as far as shareholders are concerned, such a confirmation has only been received in relation to the Fund IV Proposal and not (for reasons explained in paragraph 2.1 of the letter from the Chairman of the Company in the section entitled "Chairman's Letter") the Deflecto Proposal. The Company's investment adviser, Jordan/Zalaznick Advisers, Inc. ("**JZAI**" or the "**Investment Adviser**") has instead provided written confirmation to the Company that the terms of the Deflecto Proposal are fair and reasonable as far as Ordinary Shareholders are concerned and save for that exception the Deflecto Proposal is otherwise being treated in accordance with the Listing Rules including the requirement to obtain Shareholder approval. Shareholders should be aware that JZAI is the Company's investment adviser and is acting solely for the Company in that capacity and for no one else in connection with the Deflecto Proposal and will not be responsible to anyone other than the Company including for providing advice in relation to the Deflecto Proposal or any other matter referred to in this document. For the avoidance of doubt, JPMC has not given any financial advice in connection with the Deflecto Proposal.

This document and any document or announcement in connection herewith is not, and is not intended to, constitute a recommendation regarding any investment decision in Fund IV and should not be construed as: (i) an offer, solicitation or invitation to investment in Fund IV, nor shall it, or the fact of its communication, form the basis of, or be relied upon in connection with, or act as any inducement to enter into any contract or commitment whatsoever with respect to any investment in Fund IV and shall therefore not be considered marketing (as defined in the Alternative Investment Funds Managers Directive); or (ii) any form of financial opinion, recommendation or investment advice with respect to any investment in Fund IV.

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

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

## CONTENTS

	<i>Page</i>
Expected Timetable	4
Chairman's Letter	5
Summary of the Deflecto and Fund IV Proposals	13
Additional Information	17
Definitions	21
Notice of Extraordinary General Meeting	26

### EXPECTED TIMETABLE

Publication and posting of this document and the accompanying Form of Proxy for the Extraordinary General Meeting	6 June 2018
Latest time and date for receipt of the Form of Proxy for the Extraordinary General Meeting	1.30 p.m. on 22 June 2018
Extraordinary General Meeting	1.30 p.m. on 26 June 2018 (or as soon thereafter as the Annual General Meeting of the Company convened for the same day and place has been concluded or adjourned)
Announcement of the results of the Extraordinary General Meeting	26 June 2018

Notes:

1. All references in this document are to London time unless otherwise stated.
2. The times and dates set out in the Expected Timetable above and mentioned throughout this document may be adjusted by the Company in which event details of the new times and dates will be notified to the Guernsey Financial Services Commission, the London Stock Exchange and, where appropriate, the Shareholders.
3. The Extraordinary General Meeting is to be held at the offices of Northern Trust International Fund Administration Services (Guernsey) Limited, Trafalgar Court, Les Banques, St Peter Port, Guernsey GY1 3QL, Channel Islands.

**CHAIRMAN'S LETTER**

**JZ CAPITAL PARTNERS LIMITED**

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

**Non-Executive Directors**

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

**Registered Office**

Trafalgar Court  
PO Box 255  
Les Banques  
St Peter Port  
Guernsey  
GY1 3QL

6 June 2018

Dear Shareholder,

**Recommended Proposals to approve  
The Company's proposed acquisition of a 27.696% ownership interest and related  
investments  
in Deflecto Holdings, LLC  
The Company's proposed investments in JZI Fund IV, L.P.**

**and**

**Notice of Extraordinary General Meeting**

**1. Introduction**

The principal purpose of this letter is to set out and explain the Proposals to approve the Company's proposed:

- acquisition of a 27.696 per cent. ownership interest and related investments in Deflecto Holdings, LLC; and
- investments in JZI Fund IV, L.P.

Specifically, the Board is seeking Shareholder approval for the Company to acquire from Edgewater Growth Capital Partners, a Related Party of the Company a 27.696 per cent. ownership interest in Deflecto, as well as for the Company to make investments in Deflecto jointly with Edgewater in the form initially as a working capital contribution and thereafter as additional joint investments from time to time principally for the purpose of funding complementary acquisitions to be made by Deflecto.

Separately, the Board is also seeking Shareholder approval for the Company to make investments, jointly with David W. Zalaznick and John (Jay) W. Jordan II (together, the JZAI Founders who are the founders and principals of Jordan/Zalaznick Advisers, Inc., the Company's investment adviser) and various members of the JZAI European investment team (together with the JZAI Founders, the Fund IV Principals), each being a Related Party of the Company, in Fund IV.

Both the Deflecto Proposal and the Fund IV Proposal would be considered Related Party Transactions under Chapter 11 of the Listing Rules (with which the Company voluntarily

complies and insofar as the Listing Rules are applicable to the Company by virtue of its voluntary compliance) and therefore Shareholder approval is required for the Proposals which will be sought at an Extraordinary General Meeting of the Company. Shareholders should however note that, whilst the Listing Rules provide for written confirmation to be obtained from a sponsor that the terms of a Related Party Transaction are fair and reasonable as far as shareholders are concerned, such a confirmation has only been received in relation to the Fund IV Proposal and not (for reasons explained further below) the Deflecto Proposal. The Company's investment adviser, JZAI, has instead provided written confirmation to the Company that the terms of the Deflecto Proposal are fair and reasonable as far as Ordinary Shareholders are concerned and save for that exception the Deflecto Proposal is otherwise being treated in accordance with the Listing Rules including the requirement to obtain Shareholder approval. For the avoidance of doubt, JPMC has not given any financial advice in connection with the Deflecto Proposal.

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

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

Further details of the Proposals are set out below.

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

### *2.1 Deflecto Proposal*

The Company intends to acquire from Edgewater a 27.696 per cent. ownership interest in Deflecto for an amount of initial consideration of approximately US\$23.175 million payable to Edgewater upon completion of the acquisition. The initial consideration comprises approximately US\$22.5 million payable to Edgewater plus an additional amount of approximately US\$675,000 as reimbursement to Edgewater for costs incurred by it since the acquisition of its ownership interest in Deflecto in 2017. Following completion of the acquisition, the ownership interests in Deflecto will be held 52.304 per cent. by Edgewater and 27.696 per cent. by the Company. Existing and future management of Deflecto are

expected to hold the balance of Deflecto's ownership interests, being an ownership interest of 20 per cent. in aggregate.

Deflecto is a diversified, highly scalable and global US company that designs, manufactures and sells innovative plastic products to multiple industry segments, including point-of-purchase/point-of-sale, safety, floor protection, office products and air distribution. The business is headquartered in Indianapolis, Indiana, USA and has operations elsewhere in the United States, Canada, the United Kingdom, China and India. It serves a range of customers across multiple channels including big box retailers, drug and convenience stores, wholesalers and distributors, and original equipment manufacturers.

Prior to its acquisition by Edgewater in 2017 and since 1985, Deflecto was owned by Jordan Industries International LLC, a company owned approximately 50 per cent. by the JZAI Founders, with the balance of that company's ownership interests being owned by their respective affiliates which included a small minority stake of less than 0.1 per cent. owned by the Company. Edgewater acquired Deflecto from Jordan Industries for a purchase price of approximately US\$113 million and a contingent earn out of approximately US\$11 million which subject to the fulfilment of certain financial performance metrics of Deflecto may be paid by Deflecto to Jordan Industries. The Deflecto business was historically named Jordan Specialty Plastics and was built through a series of eight acquisitions, the last of which was completed in 2012. The JZAI Founders have therefore been intimately familiar with the Deflecto business and its operations for over the past 25 years. John (Jay) W. Jordan II sat on the board of Deflecto and was during his tenure partly responsible for the strategic direction of the business. Whilst Jordan Industries had intended to retain ownership of Deflecto, its sale was instigated by the decision to wind down Jordan Industries. With Deflecto being Jordan Industries' last remaining portfolio company, it would no longer have had the infrastructure or capital to continue to build Deflecto. The Board believes that Deflecto represents an attractive investment opportunity for the Company particularly in light of its investment adviser, JZAI, having an in-depth knowledge and understanding of the Deflecto business.

In addition to the initial consideration payable by the Company to Edgewater, the Company intends to make investments in Deflecto jointly with Edgewater on a pro rata basis according to their respective ownership interests (as between themselves and excluding Deflecto management). That is, the joint investments by the Company alongside Edgewater are intended to be made in the proportions 34.62 : 65.38 economically (being equivalent to their proportionate ownership interests in Deflecto as between themselves and excluding Deflecto management) (the "**Deflecto JZCP/Edgewater Ownership Proportions**") and substantially on the same terms and circumstances of investment, although certain different structural features may be used for tax, regulatory, legal or other reasons.

The joint investments are intended to be made firstly in the form of the Company making an initial working capital contribution to Deflecto in an amount of approximately US\$5 million to be invested at the same time as the payment of the initial consideration. When the Company makes its initial working capital contribution to Deflecto, Edgewater will also make its own working capital contribution to Deflecto pro rata according to the Deflecto JZCP/Edgewater Ownership Proportions.

Thereafter, the joint investments are intended to be made in the form of the Company making additional joint investments in Deflecto from time to time in an amount of up to approximately US\$31.825 million principally for the purpose of funding complementary acquisitions to be made by Deflecto. As such additional investments are also to be jointly, Edgewater will make its own additional joint investment in Deflecto for the same purpose and at the same time as the Company pro rata according to the Deflecto JZCP/Edgewater Ownership Proportions. The total amount of the initial consideration payable to Edgewater together with the initial and further joint investments in Deflecto in each case to be made by the Company are not to exceed an amount of up to US\$60 million.

The Board believes that the Deflecto Proposal represents an attractive investment opportunity for the Company particularly given JZAI's knowledge and understanding of the Deflecto business and the Company's considerable experience of co-investing with Edgewater. The Board, which has been so advised by the Company's investment adviser, JZAI, therefore considers the Deflecto Proposal to be in the best interests of the Company and the Ordinary Shareholders.

The Deflecto Proposal would be considered a Related Party Transaction under Chapter 11 of the Listing Rules (with which the Company voluntarily complies and insofar as the Listing Rules are applicable to the Company by virtue of its voluntary compliance). Edgewater is a substantial shareholder of the Company as it is entitled to exercise, or exercise the control of, 10 per cent. or more of the votes able to be cast at a general meeting of the Company. As such, Edgewater is considered to be a Related Party of the Company. The Company's proposed acquisition of a 27.696 per cent. ownership interest and related investments in Deflecto, each of which involves Edgewater, would be considered to be transactions between the Company and a Related Party and/or arrangements whereby the Company and a Related Party invests in or provide finance to another undertaking or asset. Accordingly, Edgewater as a Related Party of the Company and the Deflecto Proposal as transactions or arrangements between them would be considered a Related Party Transaction under Chapter 11 of the Listing Rules, insofar as the Listing Rules are applicable to the Company by virtue of its voluntary compliance with the same.

As mentioned above, Shareholders should be aware that whilst the Listing Rules provide for written confirmation to be obtained from a sponsor that the terms of a Related Party Transaction are fair and reasonable as far as shareholders are concerned, such a confirmation has only been received in relation to the Fund IV Proposal (for which further details are set out below) and not the Deflecto Proposal.

This is because, whilst the Company has sought to obtain a fair and reasonable written confirmation for Deflecto, it has been unable to do so at a cost which can be justified relative to the size of the investment that the Company proposes to make as part of the Deflecto Proposal and within the time constraints needed to be met in order to transact on and complete the transaction on the terms negotiated. The Company understands that the costs and time for obtaining a fair and reasonable written confirmation can often be greater for a Related Party Transaction that concerns an acquisition such as the Deflecto Proposal as opposed to a co-investment in the case of the Fund IV Proposal, which can be attributed to the additional due diligence and valuation work that may need to be undertaken on the target the subject of the acquisition.

The Company has therefore decided to depart from the requirement to obtain a fair and reasonable written confirmation on this occasion but notwithstanding that the Board, which has been so advised by the Company's investment adviser, JZAI, nevertheless considers the Deflecto Proposal to have been negotiated on arm's length terms. That negotiation has been undertaken on the Company's behalf by JZAI, the founders and principals of which are also substantial shareholders of the Company and whose combined shareholding exceeds that of Edgewater's. JZAI has a selective and disciplined approach to investing which is applied across all investments including in the case of Deflecto. In addition, JZAI has also provided written confirmation to the Company that the terms of the Deflecto Proposal are fair and reasonable as far as Ordinary Shareholders are concerned. JZAI is ideally placed to assess the value and merits of the Deflecto Proposal given its historic links and resultant in-depth knowledge and understanding of the Deflecto business. Shareholders are also reminded that the Company is not subject to, but rather voluntarily complies with, the Listing Rules and, save for the absence of a fair and reasonable written confirmation in a form prescribed by the Listing Rules, the Deflecto Proposal is otherwise treated in accordance with the Listing Rules including the requirement to obtain Shareholder approval. The Directors of the Company, who have been so advised by JZAI, consider this departure is justified for the

aforementioned reasons and is in the best interests of the Company and the Ordinary Shareholders. The Company otherwise intends to continue to comply voluntarily with the requirements of the Listing Rules.

Accordingly, Resolution 1 is to be proposed at the Extraordinary General Meeting in relation to the Deflecto Proposal as a Related Party Transaction of the Company and is being proposed to seek Shareholder approval for the Company's proposed acquisition of a 27.696 per cent. ownership interest and related investments in Deflecto. The approval as a Related Party Transaction of the Company is being sought notwithstanding that the Company has not received a fair and reasonable written confirmation in a form prescribed by the Listing Rules and, if passed, such approval will be obtained on that basis. Further information relating to, and a summary of the principal terms of, the Deflecto Proposal is set out in paragraph 1 in the section entitled "Summary of the Deflecto and Fund IV Proposals".

## 2.2 *Fund IV Proposal*

JZAI, the Company's investment adviser, intends to establish Fund IV, which will be a Cayman Islands exempted limited partnership. The general partner of Fund IV will be Fund IV GP of which JZAI will be the general partner. Fund IV will be managed by JZAM, acting through JZAM UK by virtue of JZAM controlling a majority of its voting rights. JZAI is JZAM's managing member.

JZAI intends to target aggregate capital commitments to make investments in Fund IV of approximately €650 million (subject to a hard cap of €800 million). Fund IV will be a new pan European microcap buyout fund and a follow-on fund to EMC and Fund III and is being established to expand and diversify the Company's investments in Western Europe. Acquisitions are intended to be made with a focus on buyouts and build-ups of companies and in growth company platforms in the microcap market, generally with:

- enterprise values of between €30 million and €150 million;
- a focus on businesses generating or capable of generating earnings before interest, taxes, depreciation and amortisation of €5 million to €20 million per annum; and
- principal offices and a majority of their operating assets located in Western Europe or revenues associated with persons located in or associated with Western Europe.

At or about the time of the first closing of Fund IV to capital commitments by investors (which is targeted to occur in or around Q3 2018) (the "**First Closing**"), Fund IV may have transferred to it by Fund III one or more investments which may be made by Fund III on the expectation that either all or a portion of those investments are to be transferred to Fund IV upon it being established (the "**Warehoused Investments**"). The Warehoused Investments may include an investment in a consumer brands strategic build-up in the UK which is currently being negotiated as well as other investments if consummated prior to or at or about the time of the First Closing. Further information relating to the Warehoused Investments is set out in paragraph 2 in the section entitled "Summary of the Deflecto and Fund IV Proposals".

The Company intends at or about the time of the First Closing of Fund IV to undertake a capital commitment to make investments in Fund IV (through Fund IV GP) of up to €64 million. At or around the same time (and also at or about the time of the First Closing), the Fund IV Principals would also undertake a capital commitment to make investments in Fund IV (also through Fund IV GP) of up to €20 million. Both the Company's and the Fund IV Principals' capital commitments taken together shall not however exceed in aggregate approximately €80 million of which at JZAI's discretion the Company's commitment shall be between approximately 75 – 80 per cent. and the Fund IV Principals' commitment shall be

between approximately 20 – 25 per cent. in each of such aggregate amount. As such, the Company would be investing jointly with the Fund IV Principals in Fund IV (all through Fund IV GP) in the proportions of between approximately 75 : 25 and 80 : 20. The joint investments by the Company and the Fund IV Principals in Fund IV will therefore be made on a 75 - 80 : 25 - 20 basis economically, and substantially on the same terms and circumstances of investment, although the Company (and not the Fund IV Principals) will pay carry on gains achieved on its invested capital in Fund IV and certain different structural features may be used for tax, regulatory, legal or other reasons. It is anticipated that the balance of the targeted aggregate capital commitments to Fund IV will be fulfilled by other third party co-investors extending capital commitments to make investments in Fund IV. In addition to such joint investments, the Company may make other direct investments in Fund IV portfolio companies.

Following the Company's investments in EMC and Fund III, the Board considers that the participation in further investment opportunities in Europe via Fund IV, and in particular the increased diversification and access to third party co-investors offered by this investment, is in the best interests of the Company and the Ordinary Shareholders.

The Fund IV Proposal would be considered a Related Party Transaction under Chapter 11 of the Listing Rules (with which the Company voluntarily complies and insofar as the Listing Rules are applicable to the Company by virtue of its voluntary compliance). The Fund IV Principals comprise the JZAI Founders and various members of the JZAI European investment team. JZAI is the Company's investment adviser pursuant to the Investment Advisory Agreement and, under the Listing Rules, would therefore be considered a Related Party of the Company. As founders and principals of JZAI, the JZAI Founders are associates of JZAI and would also be considered Related Parties of the Company. The members of the JZAI European investment team are also associates of JZAI and would therefore be considered Related Parties of the Company as well. The Company's proposed investments in Fund IV which involves the Fund IV Principals as Related Parties of the Company would be considered to be arrangements whereby the Company and its Related Parties invest in or provide finance to another undertaking or asset. Accordingly, the Fund IV Principals as Related Parties and the Fund IV Proposal as arrangements between them would be considered a Related Party Transaction under Chapter 11 of the Listing Rules, insofar as the Listing Rules are applicable to the Company by virtue of its voluntary compliance with the same. As mentioned above, a fair and reasonable written confirmation in a form prescribed by the Listing Rules has been received in relation to the Fund IV Proposal.

As such, Resolution 2 is to be proposed at the Extraordinary General Meeting in relation to the Fund IV Proposal as a Related Party Transaction of the Company and is being proposed to seek Shareholder approval for the Company's proposed investments in Fund IV. Further information relating to, and a summary of the principal terms of, the Fund IV Proposal is set out in paragraph 2 in the section entitled "Summary of the Deflecto and Fund IV Proposals".

### **3. Extraordinary General Meeting**

Each of the Proposals to approve firstly, the Company's proposed acquisition of a 27.696 per cent. ownership interest and related investments in Deflecto and secondly, the Company's proposed investments in Fund IV concern Related Party Transactions of the Company (insofar as the Listing Rules are applicable to the Company by virtue of its voluntary compliance with the same), being the Deflecto Proposal and the Fund IV Proposal respectively and are each therefore subject to the approval of Ordinary Shareholders. Such Shareholder approval will be sought at an Extraordinary General Meeting of the Company.

The Extraordinary General Meeting will be held at 1.30 p.m. on 26 June 2018 (or as soon thereafter as the Annual General Meeting of the Company convened for the same day and place 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 GY1 3QL, Channel Islands for the purpose of considering and, if thought fit, passing the Resolutions to be proposed at that meeting concerning the Proposals.

A Notice of Extraordinary General Meeting is set out at the end of this document. The relevant Resolutions are contained in the Notice of Extraordinary Meeting and concern approving the passing of the Resolutions to be proposed at that meeting which concern each of the Proposals that relate firstly to the Deflecto Proposal and secondly to the Fund IV Proposal.

Both Resolutions are intended to be proposed as Ordinary Resolutions.

Ordinary Shareholders only will have the right to attend and vote on the Resolutions to be proposed at the Extraordinary General Meeting in respect of which they are entitled to vote. Shareholders are advised that:

- for Resolution 1 only, which is to be proposed at the Extraordinary General Meeting in relation to the Deflecto Proposal as a Related Party Transaction of the Company, Edgewater as the Related Party for the purposes of the Deflecto Proposal, has undertaken not to vote, and has taken all reasonable steps to ensure that its associates will not vote, on that Resolution at the Extraordinary General Meeting; and
- for Resolution 2 only, which is to be proposed at the Extraordinary General Meeting in relation to the Fund IV Proposal as a Related Party Transaction of the Company, the Fund IV Principals each as Related Parties for the purposes of the Fund IV Proposal, have undertaken not to vote, and have taken all reasonable steps to ensure that their associates will not vote, on that Resolution at the Extraordinary General Meeting.

For the avoidance of doubt, ZDP Shareholders will not have the right to attend or vote at the Extraordinary General Meeting.

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

A Form of Proxy will accompany this document for use by Ordinary Shareholders in connection with the Extraordinary General Meeting of the Company. If you currently only hold ZDP Shares, you should disregard the Form of Proxy.

If you are an Ordinary Shareholder, whether or not you intend to be present at the Extraordinary General Meeting, you are asked to complete, sign and return the Form of Proxy in accordance with the instructions printed thereon, so as to be received by Equiniti Limited, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA, United Kingdom as soon as possible and in any event not later than 48 hours before the appointed time for the holding of the Extraordinary General Meeting (excluding any part of a day which is non-working).

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

Ordinary Shareholders are also advised to review the instructions on the Form of Proxy itself regarding the proper completion and return of the Form of Proxy.

#### **5. Recommendation**

In relation to:

- the Deflecto Proposal as a Related Party Transaction of the Company, the Board, which has been so advised by the Company's investment adviser, JZAI, considers the terms of the Deflecto Proposal to be fair and reasonable as far as the Ordinary Shareholders are concerned; and
- the Fund IV Proposal as a Related Party Transaction of the Company, the Board, which has been so advised by JPMC, considers the terms of the Fund IV Proposal to be fair and reasonable as far as the Ordinary Shareholders are concerned. In providing its advice to the Board, JPMC has taken into account the Board's commercial assessment of the Fund IV Proposal.

In addition, the Board considers the Proposals and the Resolutions to be proposed at the Extraordinary General Meeting to be in the best interests of the Company and the Ordinary Shareholders.

Accordingly, the Board unanimously recommends that Ordinary Shareholders vote in favour of the Resolutions to be proposed at the Extraordinary General Meeting in respect of which they are entitled to vote, as the Directors intend to do in respect of their own beneficial holdings, representing 0.153 per cent. of the voting rights of the Ordinary Shares.

Yours faithfully

David Macfarlane  
*Chairman*

## SUMMARY OF THE DEFLECTO AND FUND IV PROPOSALS

Set out below is further detail concerning the Deflecto Proposal and the Fund IV Proposal.

### 1. Principal terms of the Deflecto Proposal

The Company's proposed acquisition and investments that form part of the Deflecto Proposal concern the Deflecto business.

Deflecto is a diversified, highly scalable and global US company that designs, manufactures and sells innovative plastic products to multiple industry segments, including point-of-purchase/point-of-sale, safety, floor protection, office products and air distribution. The business is headquartered in Indianapolis, Indiana, USA and has operations elsewhere in the United States, Canada, the United Kingdom, China and India. It serves a range of customers across multiple channels including big box retailers, drug and convenience stores, wholesalers and distributors, and original equipment manufacturers. The Deflecto business was historically named Jordan Specialty Plastics and was built through a series of eight acquisitions, the last of which was completed in 2012. Deflecto has gross assets of US\$153.480 million as at 31 December 2017 and net sales and EBITDA of US\$151.347 million and US\$15.082 million respectively for the financial year ended 31 December 2017. These figures all of which are unaudited are presented as the total gross assets of and net sales and EBITDA attributable to the whole of Deflecto and not the proportionate 27.696 per cent. ownership interest proposed to be acquired by the Company. Existing members of the management team of Deflecto run the Deflecto business and the key individuals important to the business are Jim Farrell and Bob Flynn as a senior leader and chief financial officer of Deflecto respectively.

It is intended that the Company will acquire from Edgewater a 27.696 per cent. ownership interest in Deflecto for an amount of initial consideration of approximately US\$23.175 million, comprising an amount of approximately US\$22.5 million payable to Edgewater plus an additional amount of approximately US\$675,000 as reimbursement to Edgewater for costs incurred by it since the acquisition of its ownership interest in Deflecto in 2017. The initial consideration will be paid to Edgewater upon completion of the acquisition.

Following completion of the acquisition, the ownership interests in Deflecto will be held 52.304 per cent. by Edgewater, 27.696 per cent. by the Company, and 20 per cent. in aggregate by existing and future management of Deflecto.

In addition to the initial consideration payable by the Company to Edgewater, it is also intended that the Company will make investments in Deflecto jointly with Edgewater on a pro rata basis according to their respective ownership interests (as between themselves and excluding Deflecto management), being joint investments in the Deflecto JZCP/Edgewater Ownership Proportions of 34.62 : 65.38 economically. Such joint investments are to be made:

- firstly in the form of the Company making an initial working capital contribution to Deflecto in an amount of approximately US\$5 million with Edgewater also making its own contribution to Deflecto's working capital pro rata according to the Deflecto JZCP/Edgewater Ownership Proportions. The working capital contributions are to be made by the Company and Edgewater at the same time as the payment of the initial consideration; and
- thereafter in the form of the Company making additional joint investments in Deflecto from time to time in an amount of up to approximately US\$31.825 million with Edgewater also making its own additional joint investments in Deflecto at the same time pro rata according to the Deflecto JZCP/Edgewater Ownership Proportions. The additional joint investments are to be made by the Company and

Edgewater principally for the purpose of funding complementary acquisitions to be made by Deflecto. Such complementary acquisitions may include, among others, prospective acquisitions which represent opportunities to enter into new product segments, strengthen existing segments, increase geographical growth and gain new customer relationships. Additionally, certain acquisitions may also be made because of high performing management that could further strengthen the Deflecto management team.

Each of the above mentioned joint investments by the Company and Edgewater are to be substantially on the same terms and circumstances of investment, although certain different structural features may be used for tax, regulatory, legal or other reasons.

The total amount of the initial consideration payable to Edgewater together with the initial and further joint investments in Deflecto in each case to be made by the Company are not to exceed an amount of up to US\$60 million.

The investments by the Company, Edgewater and Deflecto management will be governed by organisational documents typical for US microcap transactions including documents similar to those which the Company and Edgewater have previously been parties to.

## **2. Principal terms of the Fund IV Proposal**

The Company's proposed investments that form part of the Fund IV Proposal concern Fund IV.

Fund IV will be a new pan European microcap buyout fund and a follow-on fund to EMC and Fund III, which will be a Cayman Islands exempted limited partnership. Fund IV is being established to expand and diversify the Company's investments in Western Europe with acquisitions intended to be made with a focus on buyouts and build-ups of companies and in growth company platforms in the microcap market. The general partner of Fund IV will be Fund IV GP (of which JZAI will be the general partner) and Fund IV will be managed by JZAM, acting through JZAM UK by virtue of JZAM controlling a majority of its voting rights. JZAI is JZAM's managing member. Key individuals important to Fund IV are the JZAI Founders, David W. Zalaznick and John (Jay) W. Jordan II, as well as Miguel Rueda who is the managing partner of JZ International Ltd.

It is intended that JZAI will target aggregate capital commitments to make investments in Fund IV of approximately €650 million (subject to a hard cap of €800 million).

In light of that, it is intended that the Company on the one hand, and the Fund IV Principals on the other, would at or about the time of the First Closing undertake capital commitments to make investments in Fund IV (all through Fund IV GP) of up to €64 million and up to €20 million respectively. Both the Company's and the Fund IV Principals' capital commitments taken together shall not however exceed in aggregate approximately €80 million of which at JZAI's discretion the Company's commitment shall be between approximately 75 – 80 per cent. and the Fund IV Principals' commitment shall be between approximately 20 – 25 per cent. in each of such aggregate amount. As such, the Company would be investing jointly with the Fund IV Principals in Fund IV (all through Fund IV GP) in the proportions of between approximately 75 : 25 and 80 : 20.

The joint investments by the Company and the Fund IV Principals in Fund IV will therefore be made on a 75 - 80 : 25 - 20 basis economically, and substantially on the same terms and circumstances of investment, although the Company (and not the Fund IV Principals) will pay carry on gains achieved on its invested capital in Fund IV and certain different structural features may be used for tax, regulatory, legal or other reasons. It is anticipated that other third party co-investors will also extend capital commitments to make investments in Fund IV

to fulfil the balance of the targeted aggregate capital commitments to Fund IV. In addition to such joint investments, the Company may make other direct investments in Fund IV portfolio companies.

It is anticipated that the capital commitments to make investments in Fund IV by the Company and the Fund IV Principals will be for a period of six years after the First Closing, subject under certain circumstances, to earlier termination. It is also anticipated that the term of Fund IV will be for a period of 10 years after the First Closing, subject again under certain circumstances, to it is anticipated annual extensions of which it is intended at this stage for there to be no more than three such extensions.

Transaction advisory, financing, directors', consulting and similar fees charged by JZAM to Fund IV portfolio companies in relation to the Company's investments will be charged in accordance with the Investment Advisory Agreement. The Company will however ring fence Fund IV and its assets in relation to the Company's investments so that the Company will not suffer the double payment of fees in relation to the Company's investments. Under the Investment Advisory Agreement, JZAI is paid a Base Management Fee, an Income Incentive Fee and a Capital Gains Incentive Fee, each as defined in the Investment Advisory Agreement. Under the terms proposed for Fund IV, affiliates of the Fund IV Principals will charge the Company a carry on gains achieved on the Company's invested capital in Fund IV but the Company will not be charged a management fee or an income incentive fee on its commitment for investment (or the assets purchased therewith). A letter between the Company and JZAI will be signed, as contemplated by the Investment Advisory Agreement, to the effect that Fund IV and its assets in relation to the Company's investments will be included for the purposes of calculating the Base Management Fee and the Income Incentive Fee payable to JZAI under the Investment Advisory Agreement and will be excluded for the purposes of calculating the Capital Gains Incentive Fee under the Investment Advisory Agreement. Therefore, there will be no double payment of fees. For the avoidance of doubt, the Fund IV Principals will not pay carry on their investments in Fund IV.

As noted in paragraph 2.2 of the section entitled "Chairman's Letter" on page 9 of this document, at or about the time of the First Closing, Fund IV may have transferred to it by Fund III certain Warehoused Investments. Those Warehoused Investments are intended to be transferred to Fund IV at Fund III's costs plus interest at a rate of 8 per cent. per annum and allocated fees and expenses. Transaction, closing, financing, directors', consulting and similar fees charged by JZAM to Fund IV portfolio companies in relation to the Company's investments will be charged in accordance with the Investment Advisory Agreement.

### **3. Risks relating to the Deflecto and Fund IV Proposals**

There are certain risks relating to the Deflecto Proposal and the Fund IV Proposal.

Firstly, in the case of Deflecto, the state of the global economy, as well as, normal market fluctuations, may negatively impact the business, financial condition and results of operation of the Company's investment in Deflecto or the Company's return on its investment. In addition, the Company's investment in Deflecto may be exposed to, among others, risks to current margin and earnings levels due to raw price volatility (particularly resin and other raw materials tied to the price of oil), risks associated with meaningful customer concentrations and risks associated with soft market trends, especially in sales through office market retailers. The strategy and/or financial performance of Deflecto may also be unable or fail to generate the expected, or even any, returns on the Company's investment. There is therefore no guarantee that the Company's investment will succeed and accordingly the Company may lose all or part of the value of its investment. In addition, the Company believes that the success of its investment will depend to a significant extent upon the skills and expertise of the existing members of the management team of Deflecto that run the Deflecto business and in particular the key individuals important to the business, being Jim Farrell and Bob Flynn as

a senior leader and chief financial officer of Deflecto. There can be no guarantee that such members of the management team and/or key individuals will remain with Deflecto or that the business will be able to attract and retain suitable staff. The departure of such persons and/or an inability to attract and retain suitable staff may have an adverse impact on the performance of Deflecto. Furthermore, the Company will not control Deflecto which may therefore make decisions with which it does not agree including decisions that may decrease the returns to the Company from its investment. The Company may also on account of its more limited governance rights not be able to realise some or all of the benefits it was seeking to achieve from its investment and it may be unable to exit at a time when the Company believes it is beneficial to do so. Because the Company will not control Deflecto and the risks associated with the participation alongside co-investors (who may have governance rights that the Company does not have and whose economic and other interests may not be consistent with the Company's as a reason for making decisions with which it may not agree), the Company cannot ensure that these types of investments will generate the returns expected, or any returns on the Company's investment.

Secondly, in the case of Fund IV, the fund has not yet commenced operations and has no financial track record. As a result, investors do not have financial or other information regarding the proposed investment or information on its future prospects. Similarly to Deflecto, the state of the global economy, as well as, normal market fluctuations, may negatively impact the business, financial condition and results of operation of the Company's investment in Fund IV or the Company's return on its investment. The strategy and/or financial performance of Fund IV may also be unable or fail to generate the expected, or even any, returns on the Company's investment. There is therefore no guarantee that the Company's investment in Fund IV will succeed and accordingly the Company may lose all or part of the value of its investment. In addition, the Company believes that the success of its investment will depend to a significant extent upon the skills and expertise of the investment team of Fund IV and in particular the key individuals important to Fund IV, being David W. Zalaznick and John (Jay) W. Jordan II (together, the JZAI Founders) and Miguel Rueda who is the managing partner of JZ International Ltd. There can be no guarantee that such members of the investment team and/or key individuals will remain with Fund IV or that it will be able to attract and retain suitable staff. The departure of such persons and/or an inability to attract and retain suitable staff may have an adverse impact on the performance of Fund IV.

The risks set out above are the risks which are considered to be material but are not the only risks relating to the Company or its investment in Deflecto or Fund IV. There may be additional risks that the Company does not currently consider to be material or of which the Company is not aware. If any of these additional risks or the above risks above were to materialise, the Company's business, financial condition, results or future operations could be materially or adversely affected. In such circumstances, the price of the Shares could decline and investors could lose all or part of their investment.

## ADDITIONAL INFORMATION

### 1. Company information

- 1.1 The Company was incorporated with limited liability in Guernsey on 14 April 2008 in anticipation of a scheme of reconstruction whereby the assets and liabilities of JZ Equity Partners Plc were transferred in their entirety to the Company on 1 July 2008. The Company was incorporated with the name JZ Capital Partners Limited under The Companies (Guernsey) Laws 1994 to 1996 with registered number 48761 and is an authorised closed-ended investment scheme pursuant to the Protection of Investors (Bailiwick of Guernsey) Law, 1987 (as amended) and the Authorised Closed-Ended Investment Schemes Rules 2008 issued by the Guernsey Financial Services Commission. The Company is domiciled in Guernsey and now operates under The Companies (Guernsey) Law 2008 (as amended) and ordinances and regulations made thereunder. The Company is listed on the Specialist Fund Market of the London Stock Exchange.
- 1.2 The Company has been incorporated with an indefinite life. However, the rights attaching to the ZDP Shares provide that the ZDP Shares are to be redeemed by the Company on 1 October 2022. In addition, the rights attaching to the CULS provide that the CULS are to be redeemed by the Company on the maturity date of the CULS, being 30 July 2021 (unless previously redeemed, purchased or converted and, in each case, cancelled).
- 1.3 The Company has its registered office and principal place of business at PO Box 255, Trafalgar Court, Les Banques, St Peter Port, Guernsey, GY1 3QL. The Company's telephone number at its registered office is +44 (0) 1481 745001.
- 1.4 The names of the Directors of the Company, all of whom are non-executive directors, are:

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

### 2. Major shareholders

As at 5 June 2018 (being the latest practicable date prior to the publication of this document), so far as the Company is aware, the following persons set out in the table below (other than the Directors) had notified the Company in accordance with the Disclosure and Transparency Rules that they held, directly or indirectly, five per cent. or more of the voting rights attributable to the issued Ordinary Share capital of the Company. The number and percentage of Ordinary Shares relate to the number informed by Shareholders on the relevant notification rather than the current share register.

<i>Shareholder</i>	<i>As at 5 June 2018</i>	
	<i>No. of Ordinary Shares</i>	<i>% of Issued Ordinary Share Capital</i>
Edgewater Growth Capital Partners <sup>(1)</sup>	18,335,944	21.90
David W. Zalaznick and affiliates <sup>(1)</sup>	10,550,294	12.60
John (Jay) W. Jordan II and affiliates <sup>(1)</sup>	10,550,294	12.60
Leucadia Financial Corporation	8,021,552	9.58
Abrams Capital Management	7,744,366	9.25

Finepoint Capital	4,413,067	5.27
Arnhold LLC <sup>(2)</sup>	-	5.46

(1) The notifiable interests set out in the table above for each of Edgewater Growth Capital Partners, David W. Zalaznick and affiliates, and John (Jay) W. Jordan II and affiliates do not reflect the number of Ordinary Shares bought back from each of those Shareholders pursuant to certain share buy backs of Ordinary Shares undertaken by the Company and announced via an RIS on 4 April 2018 and 18 April 2018. Each of those Shareholders had Ordinary Shares repurchased from them by the Company in proportion to their then current shareholdings of Ordinary Shares at the time and as such, as at 5 June 2018 (being the latest practicable date prior to the publication of this document) and so far as the Company is aware, Edgewater Growth Capital Partners holds 18,294,711 Ordinary Shares (being 21.85% of the issued Ordinary Share capital), David W. Zalaznick and affiliates holds 10,526,568 Ordinary Shares (being 12.57% of the issued Ordinary Share capital), and John (Jay) W. Jordan II and affiliates holds 10,526,568 Ordinary Shares (being 12.57% of the issued Ordinary Share capital).

(2) On 6 February 2018, First Eagle Investment Management notified via an RNS a change of major shareholding in the Company's securities and specifically that the accounts through which it held the Company's Ordinary Shares and that related to its previously reported notifiable interest had ceased to be managed by it. Subsequently on 14 March 2018, Arnhold LLC notified via an RNS a change of major shareholding in the Company's securities and specifically that it had assumed management of accounts holding the Company's Ordinary Shares which were previously managed by First Eagle Investment Management. The notifiable interest of Arnhold LLC was notified as 5.45% of the issued Ordinary Share capital of the Company; the total number of Ordinary Shares the subject of the notifiable interest was not notified. The notifiable interest relating to Arnhold LLC set out in the table above has been revised upwards to 5.46% on account of rounding and the reduction in the total number of the Company's Ordinary Shares in issue by virtue of the Company having undertaken certain share buy backs of Ordinary Shares announced via an RIS on 4 April 2018 and 18 April 2018 (and on the assumption that Arnhold LLC did not have any Ordinary Shares repurchased from them as part of those share buy backs).

### 3. Significant changes

Other than the Company's sales and realisations of Bolder Healthcare Solutions and Paragon Water Systems, Inc. as announced by the Company via an RNS on 12 March 2018 and 14 March 2018 respectively and the Company's repurchases of its own Ordinary Shares as announced by the Company via an RNS on 4 and 18 April 2018, there has been no significant change in the financial or trading position of the Company since 28 February 2018, being the date to which the last audited annual accounts of the Company were published.

### 4. Material contracts

Other than the Investment Advisory Agreement summarised in paragraph 8.2 of Part X ("*Additional Information*") of the prospectus dated 4 September 2015 prepared in connection with, amongst other things, the placing and open offer of Ordinary Shares and rollover offer relating to the ZDP Shares (the "**Prospectus**") (which such paragraph 8.2 of Part X ("*Additional Information*") of the Prospectus is incorporated by reference into this document by paragraph 7 below in this section entitled "Additional Information"), the Company has not entered into any contracts, other than in the ordinary course of business: (a) within the period of two years prior to the date of this document; or (b) which contain an obligation or entitlement that is material to the Company as at the date of this document and, in each case, which Ordinary Shareholders would reasonably require to make a properly informed assessment of how to vote on the Resolutions to be proposed at the Extraordinary General Meeting concerning the Proposals.

### 5. JPMC consent

JPMC has given and has not withdrawn its written consent to the issue of this document with the inclusion herein of references to its name in the form and context in which they appear. A copy of this written consent is on display and available for inspection as set out in paragraph 8 below in this section entitled "Additional Information".

### 6. JZAI consent

JZAI has given and has not withdrawn its written consent to the issue of this document with the inclusion herein of references to its name in the form and context in which they appear. A

copy of this written consent is on display and available for inspection as set out in paragraph 8 below in this section entitled "Additional Information".

#### 7. **Documentation incorporated by reference**

The document listed in the table below, which was sent to Shareholders at the relevant time and/or is available for inspection in accordance with paragraph 8 below in this section entitled "Additional Information", contains information which is relevant to this document. This document should be read and construed in conjunction with that document, which has been previously published and that has been filed with the National Storage Mechanism. It should be noted that other sections of that document that are not incorporated by reference are either not relevant to Shareholders and others for the purpose of this document or are covered elsewhere in this document.

For the avoidance of any doubt, no information incorporated by reference in that document shall be incorporated by reference into this document.

Any statement contained in a document which is deemed to be incorporated by reference into this document shall be deemed to be modified or superseded for the purpose of this document to the extent that a statement contained in this document (or in a later document which is incorporated by reference into this document) modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this document.

Any information not listed below, but included in the document incorporated by reference, is given for information purposes only.

<i>Reference Document</i>	<i>Information incorporated by reference</i>	<i>Document by references</i>	<i>page</i>	<i>Page references in this document</i>
Prospectus	8.2 of Part X ("Additional Information")	204-206		18

#### 8. **Documents on display**

Copies of the following documents will be available on the Company's website at [www.jzcp.com](http://www.jzcp.com) and the National Storage Mechanism at [www.hemscott.com/nsm.do](http://www.hemscott.com/nsm.do) and will be available for inspection at the Company's registered office at PO Box 255, Trafalgar Court, Les Banques, St Peter Port, Guernsey, GY1 3QL and at the offices of Ashurst LLP at Broadwalk House, 5 Appold Street, London EC2A 2HA, United Kingdom, in each case, during normal business hours on each business day from the date of this document until the close of the Extraordinary General Meeting to be held on 26 June 2018 including for 15 minutes prior to and during the Extraordinary General Meeting:

- (a) the memorandum of incorporation of the Company;
- (b) the Articles of the Company;
- (c) the audited annual accounts of the Company for the financial years ended 28 February 2018 and 28 February 2017;
- (d) the Prospectus;

- (e) the written consent letter from JPMC referred to in paragraph 5 above in this section entitled "Additional Information";
- (f) the written consent letter from JZAI referred to in paragraph 6 above in this section entitled "Additional Information"; and
- (f) this document.

## DEFINITIONS

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

<b>"€" or "Euro"</b>	the single currency of Participating Member States;
<b>"£" or "Pounds Sterling" or "pence"</b> (including the abbreviation "p")	the lawful currency of the United Kingdom;
<b>"US\$" or "US Dollars" or "cents"</b>	the lawful currency of the United States;
<b>"Annual General Meeting"</b>	the tenth annual general meeting of the Company to be held at 1.15 p.m. on 26 June 2018 at the offices of Northern Trust International Fund Administration Services (Guernsey) Limited, Trafalgar Court, Les Banques, St Peter Port, Guernsey GY1 3QL, Channel Islands, including any adjournment thereof;
<b>"Articles"</b>	the existing Articles of Incorporation of the Company, as amended from time to time;
<b>"Board" or "Directors"</b>	the directors of the Company as at the date of this document whose names are set out in the section entitled "Chairman's Letter" on page 5 of this document and in paragraph 1.4 of the section entitled "Additional Information" on page 17 of this document;
<b>"Circular"</b>	this document and the Notice of Extraordinary General Meeting;
<b>"Company" or "JZCP"</b>	JZ Capital Partners Limited (with registered number 48761);
<b>"CREST"</b>	the paperless settlement system operated by Euroclear governed by the CREST Regulations and any successor system or operator for the purposes of the CREST Regulations;
<b>"CREST Manual"</b>	the current version of the CREST Manual which at the date of this document is available on <a href="http://www.euroclear.co.uk/CREST">www.euroclear.co.uk/CREST</a> ;
<b>"CREST Regulations"</b>	the Uncertificated Securities Regulations 2001 (S.I. 2001, No. 3755);
<b>"CULS"</b>	the 6.00 per cent. convertible unsecured subordinated loan stock due 2021 of the Company in an aggregate nominal amount of £38,861,140 in issue as at the date of this document;
<b>"Deflecto"</b>	Deflecto Holdings, LLC, a Delaware USA limited liability company;
<b>"Deflecto JZCP/Edgewater"</b>	has the meaning set out in paragraph 2.1 of the

<b>Ownership Proportions"</b>	section entitled "Chairman's Letter" on page 9 of this document;
<b>"Deflecto Proposal"</b>	the proposal relating to approval of the Company's proposed acquisition of a 27.696 per cent. ownership interest and related initial and additional investments in Deflecto and as more fully described in paragraph 2.1 in the section entitled "Chairman's Letter" on page 6 of this document and in paragraph 1 of the section entitled "Summary of the Deflecto and Fund IV Proposals" on page 13 of this document;
<b>"Disclosure and Transparency Rules"</b>	the disclosure guidance and transparency rules made by the FCA pursuant to section 73A of the FSMA;
<b>"Edgewater"</b>	Edgewater Growth Capital Partners, including its parallel and affiliated funds;
<b>"EMC"</b>	EuroMicrocap Fund 2010, L.P., a Cayman Islands exempted limited partnership;
<b>"Euroclear"</b>	Euroclear UK & Ireland Limited, the operator of CREST;
<b>"Extraordinary General Meeting"</b>	the extraordinary general meeting of the Company to be held at 1.30 p.m. on 26 June 2018 (or as soon thereafter as the Annual General Meeting convened for the same day and place 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 GY1 3QL, Channel Islands, including any adjournment thereof, notice of which is set out in the Notice of Extraordinary General Meeting;
<b>"FCA"</b>	the Financial Conduct Authority;
<b>"First Closing"</b>	at or about the time of the first closing of Fund IV to capital commitments by investors (which is targeted to occur in or around Q3 2018);
<b>"Form of Proxy"</b>	the form of proxy accompanying this document for use by Ordinary Shareholders in connection with the Extraordinary General Meeting;
<b>"FSMA"</b>	the Financial Services and Markets Act 2000, as amended;
<b>"Fund III"</b>	ZJI Fund III, L.P., a Cayman Islands exempted limited partnership;
<b>"Fund IV"</b>	ZJI Fund IV, L.P., which will be a Cayman Islands exempted limited partnership and as more fully described in paragraph 2.2 in the section entitled

	"Chairman's Letter" on page 9 of this document and in paragraph 2 of the section entitled "Summary of the Deflecto and Fund IV Proposals" on page 14 of this document;
<b>"Fund IV GP"</b>	JZI Fund IV GP, L.P., which will be a Cayman Islands exempted limited partnership and of which JZAI will be the general partner;
<b>"Fund IV Principals"</b>	JZAI Founders and various members of the JZAI European investment team together;
<b>"Fund IV Proposal"</b>	the proposal relating to approval of the Company's proposed investments in Fund IV and as more fully described in paragraph 2.2 in the section entitled "Chairman's Letter" on page 9 of this document and in paragraph 2 of the section entitled "Summary of the Deflecto and Fund IV Proposals" on page 14 of this document;
<b>"Investment Advisory Agreement"</b>	the investment advisory and management agreement dated 23 December 2010 between the Company and JZAI, as amended;
<b>"Jordan Industries"</b>	Jordan Industries International LLC, a Delaware USA limited liability company;
<b>"JPMC"</b>	J.P. Morgan Securities plc (which conducts its UK investment banking business as J.P. Morgan Cazenove);
<b>"JZAI" or "Investment Adviser"</b>	Jordan/Zalaznick Advisers, Inc., a Delaware USA corporation wholly-owned by the JZAI Founders and shall include (as the case may be and as the context may require) its European private equity affiliates;
<b>"JZAI Founders"</b>	David W. Zalaznick and John (Jay) W. Jordan II together;
<b>"JZAM"</b>	JZ Asset Management, LLC, a Delaware USA limited liability company;
<b>"JZAM UK"</b>	JZ Asset Management UK LLP, a limited liability partnership incorporated under the Limited Liability Partnerships Act 2000;
<b>"Listing Rules"</b>	the listing rules made by the FCA pursuant to section 73A of the FSMA;
<b>"London Stock Exchange"</b>	the London Stock Exchange plc;
<b>"Notice of Extraordinary General Meeting"</b>	the notice of Extraordinary General Meeting set out at the end of this document;
<b>"Official List"</b>	the list maintained by the UK Listing Authority pursuant to Part VI of the FSMA;

<b>"Ordinary Resolution"</b>	a resolution passed by a majority of more than 50 per cent. of the votes cast, whether in person or by proxy;
<b>"Ordinary Shareholders"</b>	holders of Ordinary Shares;
<b>"Ordinary Shares"</b>	the ordinary shares of no par value in the capital of the Company;
<b>"Participating Member State"</b>	any member state of the European Union that has the Euro as its lawful currency in accordance with legislation of the European Union relating to Economic and Monetary Union;
<b>"Proposals"</b>	the Deflecto Proposal and the Fund IV Proposal together;
<b>"Prospectus"</b>	has the meaning set out in paragraph 4 of the section entitled "Additional Information" on page 18 of this document
<b>"Related Party"</b>	has the meaning given to it in the Listing Rules insofar as they apply to the Company by virtue of its voluntary compliance with the Listing Rules;
<b>"Related Party Transaction"</b>	has the meaning given to it in the Listing Rules insofar as they apply to the Company by virtue of its voluntary compliance with the Listing Rules;
<b>"Resolutions"</b>	each of resolutions 1 and 2 to be proposed at the Extraordinary General Meeting concerning the Proposals and as set out in the Notice of Extraordinary General Meeting;
<b>"RIS"</b>	a regulatory information service that is on the list of regulatory information services maintained by the FCA;
<b>"Shareholders"</b>	holders of Shares;
<b>"Shares"</b>	the Ordinary Shares and/or the ZDP Shares (as the case may be and as the context may require);
<b>"UK" or "United Kingdom"</b>	the United Kingdom of Great Britain and Northern Ireland;
<b>"UK Listing Authority"</b>	the FCA acting in its capacity as competent authority for the purposes of Part VI of the FSMA;
<b>"US" or "USA" or "United States"</b>	The United States of America, its territories and possessions, any state of the United States and the District of Columbia;
<b>"Warehoused Investments"</b>	the investments of Fund III that may be transferred from Fund III to Fund IV prior to or at or about the time of the First Closing and as more fully described in paragraph 2.2 in the section entitled "Chairman's Letter" on page 9 of this document

and in paragraph 2 of the section entitled "Summary of the Deflecto and Fund IV Proposals" on page 14 of this document;

**"ZDP Shares"**

the zero dividend redeemable preference shares of no par value in the capital of the Company issued on or around 22 June 2009, exchanged on or around 1 October 2015 and having a redemption date of 1 October 2022; and

**"ZDP Shareholders"**

holders of ZDP Shares.

## NOTICE OF EXTRAORDINARY GENERAL MEETING

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

Notice is hereby given that an Extraordinary General Meeting of the Company will be held at the offices of Northern Trust International Fund Administration Services (Guernsey) Limited, Trafalgar Court, Les Banques, St Peter Port, Guernsey GY1 3QL, Channel Islands at 1.30 p.m. on 26 June 2018 (or as soon thereafter as the Annual General Meeting of the Company convened for the same day and place has been concluded or adjourned) to consider and, if thought fit, pass the following Resolutions.

Each of Resolutions 1 and 2 are intended to be proposed as Ordinary Resolutions.

Ordinary Shareholders only will be entitled to vote on the Resolutions, save that: (i) for Resolution 1 only, Edgewater as a Related Party in respect of the Company for the purposes of that Resolution, has undertaken not to vote, and has taken all reasonable steps to ensure that its associates will not vote, on that Resolution; and (ii) for Resolution 2 only, the Fund IV Principals each as Related Parties in respect of the Company for the purposes of that Resolution, have undertaken not to vote, and have taken all reasonable steps to ensure that their associates will not vote, on that Resolution. For the avoidance of doubt, ZDP Shareholders will not be entitled to vote on the Resolutions.

### ORDINARY RESOLUTIONS

1. THAT, the related party transaction relating to approval of the Company's acquisition of a 27.696 per cent. ownership interest and related initial and additional investments in Deflecto Holdings, LLC on the terms summarised in paragraph 2.1 in the section entitled "Chairman's Letter" on page 6 and in paragraph 1 of the section entitled "Summary of the Deflecto and Fund IV Proposals" on page 13 in each case of the Circular (as defined below), be and is hereby approved for the purposes of Chapter 11 of the Listing Rules insofar as they apply to the Company by virtue of its voluntary compliance with the Listing Rules and notwithstanding that the Company has not received written confirmation in a form prescribed by the Listing Rules that the terms of the transaction are fair and reasonable as far as Ordinary Shareholders are concerned.
2. THAT, the related party transaction relating to approval of the Company's investments in JZI Fund IV, L.P. on the terms summarised in paragraph 2.2 in the section entitled "Chairman's Letter" on page 9 and in paragraph 2 of the section entitled "Summary of the Deflecto and Fund IV Proposals" on page 14 in each case of the Circular (as defined below), be and is hereby approved for the purposes of Chapter 11 of the Listing Rules insofar as they apply to the Company by virtue of its voluntary compliance with the Listing Rules.

Words and expressions defined in the circular dated 6 June 2018 and published by the Company (the "**Circular**") shall, unless the context otherwise requires, have the same meaning in this Notice of Extraordinary General Meeting.

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

Guernsey  
GY1 3QL

Dated 6 June 2018

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

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

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

**Rights to attend and vote**

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

The Company specifies that, in order to have the right to attend and vote at the Extraordinary General Meeting (and also for the purpose of determining how many votes a person entitled to attend and vote may cast), a person must be entered on the register of members of the Company by no later than 6.30 p.m. on 22 June 2018, or in the event that the meeting is adjourned, by no later than 6.30 p.m. on the date two days before the date of the adjourned meeting. Changes to entries on the register of members after this time shall be disregarded in determining the rights of any person to attend or vote at the Extraordinary General Meeting.

**Proxies**

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

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

Please indicate with an "X" in the appropriate box on the Form of Proxy how you wish your vote to be cast in respect of the Resolutions on which you are entitled to vote at the Extraordinary General Meeting. If you do not insert an "X" in the appropriate box on the Form of Proxy your proxy will vote or abstain at his or her discretion.

If the proxy is being appointed in relation to less than your full voting entitlement, please enter in the appropriate box on the Form of Proxy the number of Ordinary Shares in relation

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

The instrument appointing a proxy must be in writing under the hand of the appointor or of his attorney duly authorised in writing or if the appointor is a corporation under its common seal or under the hand of an officer or attorney duly authorised.

The instrument appointing a proxy and the power of attorney or other authority (if any) under which it is signed or a notarially certified copy of that power or authority must be deposited with Equiniti Limited, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA, United Kingdom not less than 48 hours before the time for holding the Extraordinary General Meeting (excluding any part of a day which is non-working), or in the event that the meeting is adjourned, not less than 48 hours before the time for holding the adjourned meeting (excluding any part of a day which is non-working) and in default unless the Board directs otherwise the instrument of proxy shall not be treated as valid.

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

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

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

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

#### **Joint holders**

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

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

## **CREST**

CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so by using the procedures described in the CREST Manual, which can be viewed at [www.euroclear.com](http://www.euroclear.com). CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

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

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

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

## **Corporate representatives**

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

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

**Limitations of electronic addresses**

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

**The address of the website where certain Extraordinary General Meeting information is available**

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



