

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.** It contains proposals relating to EJF Investments Ltd (the "Company") on which you are being asked to vote. If you are in any doubt as to the action you should take or the contents of this document, you are recommended to seek your own personal financial advice immediately from your stockbroker, solicitor, accountant or other independent financial adviser, duly authorised under the Financial Services and Markets Act 2000 of the United Kingdom (as amended) if you are resident in the United Kingdom or, if not, from another appropriately authorised independent financial adviser.

If you sell or have sold or otherwise transferred all of your Ordinary Shares, please send this document, together with the accompanying Form of Proxy, as soon as possible to the purchaser or transferee, or to the stockbroker, bank or other agent through whom the sale or transfer is or was effected, for delivery to the purchaser or transferee. If you have sold only part of your holding of Ordinary Shares, you should retain these documents and consult the stockbroker, bank or other agent through whom the sale was effected.

The Company is a closed ended collective investment fund incorporated as a public company limited by shares in Jersey on 20 October 2016 with an unlimited life and is established in Jersey as a listed fund pursuant to the Jersey Listed Fund Guide published by the Jersey Financial Services Commission (the "JFSC"), as amended from time to time, and the Collective Investment Funds (Jersey) Law 1988, as amended. The Company is regulated by the JFSC.

Notice of the extraordinary general meeting of the Company to be held at IFC1, The Esplanade, St Helier, Jersey, JE1 4BP at 9.30 am (BST) on 16 June 2020 (the "**Extraordinary General Meeting**" or "**EGM**"), is set out at page 13 of this document. The Form of Proxy is enclosed.

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**EJF INVESTMENTS LTD**

*(a company incorporated in Jersey under The Companies (Jersey) Law, 1991 (as amended) with registered number 122353)*

**PROPOSED CREATION AND ISSUE OF 2025 ZDP SHARES**

**NOTICE OF EXTRAORDINARY GENERAL MEETING**

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You are requested to return the Form of Proxy accompanying this document. To be valid the Form of Proxy must be completed, either electronically or in hard copy form, in accordance with the instructions detailed in the Form of Proxy. If a hard copy Form of Proxy is completed then it must be signed and returned to the Registrar, Computershare Investor Services (Jersey) Limited, c/o The Pavilions, Bridgwater Road, Bristol, BS99 6ZY. It is recommended that you complete the Form of Proxy as soon as possible as, to be valid, your completed form must be received by the Registrar not later than 9.30 am (BST) on 12 June 2020.

If you are a member of CREST, you may be able to make a proxy appointment or instruction using CREST, such CREST Proxy Instruction to be received by no later than 9.30 am (BST) on 12 June 2020. Further details can be found in the notes to the Notice of Extraordinary General Meeting under the heading "*CREST Members*".

The completion and return of a Form of Proxy or completing and transmitting a CREST Proxy Instruction will not prevent you from attending and voting at the Extraordinary General Meeting in person if you wish (and are able to do so). Please, however, note the information in the letter from the Chair regarding the COVID-19 Measures and attendance in person at this EGM.

**This document should be read as a whole. Your attention is drawn to the letter from the Chair of the Company on page 3 of this document, which includes a recommendation from the Board that you vote in favour of the Resolution to be proposed at the Extraordinary General Meeting.**

#### **KEY TIMES AND DATES**

Latest time and date for receipt of Forms of Proxy	9.30 am (BST) on 12 June 2020
Latest time and date for receipt of CREST Proxy Instructions	9.30 am (BST) on 12 June 2020
Extraordinary General Meeting	9.30 am (BST) on 16 June 2020

This document is not a prospectus and does not constitute or form part of, and should not be construed as, any offer for sale or subscription of, or solicitation of any offer to buy or subscribe for, any securities of the Company in any jurisdiction, including (without limitation) the United States, nor should it or any part of it form the basis of, or be relied on in connection with, any contract or commitment whatsoever in any jurisdiction, including (without limitation) the United States. The Shares of the Company have not been and will not be registered under the U.S. Securities Act, or with any securities regulatory authority of any state or other jurisdiction of the United States, and (if issued) may not be offered, sold, pledged, delivered or otherwise transferred, directly or indirectly, into or within the United States or to, or for the account or benefit of, any "U.S. persons" as defined in Regulation S under the U.S. Securities Act, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction in the United States. There will be no public offer of any such securities in the United States.

The distribution of this document in certain jurisdictions may be restricted by law and persons into whose possession this document comes should inform themselves about and observe any relevant restrictions. In particular, subject to certain exceptions, this document is not for distribution, directly or indirectly, in, into or from the United States, Canada or South Africa or to U.S. Persons. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdictions. This document is and may be communicated only to (and is directed only at) persons to whom such communication may lawfully be made.

For your information, ZDP Shareholders do not have the right to receive notice of, or to attend or vote at, the EGM.

**LETTER FROM THE CHAIR OF EJF INVESTMENTS LTD (the "Company")**  
*(a company incorporated in Jersey under The Companies (Jersey) Law 1991 (as amended)*  
*with registered number 122353)*  
*Registered Office: IFC1, The Esplanade, St Helier, Jersey, JE1 4BP*

**Directors (all non-executive):**

Joanna Dentskevich (Chair)  
Alan Dunphy  
Nick Watkins  
Neal J. Wilson

27 May 2020

**PROPOSED CREATION AND ISSUE OF 2025 ZDP SHARES**

**NOTICE OF EXTRAORDINARY GENERAL MEETING**

Dear Shareholder,

**Proposed creation and issue of 2025 ZDP Shares**

**Introduction**

Further to the announcement made by the Company on 14 May 2020, the Company proposes to issue additional capital in order to take advantage of an attractive and unique investment opportunity. The opportunity is to invest in mortgage servicing rights ("**MSRs**") generated at the time of mortgage origination in the United States. These assets represent a stream of servicing income throughout the life of the mortgage (the "**MSR Opportunity**"). The Manager believes that the timing of this proposed investment is opportune, given interest rates have fallen and credit standards are very high, noting the Company will only invest in MSRs originally attached to prime mortgages underwritten to Fannie Mae and Freddie Mac standards ("**Agency MSRs**"), of which there were approximately \$4.8 trillion of mortgages held by Fannie Mae and Freddie Mac backed securitisations at Q3 2019. Agency MSRs produce regular and predictable cash-flows in addition to highly attractive risk adjusted returns. Overall, the Manager expects this to be an accretive investment in an area with high barriers to entry, where it has significant experience and a strong competitive advantage.

Overall, MSR investments will be a relatively limited but additive part of the portfolio, with securitisations and related investments continuing to represent the primary area of growth and the clear majority of the portfolio.

Accordingly, the Board hereby seeks authority to issue up to 6.4 million 2025 ZDP Shares prior to the expiry of the Placing Programme on 23 June 2020 through a Placing, further details of which will be announced in due course.

The purpose of this document is to provide additional information relating to the 2025 ZDP Shares and the Placing and to give Notice of Extraordinary General Meeting to seek Shareholder approval in accordance with the Articles and the Prospectus.

**Background**

The Directors believe that the creation and issue of the 2025 ZDP Shares will be beneficial for the Company by providing greater diversity to the Company's sources of capital and operational flexibility which in turn will enable the Company to grow its portfolio of investments and seek to generate attractive returns for holders of Ordinary

Shares. The Company will use the proceeds resulting from the issue of any 2025 ZDP Shares to invest in the MSR Opportunity shortly following Admission of the 2025 ZDP Shares.

The Company currently has a capital structure consisting of Ordinary Shares and 2022 ZDP Shares. As at 21 May 2020 (being the latest practicable date before the posting of this document), there were 61,145,198 Ordinary Shares in issue (exclusive of the Ordinary Shares held in treasury), with a corresponding NAV per Ordinary Share of 162 pence and 15,000,000 2022 ZDP shares in issue, with a final capital entitlement of 132.25 pence per 2022 ZDP Share. Therefore, as at 30 April 2020, the 2022 ZDP Shares represented gearing of approximately 17 per cent.

It is proposed that the 2025 ZDP Shares issued pursuant to the Placing will have a gross redemption yield between 5.75 per cent. and 7 per cent. and a term of five years. A maximum of 6.4 million 2025 ZDP Shares will be issued at a price of 100 pence per 2025 ZDP Share. Assuming that the maximum amount of 2025 ZDP Shares are issued then, in aggregate, the existing 2022 ZDP Shares final capital entitlement and the new 2025 ZDP Shares final capital entitlement will represent gearing of approximately 28.5 per cent., being less than the investment policy cap of 30 per cent. for long-term gearing.

Other than the gross redemption yield and term, the main terms of the proposed Placing of 2025 ZDP Shares are as set out in the Prospectus. A summary of those terms is set out below.

## RESOLUTION

The following Resolution will be proposed as a Special Resolution at the EGM. A special resolution is passed if two thirds of the votes cast at the EGM are in favour of the resolution.

**Resolution:** to authorise the creation and issue of the 2025 ZDP Shares and any variation of the rights of holders of Ordinary Shares occasioned by the issue of the 2025 ZDP Shares.

The full wording of the Resolution summarised above is set out in the Notice of Extraordinary General Meeting at page 13 of this document. Further information relating to the Resolution to be proposed at the EGM is set out below.

### 1. Summary of the proposed rights attached to the 2025 ZDP Shares

The below information is intended as a summary only. For full particulars, this summary should be read in conjunction with the Prospectus, and all references to "New ZDP Shares" in the Prospectus shall, for the purposes of this Circular, be read as 2025 ZDP Shares.

All 2025 ZDP Shares issued pursuant to the Placing will be issued at a price of 100 pence per 2025 ZDP Share (the "**2025 ZDP Placing Price**").

The 2025 ZDP Shares (and any other ZDP Shares issued) will have no entitlement to any dividends. Instead, the holders of 2025 ZDP Shares ("**2025 ZDP Shareholders**") will be entitled to receive a capital sum on the 2025 ZDP Repayment Date of between 132 pence and 140 pence per 2025 ZDP Share (the "**2025 ZDP Final Capital Entitlement**"). The 2025 ZDP Shares will rank behind the existing 2022 ZDP Shares in the event of a winding-up of the Company.

The 2025 ZDP Final Capital Entitlement is calculated based on the 2025 ZDP Placing Price of 100 pence per 2025 ZDP Share increased at an annual rate between 5.75 per cent. and 7 per cent. (the gross redemption yield per 2025 ZDP Share, or the "**2025 ZDP Gross Redemption Yield**") from and including the date of issue until (and including) 18 June 2025 (the "**2025 ZDP Repayment Date**"). The 2025 ZDP Gross Redemption Yield is not and should not be taken as a forecast of profits.

Following completion of the Placing and on the basis of certain assumptions set out in the Prospectus, it is proposed that the 2025 ZDP Shares will have an initial cover of at least 15 times (the "**Initial Cover**") and a final cover of at least 12 times (the "**Final Cover**"), assuming at least 6 million 2025 ZDP Shares are issued. The minimum cover amount for the 2025 ZDP Shares will be at least 3.33 times (the "**2025 ZDPs Minimum Cover Amount**") and the dividends minimum cover amount for the 2025 ZDP Shares will be 2 times (the "**Dividends Minimum Cover Amount**"). Additional information, including definitions relating to Cover, Cover Test and Dividends Cover Test, is set out in the Prospectus.

On a return of capital, on a winding up or otherwise and subject to the Companies Law, after payment of any creditors of the Company and the 2022 ZDP Final Capital Entitlement to 2022 ZDP Shareholders, 2025 Shareholders will be entitled to receive the 2025 ZDP Final Capital Entitlement (regardless of the date on which such winding up or return of capital occurs), in priority to the capital entitlements of the Ordinary Shares (and any C Shares in issue). The 2025 ZDP Shares carry no entitlement to income and the whole of their return, therefore, takes the form of capital.

It should be noted in particular that the Articles contain a requirement that, on or around each 5<sup>th</sup> anniversary of the Original Admission, a resolution shall be put to Shareholders at an extraordinary general meeting that the business of the Company be continued (the "**Continuance Resolution**"). The term of the 2025 ZDP Shares means that the 2025 ZDP Repayment Date is after the date Shareholders will be asked to vote on the Continuance Resolution.

**If the Continuance Resolution is not passed, the Company will be wound up and the 2025 ZDP Shareholders will be entitled to receive the 2025 ZDP Final Capital Entitlement prior to the 2025 ZDP Repayment Date.**

The 2025 ZDP Shares do not normally carry the right to vote at general meetings of the Company. 2025 ZDP Shareholders will, however, have a right to vote in certain limited circumstances and their separate approval as a class will be required for certain proposals which would be likely to affect their position materially. In particular, in the event that the payment of a dividend would, immediately following such payment, result in the Cover falling below 2 times (i.e., the 2025 ZDP Dividends Minimum Cover Amount), the prior approval of the 2025 ZDP Shareholders would be required (unless the dividend is paid out of the capital reserves of the Company, in which case the prior approval of 2025 ZDP Shareholders would be required if, immediately following such payment, the Cover would fall below the 2025 ZDP Minimum Cover Amount).

Further 2025 ZDP Shares (or any shares or securities which rank *pari passu* with the 2025 ZDP Shares) may only be issued provided that the Directors determine that the Cover Test is satisfied and such issue is in accordance with the Company's borrowing limit.

All 2025 ZDP Shares will rank *pari passu* with one another.

An application will be made to the London Stock Exchange for any 2025 ZDP Shares issued pursuant to the Placing to be admitted to trading on the Specialist Fund Segment of the Main Market of the London Stock Exchange.

## **2. Risks associated with the 2025 ZDP Shares**

Ordinary Shareholders should have regard to the following risk factors when considering the Resolution:

### **2.1 The underlying value of assets attributable to the Ordinary Shares will be geared by the rising capital entitlements of the 2025 ZDP Shares (if issued) and therefore should be regarded as carrying above average risk**

The Company's capital structure is such that the underlying value of assets attributable to the Ordinary Shares will be geared by the rising capital entitlements of the 2025 ZDP Shares (if issued) (as well as

the rising capital entitlements of the 2022 ZDP Shares). The Ordinary Shares should therefore be regarded as carrying above average risk since a positive Net Asset Value for the Ordinary Shareholders will be dependent upon the Company's assets being sufficient to meet those prior entitlements of the holders of the 2025 ZDP Shares (if issued) (as well as the prior entitlements of the 2022 ZDP Shares). Whilst the use of gearing should enhance the total return on the Ordinary Shares where the return on the Company's underlying assets is rising and exceeds the cost of gearing, it will have the opposite effect where the underlying return is falling, further reducing the total return on the Ordinary Shares.

**2.2 The Ordinary Shares will rank for repayment of capital after the 2025 ZDP Shares (and the 2022 ZDP Shares) and any creditors of the Company from time to time**

The Ordinary Shares will rank for repayment of capital after the 2025 ZDP Shares (as well as the 2022 ZDP Shares, which will rank ahead of the 2025 ZDP Shares) and any creditors of the Company from time to time. On a return of assets, including the winding-up of the Company, Ordinary Shareholders will only receive payment if there are sufficient assets after the payment of creditors, and 2022 ZDP Shareholders and 2025 ZDP Shareholders (and 2025 ZDP Shareholders will only receive payment if there are sufficient assets after the payment of creditors and 2022 ZDP Shareholders).

**2.3 There may be structural conflicts of interest between the Ordinary Shareholders and the 2025 ZDP Shareholders**

The respective rights and expectations of Ordinary Shareholders and the 2025 ZDP Shareholders (if 2025 ZDP Shares are issued) (as well as the rights and expectations of 2022 ZDP Shareholders) are likely to differ and may give rise to conflicts of interest between them. Holders of the 2025 ZDP Shares (as well as holders of 2022 ZDP Shares) can be expected to have little or no interest in the revenue produced by the Portfolio, save to the extent that the Company's operating costs exceed that revenue. 2025 ZDP Shareholders can be expected to want the capital value of the Portfolio to be sufficient to repay the 2025 ZDP Final Capital Entitlement on the 2025 ZDP Repayment Date, but can be expected to have little or no interest in any growth in capital in excess of that amount. Conversely, holders of Ordinary Shares can be expected to be interested in both the revenue that the Portfolio produces (and hence the level of dividends which will be capable of being paid on Ordinary Shares) and increases in the capital value of the Portfolio.

In certain circumstances, such as a major fall in the capital value of the Portfolio such that the 2025 ZDP Final Capital Entitlement, is uncovered but where the Portfolio is still generating revenue, the interests of 2025 ZDP Shareholders on the one hand and the Ordinary Shareholders on the other hand may conflict. The 2025 ZDP Shareholders may wish the Portfolio to be re-balanced towards capital preservation in order to meet the 2025 ZDP Final Capital Entitlement, while the holders of Ordinary Shares may recognise that they then have little prospect of a capital return and so may be more concerned with maximising dividends in the period to the 2025 ZDP Repayment Date. In such circumstances, the Directors may find it impossible to meet fully both sets of expectations and so will need to act in a manner which they consider to be fair and equitable to Ordinary Shareholders, 2022 ZDP Shareholders and 2025 ZDP Shareholders (and any C Shareholders) but having regard to the entitlements of each class of Shares.

If the Company is unable or fails to redeem all of the 2025 ZDP Shares on the 2025 ZDP Repayment Date and/or fails to make payment of the 2025 ZDP Final Capital Entitlement (except by reason of an administrative error which is rectified within seven business days), the Directors will convene an extraordinary general meeting at which a special resolution will be proposed (and recommended) requiring the Company to be summarily wound up and all votes cast in respect of such resolution will be deemed to be votes in favour. Accordingly, the Ordinary Shareholders will not be able to prevent any resolution for the winding up of the Company being passed.

### **3. The Costs of the Placing**

The costs and expenses to be paid by the Company in connection with the Placing are not expected to exceed £265,000. The Company will bear costs or expenses in relation to the Placing up to £265,000 and the Manager will pay any costs or expenses in excess of £265,000. These expenses include, without limitation, registration and admission fees, the cost of settlement and escrow arrangements, placing commissions, legal and professional fees, printing, advertising and distribution costs and other applicable expenses.

### **4. Overseas Shareholders**

The 2025 ZDP Shares have not been and will not be registered under the U.S. Securities Act, or under the securities laws or with any securities regulatory authority of any state or other jurisdiction of the United States, or under the securities laws or with any securities regulatory authority of South Africa, Canada or Australia and (if issued) may not be offered, sold, exercised, resold, transferred or delivered, directly or indirectly, within the United States or to or for the account or benefit of, U.S. Persons. The 2025 ZDP Shares may not be offered or sold into or within South Africa, Canada or Australia.

In connection with the Placing and any subsequent placing of 2025 ZDP Shares, the 2025 ZDP Shares will be offered and sold only outside the United States in "offshore transactions" to persons who are not U.S. Persons in reliance on Regulation S under the U.S. Securities Act. There will be no public offer of the 2025 ZDP Shares in the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction in the United States. The Prospectus may not be distributed, forwarded, transferred or otherwise transmitted into or within the United States or to any U.S. Persons, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction in the United States.

In the absence of any amendment to the U.S. Securities Act which changes the above position, any subsequent class(es) of ZDP Shares which are issued will also be issued on the basis set out above.

#### ***Impact of COVID-19 on the EGM***

The Board values the opportunity to engage with Shareholders who, under normal circumstances, would be very welcome to attend the EGM in person, but at present this is strongly discouraged as the health of the Company's stakeholders is of paramount importance to us. We recognise the current Government guidance designed to mitigate the spread of COVID-19, and specifically the current restrictions relating to public gatherings and travel (the "**COVID-19 Measures**"). In light of the COVID-19 Measures, we strongly urge all Shareholders to register their vote in advance by appointing the chair of the EGM as their proxy and giving voting instructions using the Form of Proxy accompanying this document.

If COVID-19 Measures remain in place, and there are measures restricting public gatherings and travel restrictions as at the date of the EGM, Shareholders will not be permitted to attend in person (other than a very limited number of individuals necessary to form the quorum, which will be facilitated by the Company).

The Company will be monitoring carefully the Government restrictions which are in force on the date of the EGM to ensure that appropriate arrangements are in place. Please contact the Company Secretary prior to the deadline for returning your proxy if you are considering appointing someone other than the chair of the meeting to act as your proxy or if you are considering attending in person.

Shareholders who wish to ask a question of the Board relating to the business of the meeting can do so by sending an email to the Company Secretary ([jersey.bp2s.ejf.cosec@bnpparibas.com](mailto:jersey.bp2s.ejf.cosec@bnpparibas.com)). Up to date information

and any changes to the EGM arrangements contained in the Notice of EGM will be communicated via the Company's website (<https://www.ejfi.com/>) and the London Stock Exchange.

### ***Action to be taken***

The action to be taken in respect of the EGM depends on whether you hold your Shares in certificated form or in uncertificated form (that is, in CREST).

### ***Certificated Shareholders***

Please check that you have received a Form of Proxy for use in respect of the EGM with this document.

**You are strongly encouraged to complete your Form of Proxy, either electronically or in hard copy form, in accordance with the instructions printed thereon. Certificated Shareholders may vote online by visiting [www.investorcentre.co.uk/eproxy](http://www.investorcentre.co.uk/eproxy). Please note you will require the control number, PIN and shareholder reference number detailed on your Form of Proxy form to access online voting.**

**If a hard copy Form of Proxy is completed then it must be signed and returned to the Registrar, Computershare Investor Services (Jersey) Limited, c/o The Pavilions, Bridgwater Road, Bristol, BS99 6ZY.**

**It is recommended that you complete the Form of Proxy as soon as possible as, to be valid, your completed form must be received by the Registrar (either in hard copy, or electronically) not later than 9.30 am (BST) on 12 June 2020.**

Submission of the Form of Proxy will enable your vote to be counted at the EGM in the event of your absence. The completion and return of the Form of Proxy will not prevent you from attending and voting at the EGM or any adjournment thereof, in person should you wish to do so and are able to do so. Please, however, note the information in the letter from the Chair above regarding the COVID-19 Measures and attendance in person at the EGM.

If you have any queries relating to the completion of the Form of Proxy, please contact Computershare Investor Services (Jersey) Limited on +44(0)370 707 4040. Calls are charged at the standard geographic rate and may vary depending on the provider. Calls outside the United Kingdom will be charged at the applicable international rate. The helpline is open between 9.00 am – 5.30 pm (BST), Monday to Friday excluding public holidays in England and Wales. Please note that Computershare Investor Services (Jersey) Limited can only provide information regarding the completion of the Form of Proxy and cannot provide any financial, legal or tax advice. Calls may be recorded and monitored for security and training purposes.

### ***Uncertificated Shareholders***

CREST members can appoint proxies using the CREST electronic proxy appointment service and transmit a CREST Proxy Instruction in accordance with the procedures set out in the CREST Manual (available via [www.euroclear.com/CREST](http://www.euroclear.com/CREST)).

**You are strongly encouraged to complete your CREST Proxy Instruction in accordance with the procedures set out in the CREST Manual as soon as possible, but in any event so as to be received by the Registrar, 3RA50, no later than 9.30 am (BST) on 12 June 2020.**

This will enable your vote to be counted at the EGM in the event of your absence. The completion and return of the CREST Proxy Instruction will not prevent you from attending and voting at the EGM, or any adjournment



thereof, in person should you wish to do so and are able to do so. Please, however, note the information in the letter from the Chair above regarding the COVID-19 Measures and attendance in person at the EGM.

***Recommendation***

The Directors consider the Resolution to be in the best interests of Shareholders as a whole and recommend that you vote in favour of the Resolution, as the Directors intend to do in respect of their own beneficial holdings (if any).

Yours faithfully,

**Joanna Dentskevich**  
**Chair**  
**EJF Investments Ltd**

## DEFINITIONS

The following definitions apply throughout this document, unless otherwise specified:

<b>2022 ZDP Shareholders</b>	the holders of any 2022 ZDP Shares
<b>2022 ZDP Shares</b>	2022 ZDP Shares zero dividend preference shares with a repayment date of 30 November 2022
<b>2025 ZDPs Dividends Minimum Cover Amount</b>	has the meaning ascribed to it in the Letter from the Chair
<b>2025 ZDP Final Capital Entitlement</b>	has the meaning ascribed to it in the Letter from the Chair
<b>2025 ZDP Gross Redemption Yield</b>	has the meaning ascribed to it in the Letter from the Chair
<b>2025 ZDPs Minimum Cover Amount</b>	has the meaning ascribed to it in the Letter from the Chair
<b>2025 ZDP Placing Price</b>	has the meaning ascribed to it in the Letter from the Chair
<b>2025 ZDP Repayment Date</b>	has the meaning ascribed to it in the Letter from the Chair
<b>2025 ZDP Shareholders</b>	have the meaning ascribed to them in the Letter from the Chair
<b>2025 ZDP Shares</b>	2025 ZDP Shares zero dividend preference shares with a repayment date of 18 June 2025, proposed to be issued pursuant to the Placing, the Prospectus and the Articles
<b>Admission</b>	admission of any Shares to trading on the Specialist Funds Segment of the Main Market of the London Stock Exchange, and " <b>Original Admission</b> " refers to the Admission of the Ordinary Shares on 7 April 2017
<b>Agency MSRs</b>	have the meaning ascribed to them in the Letter from the Chair
<b>Articles</b>	the articles of association of the Company in force at the date of this Circular
<b>Board</b>	the board of Directors of the Company
<b>BST</b>	British Summer Time
<b>Business Day</b>	a day (except Saturday or Sunday) on which banks in the City of London and Jersey are normally open for business or such other day as the Directors determine
<b>certified or in certified form</b>	not in uncertified form
<b>Circular</b>	this document
<b>Companies Law</b>	the Companies (Jersey) Law 1991, as amended, extended or replaced and any ordinance, statutory instrument or regulation made thereunder

<b>Company</b>	EJF Investments Ltd, a closed-ended investment company incorporated with limited liability in the Bailiwick of Jersey under the Companies Law on 20 October 2016 with registered number 122353, whose registered office is at the Registered Office
<b>Continuance Resolution</b>	has the meaning ascribed to it in the Letter from the Chair
<b>Cover Test</b>	has the meaning ascribed to it, and is to be calculated in accordance with the formula set out in, the Prospectus
<b>COVID-19 Measures</b>	has the meaning ascribed to this term in the Letter from the Chair
<b>CREST</b>	the facilities and procedures for the time being of the relevant system of which Euroclear UK & Ireland Limited has been approved as operator pursuant to the Uncertificated Securities Regulations 2001 of the United Kingdom (SI No. 2001/3755) and the Companies (Uncertificated Securities (Jersey) Order 1999
<b>CREST Proxy Instruction</b>	a proxy instruction message submitted through CREST in accordance with the CREST Manual (available via <a href="http://www.euroclear.com/CREST">www.euroclear.com/CREST</a> )
<b>C Shares</b>	the non-redeemable “C” shares of no par value in the capital of the Company which, for the avoidance of doubt includes all classes of C Shares (denominated in such currency as the Directors may determine in accordance with the Articles) having the rights and subject to the restrictions set out in the Articles and which will convert into Ordinary Shares in accordance with the terms of the Articles
<b>Directors</b>	the directors of the Company from time to time
<b>Extraordinary General Meeting or EGM</b>	the extraordinary general meeting of the Company to be held at IFC1, The Esplanade, St Helier, Jersey, JE1 4BP at 9.30 am (BST) on 16 June 2020, convened by the Notice of Extraordinary General Meeting (including any adjournment thereof), and at which the Resolution will be proposed
<b>Final Cover</b>	has the meaning ascribed to it in the Letter from the Chair
<b>Form of Proxy</b>	the form of proxy which accompanies this document for use by Shareholders who hold their Ordinary Shares in certificated form in relation to voting at the Extraordinary General Meeting
<b>Government</b>	the government of Jersey
<b>Initial Cover</b>	has the meaning ascribed to it in the Letter from the Chair
<b>JFSC</b>	Jersey Financial Services Commission
<b>Latest Practicable Date</b>	21 May 2020
<b>London Stock Exchange</b>	the London Stock Exchange plc
<b>Manager</b>	EJF Investments Manager LLC
<b>MSRs</b>	has the meaning ascribed to it in the Letter from the Chair
<b>MSR Opportunity</b>	has the meaning ascribed to it in the Letter from the Chair
<b>NAV</b>	the value, as at any date, of the assets of the Company after deduction of all liabilities of the Company, as more particularly defined in the Articles and determined in accordance with the accounting policies adopted by the Company from time to time

<b>NAV per Ordinary Share</b>	the NAV, as at any date, attributable to the Ordinary Shares divided by all of the Ordinary Shares in issue at the relevant date (other than Ordinary Shares held in treasury)
<b>Notice of Extraordinary General Meeting</b>	the notice of the Extraordinary General Meeting set out at the end of this document
<b>Ordinary Shares</b>	non-redeemable ordinary shares of no par value in the capital of the Company which, for the avoidance of doubt, includes all classes of ordinary shares (denominated in such currency as the Directors may determine in accordance with the Articles) having the rights and subject to the restrictions set out in the Articles, and does not include C Shares
<b>Placing</b>	the proposed placing of up to 6.4 million 2025 ZDP Shares pursuant to the Placing Programme
<b>Placing Programme</b>	the placing programme of up to 150 million Ordinary Shares and/or C Shares and up to 75 million new ZDP Shares established pursuant to, and subject to the terms and conditions of, the Prospectus
<b>Prospectus</b>	the prospectus published by the Company in relation the Placing Programme on 24 June 2019 (as supplemented by the supplementary prospectuses published on 19 December 2019 and 20 April 2020), all of which can be downloaded from the Company's website ( <a href="https://www.ejfi.com/">https://www.ejfi.com/</a> ).
<b>Registered Office</b>	the registered office of the Company: IFC1, The Esplanade, St Helier, Jersey, JE1 4BP
<b>Registrar</b>	Computershare Investor Services (Jersey) Limited
<b>Resolution</b>	the resolution to be proposed at the EGM
<b>Shares</b>	Ordinary Shares, C Shares and ZDP Shares, as the context may require
<b>Shareholder(s)</b>	any Ordinary Shareholder(s), C Shareholder(s) and any ZDP Shareholder(s), as the context may require
<b>Special Resolution</b>	a resolution of the Company passed as a special resolution in accordance with the Companies Law
<b>U.S. Persons</b>	"U.S. persons" as defined in Regulation S under the U.S. Securities Act
<b>U.S. Securities Act</b>	the U.S. Securities Act of 1933, as amended
<b>United States or U.S.</b>	the United States of America, its territories and possessions, any state of the United States and the District of Columbia
<b>ZDP Shareholder</b>	the holder of one or more ZDP Shares
<b>ZDP Shares</b>	the redeemable zero dividend preference Shares of no par value in the capital of the Company which, for the avoidance of doubt, includes all Classes of ZDP Shares (denominated in such currency as the Directors may determine in accordance with the Articles) having the rights and subject to the restrictions set out in the Articles

## NOTICE OF EXTRAORDINARY GENERAL MEETING

**NOTICE IS GIVEN** that an Extraordinary General Meeting of EJV Investments Ltd (the "**Company**") will be held at the IFC1, The Esplanade, St Helier, Jersey, JE1 4BP on 16 June 2020 at 9.30 am (BST) to consider and, if thought fit, pass the following Resolution, which will be proposed as a Special Resolution.

### SPECIAL RESOLUTION

- 1. THAT** the Company be and is hereby authorised to create and issue the 2025 ZDP Shares on the terms set out in the Circular and the holders of Ordinary Shares hereby sanction any variation to their rights as a class occasioned by the issue of 2025 ZDP Shares.

*By Order of the board of directors of the Company:*

*Company Secretary*  
BNP Paribas Securities Services S.C.A., Jersey Branch

*Registered Office:*

IFC1  
The Esplanade  
St Helier  
Jersey  
JE1 4BP

Date: 27 May 2020

Defined terms used in this notice shall bear the same meanings as those ascribed to them in the Circular issued by the Company to the Ordinary Shareholders dated 27 May 2020.

**Please note that, due to the COVID-19 Measures, Shareholders are strongly urged to appoint the chair of the EGM as their proxy. The Company may not be in a position to allow attendance in person at the EGM (other than a very limited number of individuals necessary to form the quorum, which will be facilitated by the Company).**

## Notes

1. A proxy need not be a Shareholder of the Company. A Shareholder may appoint more than one proxy in relation to a meeting to attend, speak and vote on the same occasion, provided that each proxy is appointed to exercise the rights attached to a different Share or Shares held by a Shareholder. To appoint more than one proxy, the proxy form should be photocopied and the name of the proxy to be appointed indicated on each form together with details of the Shares (including Share numbers, if applicable) that such proxy is appointed in respect of.

**This year, in view of the COVID-19 Measures, we are strongly urging all Shareholders to appoint the chair of the EGM as their proxy. Those who wish to ask a question of the Board relating to the business of the meeting can do so by sending an email to the Company Secretary ([jersey.bp2s.ejf.cosec@bnpparibas.com](mailto:jersey.bp2s.ejf.cosec@bnpparibas.com)).**

2. A Form of Proxy is enclosed with this document. In order to be valid any proxy form or other instrument appointing a proxy must be returned duly completed by one of the following methods no later than 9.30 am (BST) on 12 June 2020:
  - **(for certificated Shareholders)** if submitted electronically, in accordance with the instructions set out on the Form of Proxy. In particular, certificated Shareholders may vote online by visiting [www.investorcentre.co.uk/eproxy](http://www.investorcentre.co.uk/eproxy). Please note you will require the control number, PIN and shareholder reference number detailed on your Form of Proxy form to access online voting. If a hard copy form is completed, it should be signed and sent by post, by courier, or delivered by hand to the following address: Computershare Investor Services (Jersey) Limited, c/o The Pavilions, Bridgwater Road, Bristol, BS99 6ZY.
  - **(for uncertificated Shareholders only)** In electronic form through CREST – please see the heading 'CREST Members' below.
3. Submission of a proxy appointment will not preclude a Shareholder from attending and voting at the EGM should they wish to do so and are able to do so. Please, however, note the information in the letter from the Chair regarding the COVID-19 Measures and attendance in person at the EGM.
4. To direct your proxy on how to vote on the resolution, mark the appropriate box on your proxy form with an 'X'. To abstain from voting on a resolution, select the relevant "Vote withheld" box. A vote withheld is not a vote in law, which means that the vote will not be counted in the calculation of votes for or against the resolution. If no voting indication is given, your proxy will vote or abstain from voting at his or her discretion. Your proxy will vote (or abstain from voting) as he or she thinks fit in relation to any other matter which is put before the EGM.
5. In accordance with Article 40 of the Companies (Uncertificated Securities) (Jersey) Order 1999, the Company has fixed 6.00 pm (BST) on the Latest Practicable Date as the record date for determining the uncertificated members entitled to receive notice of the meeting and the Form of Proxy, so that such persons entered on the Company's register of members at that time are the persons so entitled.
6. Pursuant to the Companies (Uncertificated Securities) (Jersey) Order 1999, the Company specifies that only those Shareholders registered in the register of members of the Company by close of business on the date which is two days before the meeting or adjourned meeting shall be entitled to attend and vote at the EGM (or appoint a proxy) in respect of the number of Shares registered in their name at that time. Changes to entries on the register of members after close of business on the date which is two days before the meeting or adjourned meeting shall be disregarded in determining the rights of any person to attend or vote at the EGM (or appoint a proxy).
7. **Joint holders** - In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company's register of members in respect of the joint holding (the first-named being the most senior).

8. **Power of attorney** - Any power of attorney or any other authority under which your Form of Proxy is signed (or a duly certified copy of such power or authority) must be returned to the Registered Office with your Form of Proxy.
9. **Corporate representatives** - Any corporation which is a Shareholder can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a Shareholder. In the event that a corporation authorises more than one person and more than one of them purports to exercise powers as a Shareholder (a) if they purport to exercise a power in the same way, the power is treated as exercised in that way; and (b) if they do not purport to exercise the power in the same way, the power is treated as not exercised (unless the corporate representatives are appointed in relation to different Shares held by the Shareholder).

#### **CREST Members**

10. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the EGM and any adjournment(s) of the EGM by using the procedures described in the CREST Manual (available via [www.euroclear.com/CREST](http://www.euroclear.com/CREST)). 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.
11. In order for a proxy appointment or instruction made using the CREST service to be valid, a CREST Proxy Instruction must be properly authenticated in accordance with Euroclear UK and Ireland Limited's specifications and must contain the information required for such instructions, as described in the CREST Manual (available via [www.euroclear.com/CREST](http://www.euroclear.com/CREST)). The message, regardless of whether it constitutes the appointment of a proxy or an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by the Company's agent (3RA50) by the latest time(s) for receipt of proxy appointments specified in the Notice of Extraordinary General Meeting. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the Company'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.
12. CREST members and, where applicable, their CREST sponsors or voting service provider(s) should note that Euroclear UK and Ireland Limited does not make available special procedures in CREST for any particular messages. Normal system timing 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 personal CREST member or sponsored member or has appointed a voting service provider(s), to procure that his/her 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 sections of the CREST Manual (available via [www.euroclear.com/CREST](http://www.euroclear.com/CREST)) concerning practical limitations of the CREST system and timings.
13. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001 of the United Kingdom (SI No. 2001/3755), or the relevant provisions of the Companies (Uncertificated Securities) (Jersey) Order 1999.
14. Please, however, note the information in the letter from the Chair regarding the COVID-19 Measures and attendance in person at the EGM.

#### **Changing or revoking your proxy**

15. To change your proxy, simply submit a new proxy appointment using the methods set out above. Where you have appointed a proxy using the hard-copy Form of Proxy and would like to make a change using another hardcopy Form of Proxy, please contact the Registrar, Computershare Investor Services (Jersey) Limited, c/o The Pavilions, Bridgwater Road, Bristol, BS99 6ZY. If you submit more than one valid proxy appointment, the

appointment last received before the latest time for the receipt of proxies will take precedence. Please, however, note the information in the letter from the Chair regarding the COVID-19 Measures and the impact on the arrangements for this year's EGM.

16. In order to revoke a proxy appointment you will need to inform the Company by sending a signed hard copy notice clearly stating your intention to revoke your proxy appointment to the Registrar. In the case of a Shareholder which is a company, the revocation notice must be executed under its common seal or signed on its behalf by an officer of the company or an attorney or other representative of the company. Any power of attorney or any other authority under which the revocation notice is signed (or a duly certified copy of such power or authority) must be included with the revocation notice. No other methods of communication will be accepted. In particular, you may not use any electronic address provided either in this Notice of Extraordinary General Meeting or in any related documents (including the Form of Proxy). Please, however, note the information in the letter from the Chair regarding the COVID-19 Measures and the impact on the arrangements for this year's EGM.
17. The revocation notice must be received by the Registrar, Computershare Investor Services (Jersey) Limited, c/o The Pavilions, Bridgwater Road, Bristol, BS99 6ZY by no later than 9.30 am (BST) on 12 June 2019.
18. If you attempt to revoke your proxy appointment but the revocation is received after the time specified then your proxy appointment will remain valid.
19. **Latest Practicable Date** - As at the Latest Practicable Date before the publication of this Notice of Extraordinary General Meeting, the Company's issued ordinary share capital consisted of 69,557,192 Ordinary Shares (of which 8,411,994 Ordinary Shares held in treasury). There were no C Shares in issue. Any Ordinary Shares held in treasury do not carry voting rights and so, as at the Latest Practicable Date, 61,145,198 Ordinary Shares carry one vote each. In addition, there were 15,000,000 2022 ZDP Shares in issue but the limited voting rights relating to the 2022 ZDP Shares do not entitle any holders of 2022 ZDP Shares to vote on the Resolutions. In the event that 2025 ZDP Shares are issued, the holders of 2025 ZDP Shares will not be entitled to vote on the Resolutions. Therefore, the total voting rights in the Company as at the Latest Practicable Date are 61,145,198.