

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.** If you are in any doubt as to any aspect of the proposals referred to in this document or as to the action you should take, you are recommended to immediately seek your own personal advice from a stockbroker, bank manager, solicitor, accountant or other independent professional adviser duly authorised under the Financial Services and Markets Act 2000 (as amended) if you are in the United Kingdom or, if not, you should immediately consult another appropriately authorised independent financial adviser in a territory outside the United Kingdom. If you sell, have recently sold or otherwise transferred all of your shares in CIP Merchant Capital Limited, please forward this document, together with the accompanying documentation, as soon as possible either to the purchaser or transferee or to the person who arranged the sale or transfer so that they can pass on these documents to the person who now holds the shares.

Dear Shareholder

I am pleased to send you the formal notice of the Annual General Meeting (“**AGM**”) of the members of CIP Merchant Capital Limited (the “**Company**”), to be held at 3rd Floor, 1 Le Truchot, St Peter Port, Guernsey GY1 1WD on 10 September 2021 at 11.00 a.m. BST. Explanatory notes on all of the resolutions to be tabled accompany the notice of the AGM (the “**Notice**”).

### **Re-Election of the Directors**

All of the Directors are offering themselves for election or re-election in accordance with corporate governance best practice and the Articles of Incorporation of the Company (the “**Articles**”). Please note for your information that biographical details on each of the Directors offering themselves for re-election are set out in the explanatory notes to the resolutions that follow the Notice.

### **Voting**

The Board of Directors of the Company believe that the resolutions set out in the Notice are in the best interests of the Company and its members as a whole.

Due to continuing and evolving COVID-19 restrictions, whilst members may be permitted to physically attend the AGM in person, members are strongly encouraged to appoint a Guernsey-based proxy in order to vote on the resolutions on their behalf, in accordance with the instructions set out in the Notice and the accompanying form of proxy. The most up-to-date details of restrictions due to COVID-19 may be accessed via the States of Guernsey website at: <https://covid19.gov.gg/>

If you would like to vote on the resolutions, please appoint a proxy by no later than 11.00 a.m. BST on 8 September 2021. A form of proxy accompanies the Notice.

All resolutions will be put to a poll in reflection of best practice and in order to ensure that all members have the opportunity for their votes to be taken into account in proportion to their shareholdings in the Company.

The Directors are cognisant that there were a significant number of votes cast against the resolutions tabled at last year’s AGM. Accordingly, the Board, led by me as Chairman, has endeavoured to reach out to and engage with the Company’s members on a number of the issues raised since that time. We continue to do so, and again would welcome an opportunity to communicate with members directly in advance of the AGM, regarding both the resolutions put

forward or any other matters of concern. In this regard, we can be contacted via the Company Secretary at: [admin.guernsey@maitlandgroup.com](mailto:admin.guernsey@maitlandgroup.com).

In particular, although the Directors have no immediate plans to do so, the lack of authority to buy back shares has limited the ability of the Directors to take any action to minimise any discount of the Company's share price versus the net asset value per share. We therefore urge members to vote in favour of Resolution 11.

The Directors unanimously support and recommend the resolutions as set out in the Notice and intend to vote in favour of them in respect of their holdings of, in aggregate, 4,521,527 ordinary shares, representing approximately 8.22% of the Company's existing issued share capital.

The results of the AGM will be announced to the market as soon as practicable following the conclusion of the meeting. Updates on any changes to the proceedings of the AGM will be published on the Company's website and also announced to the market.

Yours faithfully

A handwritten signature in black ink, appearing to read 'Adrian Collins', with a stylized flourish extending to the right.

Adrian Collins  
*Non-Executive Chairman*

3rd Floor, 1 Le Truchot, St Peter Port, Guernsey GY1 1WD

## CIP MERCHANT CAPITAL LIMITED

*Registered Office Address: 3rd Floor, 1 Le Truchot, St. Peter Port, Guernsey GY1 1WD  
Registration Number: 64013*

### NOTICE OF ANNUAL GENERAL MEETING 2021

Notice is hereby given that the Annual General Meeting of the members of CIP Merchant Capital Limited (the “**Company**”) will be held at 3rd Floor, 1 Le Truchot, St Peter Port, Guernsey GY1 1WD on 10 September 2021 at 11.00 a.m. BST to transact the business set out in the resolutions below.

#### ORDINARY RESOLUTIONS

1. To receive the Company’s Annual Report and Audited Consolidated Financial Statements for the year ended 31 December 2020.
2. To re-appoint BDO Limited as auditor to the Company until the conclusion of the next general meeting at which accounts are laid before the Company.
3. To authorise the Directors to determine the remuneration of the auditor.
4. To approve the remuneration of the directors of the Company (the “**Directors**”) for the year ended 31 December 2020, as set out in the Directors’ Report.
5. To re-elect Mr Adrian Collins as a Director of the Company who retires in accordance with the AIC code and the Company’s Articles of Incorporation.
6. To re-elect Mr Robert King as a Director of the Company who retires in accordance with the AIC code and the Company’s Articles of Incorporation.
7. To re-elect Mr John Falla as a Director of the Company who retires in accordance with the AIC code and the Company’s Articles of Incorporation.
8. To re-elect Mr Marco Fumagalli as a Director of the Company who retires in accordance with the AIC code and the Articles of Incorporation.
9. To re-elect Mr Carlo Sgarbi as a Director of the Company who retires in accordance with the AIC code and the Company’s Articles of Incorporation.
10. To elect Mr Piero Sansalone as a Director of the Company who offers himself for election in accordance with the AIC code and the Company’s Articles of Incorporation.
11. To authorise the Company to make market acquisitions (as defined in the Companies (Guernsey) Law, 2008, as amended (the “**Law**”)) of its own ordinary shares (“**Ordinary Shares**”), either for cancellation or to hold as treasury shares for future resale or transfer, provided that:
  - (a) the maximum number of Ordinary Shares authorised to be purchased shall be a number equal to 8,244,500 Ordinary Shares, representing 14.99 per cent. of the

- Ordinary Shares in issue (excluding any treasury shares) on the last business day prior to the publication of this Notice;
- (b) the minimum price (exclusive of expenses) which may be paid for an Ordinary Share is £0.01 per Ordinary Share;
  - (c) the maximum price (exclusive of expenses) which may be paid for an Ordinary Share is an amount equal to the higher of:
    - (i) 5 per cent. above the average of the mid-market values of an Ordinary Share taken from the London Stock Exchange's Daily Official List for the five business days before the purchase is made; and
    - (ii) the price of the last independent trade or the highest current independent bid for Ordinary Shares on the London Stock Exchange at the time the purchase is carried out;
  - (d) subject to paragraph (e), such authority shall expire at the annual general meeting of the Company to be held in 2022 (unless previously varied, revoked or renewed by the Company in general meeting) or, if earlier, the date falling 18 months from the passing of this resolution; and
  - (e) notwithstanding paragraph (d), the Company may make a contract to purchase its Ordinary Shares pursuant to the authority hereby conferred prior to the expiry of such authority which will or may be executed wholly or partly after the expiry of such authority and may make a purchase of its own Ordinary Shares in pursuance of any such contract notwithstanding the terms of this resolution.

By order of the Board  
**Maitland Administration (Guernsey) Limited**  
*Company Secretary*

3rd Floor  
1 Le Truchot  
St Peter Port  
Guernsey  
GY1 1WD

5 August 2021

## EXPLANATORY NOTES - GENERAL

A member of the Company who is entitled to attend the AGM is entitled to appoint one or more proxies to attend, speak and vote in their place. A proxy does not need to be a member of the Company but must attend the AGM to represent you.

Details of how to appoint the Chairman of the AGM or another person as your proxy using the form of proxy are set out in the notes to the form of proxy. If you wish your proxy to speak on your behalf at the AGM you will need to appoint your own choice of proxy (not the Chairman) and give your instructions directly to them. A member may appoint more than one proxy to attend the AGM, provided that each proxy is appointed to exercise rights attached to different shares.

A form of proxy is enclosed which should be completed in accordance with the instructions set out therein. To be valid this form of proxy and any power of attorney or other authority under which it is executed (or a duly certified copy of such power of attorney) must be lodged with Computershare Investor Services (Guernsey) Limited, c/o The Pavilions, Bridgwater Road, Bristol, B99 6ZZ, or by e-mail to: #UKCSBRS.ExternalProxyQueries@computershare.co.uk.

Alternatively, completed forms can be sent to the registered office of the Company c/o Maitland Administration (Guernsey) Limited, 3rd Floor, 1 Le Truchot, St Peter Port, Guernsey, GY1 1WD. All proxies must be received by no later than 11.00 a.m. BST on 8 September 2021, being 48 hours before the time appointed for the AGM.

CREST offers a proxy voting service which the Company's Registrar, Computershare Investor Services (Guernsey) Limited, are an agent of.

Members are advised that, upon receipt of their form of proxy from the Company, if they wish to appoint a proxy or to give or amend an instruction to a previously appointed proxy via the CREST system, the CREST message must be received by the issuer's agent (ID: 3RA50) by two days prior to the date of the Company's AGM at the latest. 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 issuer's agent is able to retrieve the message. After this time any change of instructions to a proxy appointed through CREST should be communicated to the proxy by other means.

CREST Personal Members or other CREST sponsored members, and those CREST Members who have appointed a voting service provider(s) should contact their CREST sponsor or voting service provider(s) for assistance with appointing proxies via CREST.

For further information on CREST procedures, limitations and system timings, please refer to the CREST Manual. We may treat as invalid a proxy appointment sent by CREST in the circumstances set out in Regulation 41 of the Uncertificated Securities (Guernsey) Regulations 2009.

If you are an institutional investor, you may be able to appoint a proxy electronically via the Proxymity platform, a process which has been agreed by the Company and approved by the Registrar. For further information regarding Proxymity, please go to [www.proxymity.io](http://www.proxymity.io). Your proxy must be lodged by 11.00 a.m. BST on 8 September 2021 in order to be considered valid. Before you can appoint a proxy via this process you will need to have agreed to Proxymity's associated

terms and conditions. It is important that you read these carefully as you will be bound by them and they will govern the electronic appointment of your proxy.

Please note that the AGM will not be made available by way of a publicly available real-time broadcast.

As at 5 August 2021 (being the last business day prior to the publication of the Notice), the Company's issued share capital consists of 55,000,000 Ordinary Shares, carrying one vote each. There are currently no shares held in treasury by the Company. Therefore, the total number of voting rights in the Company as at 5 August 2021 is 55,000,000.

#### **EXPLANATORY NOTES: ORDINARY RESOLUTIONS 1 to 11**

**ORDINARY RESOLUTION 1:** The Company must present the Financial Statements for the year ended 31 December 2020 and the reports of the Directors and the Auditor therein to the AGM for approval.

**ORDINARY RESOLUTION 2:** The auditor of the Company must be re-appointed at each general meeting where accounts are laid, to hold office until the conclusion of the next such general meeting.

**ORDINARY RESOLUTION 3:** This resolution gives authority to the Board of Directors to determine the remuneration of the auditor.

**ORDINARY RESOLUTION 4:** Guernsey-registered companies are not obliged to prepare and publish a Directors' Remuneration Report. However, the Company has included details of its Directors' remuneration within the Financial Report and Audited Consolidated Financial Statements and this ordinary resolution seeks approval of the Directors' remuneration, **which will be advisory only**.

**ORDINARY RESOLUTIONS 5-10:** All of the Directors are offering themselves for election or re-election in accordance with the AIC code and the Company's Articles of Incorporation. A brief biography for each of the Directors is set out overleaf.

**ORDINARY RESOLUTION 11:** This resolution grants the Company authority to make market purchases of up to 14.99 per cent. of the Ordinary Shares in issue as at 5 August 2021 (being the last business day prior to the publication of the Notice). Any Ordinary Shares bought back will either be cancelled or placed into treasury at the determination of the Directors.

The maximum price which may be paid for each Ordinary Share must not be more than the higher of: (i) 105 per cent. of the average of the mid-market values of an Ordinary Share taken from the London Stock Exchange's Daily Official List for the five business days before the purchase is made; and (ii) the price of the last independent trade or the highest current independent bid for Ordinary Shares on the London Stock Exchange at the time the purchase is carried out. The minimum price which may be paid for each Ordinary Share is £0.01.

This authority shall expire at the next annual general meeting of the Company (or, if earlier, the date falling 18 months from the passing of this resolution), when a resolution to renew the authority is anticipated to be proposed. The Company currently intends that any Ordinary Shares repurchased would be held in treasury, subject to applicable law and regulation.

Any such share purchases would be at a discount to the prevailing net asset value per share and therefore be accretive to the net asset value per share for members.

*An Ordinary Resolution is a resolution passed by a simple majority of members.*

## DIRECTORS' BIOGRAPHIES

### **Adrian Collins (Independent Non-Executive Chairman) - appointed November 2017**

Mr Collins has worked in the fund management business for over 45 years, a large part of which was at Gartmore Investment Management Limited where latterly he was managing director. He was until 2019, chairman of Liontrust Asset Management plc and currently serves on the boards of a number of quoted companies including Logistics Development Group plc (formerly Eddie Stobart Logistics plc) and Hargreaves Lansdown plc.

### **Robert King (Independent Non-Executive Director) - appointed November 2017**

Mr King is a non-executive director of a number of open and closed-ended investment funds including Weiss Korea Opportunity Fund Limited and Tufton Oceanic Assets Limited (Chairman). Before becoming an independent non-executive director in 2011, he was a director of Cannon Asset Management Limited and their associated companies. Prior to this he was a director of Northern Trust International Fund Administration Services (Guernsey) Limited (formerly Guernsey International Fund Managers Limited) where he worked from 1990 to 2007. He has been in the offshore finance industry since 1986 specialising in the administration and structuring of offshore open and closed ended investment funds. Mr King is British and resident in Guernsey.

### **John Falla (Independent Non-Executive Director) - appointed November 2017**

Mr Falla trained with Ernst & Young in London before moving to their Corporate Finance Department. On returning to Guernsey he worked for an international bank, before joining the Channel Islands Stock Exchange as a member of the Market Authority. In 2000, Mr Falla joined the Edmond de Rothschild Group in Guernsey and provided corporate finance advice to clients including open and closed-ended investment funds and institutions with significant property interests. He was also a director of a number of Edmond de Rothschild Group operating and investment companies. Mr Falla is now a non-executive director of a number of investment companies, the majority of which are listed on the London Stock Exchange, and a consultant. Mr. Falla is a Chartered Account and had a BSc Hons degree in Property Valuation and Management from The City University, London. He is a Chartered Fellow of the Chartered Institute for Securities and Investment having been awarded their diploma.

### **Marco Fumagalli (Non-Independent Non-Executive Director) - appointed September 2017**

Mr Fumagalli has a significant transaction track record as a Global Partner at the PE house 3i Group, with significant results in the management of investments in both private (e.g. Giochi Preziosi, Coelsanus Preserves and Vis Pharmaceuticals) and listed companies (e.g. Biosearch Italy and Datamat Novuspharma). From 2010 to 2013, he was responsible for managing the private equity activities within a Swiss family office. Mr Fumagalli is a co-founder and principal of Merchant Capital Manager Limited, the Company's Investment Manager, and Continental Investment Partners S.A. and is currently a non-executive director of AIM quoted companies Sound Energy plc, Echo Energy Plc and Coro Energy plc.

### **Carlo Sgarbi (Non-Independent Non-Executive Director) - appointed September 2017**

Mr Sgarbi has over 20 years' experience in investment banking with IMI Group, part of Intesa Sanpaolo, a leading Italian banking group, which included being appointed Head of Debt Capital

Markets in 1995 for Banca IMI, the investment bank of the Intesa Sanpaolo. Mr Sgarbi was subsequently appointed Global Head of Fixed Income and Derivatives, Co-Head of Global Markets Equities and Derivatives, where he was responsible for managing approximately 300 professionals specialised in different areas of market activities and risk. From 2007 to 2013, he was responsible for managing all investment activities within a Swiss family office, which Mr Fumagalli was also involved with from 2010. He founded both Merchant Capital Manager Limited and Continental Investment Partners S.A. along with Mr Fumagalli and is a Managing Partner of the latter.

**Piero Sansalone (Non-Independent Non-Executive Director) - appointed September 2020**

Mr. Sansalone began his career in corporate finance at Deloitte and later at KPMG. Mr. Sansalone has expertise in business analysis and valuation, as well as turnarounds, restructuring and mergers and acquisitions. Between 2011 and 2013, Mr. Sansalone worked for the same major Swiss family office as Messrs Sgarbi and Fumagalli where he was responsible for managing private equity investments. Until 2017, Mr. Sansalone was investment manager at Continental Investment Partners S.A., an affiliate of the Company's Investment Manager, responsible for the Private Equity and Real Estate activities. Mr. Sansalone is currently an independent financial adviser and business consultant for SMEs, family offices and Private Equity funds.

# CIP MERCHANT CAPITAL LIMITED

(the "Company")

Registered Office Address: 3rd Floor, 1 Le Truchot, St. Peter Port, Guernsey GY1 1WD

Registration Number: 64013

## FORM OF PROXY - ANNUAL GENERAL MEETING 2021

To be held at 3rd Floor, 1 Le Truchot, St Peter Port, Guernsey GY1 1WD  
on 10 September 2021 at 11.00 a.m. BST and at any adjournment thereof

I/We.....  
(BLOCK LETTERS PLEASE)

of.....  
.....

being (a) member(s) of the above-named Company, hereby appoint the Chairman of the meeting/  
or\*

.....  
as my/our proxy to vote for me/us and on my/our behalf at the Annual General Meeting of the  
Company to be held at 3rd Floor, 1 Le Truchot, St Peter Port, Guernsey, GY1 1WD on 10  
September 2021 at 11.00 a.m. BST and at any adjournment thereof.

*\* - To allow effective constitution of the meeting, if it is apparent to the Chairman that no  
members will be present other than by proxy, then the Chairman may appoint a substitute to  
act as proxy in his stead for any member, provided that such substitute proxy shall vote on the  
same basis as the Chairman. A proxy need not be a member of the Company.*

I/We direct my/our proxy to vote as follows:

ORDINARY RESOLUTIONS	FOR	AGAINST	VOTE WITHHELD**
1. To receive the Company's Annual Report and Audited Consolidated Financial Statements for the year ended 31 December 2020.			
2. To re-appoint BDO Limited as auditor to the Company until the conclusion of the next general meeting at which accounts are laid before the Company.			
3. To authorise the Directors to determine the remuneration of the auditor.			
4. To approve the remuneration of the Directors for the year ended 31 December 2020.			



## NOTES TO THE FORM OF PROXY:

- (i) Please indicate with an “X” in the appropriate box how you wish the proxy to vote.
- (ii) If no “X” is marked in any of the for/against/vote withheld boxes in respect of a resolution, the proxy will exercise their discretion as to how they vote or whether they withhold their vote. The proxy will also exercise their discretion as to how they vote or whether they withhold their vote on any business or resolution considered at the AGM other than the resolutions referred to in this form of proxy.
- (iii) In accordance with sections 222 and 223 of The Companies (Guernsey) Law 2008, you may appoint more than one person as your proxy to exercise all or any rights to attend and to speak and vote.
- (iv) \*\*A vote withheld is not a vote in law and will not be counted in the calculation of the votes “For” and “Against” a resolution.
- (v) To be valid this form of proxy and any power of attorney or other authority under which it is executed (or a duly certified copy of such power of attorney) must be lodged with Computershare Investor Services (Guernsey) Limited, c/o The Pavilions, Bridgwater Road, Bristol, B99 6ZZ, or by e-mail to: #UKCSBRS.ExternalProxyQueries@computershare.co.uk. Alternatively, completed forms can be sent to the registered office of the Company c/o Maitland Administration (Guernsey) Limited, 3rd Floor, 1 Le Truchot, St Peter Port, Guernsey, GY1 1WD. All proxies must be received by no later than 11.00 a.m. BST on 8 September 2021, being 48 hours before the time appointed for the AGM. Completing and returning this form of proxy will not prevent you from attending the meeting and voting in person if you so wish.
- (vi) In order to revoke a proxy instruction, a member will need to send a signed hard copy notice clearly stating their intention to revoke a proxy appointment, together with the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of such power of attorney or authority, to the Company’s Registrar at the contact details noted above.
- (vii) A form of proxy executed by a corporation must be either under its common seal or signed by an officer or attorney duly authorised by that corporation.
- (viii) In the case of joint holdings, the signature of the first named member on the Register of Members will be accepted to the exclusion of the votes of the other joint holders.
- (ix) Pursuant to Regulation 41 of the Uncertificated Securities (Guernsey) Regulations 2009, entitlement to attend and vote at the meeting and the number of votes which may be cast thereat will be determined by reference to the Register of Members of the Company at close of business on the day which is two business days before the day of the meeting. Changes to entries on the Register of Members after that time shall be disregarded in determining the rights of any person to attend and vote at the meeting.