

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. IT CONTAINS A PROPOSAL RELATING TO TAYLOR MARITIME INVESTMENTS LIMITED (THE “COMPANY”) ON WHICH YOU ARE BEING ASKED TO VOTE. If you are in any doubt about the action you should take, you should immediately contact your stockbroker, accountant or other independent financial adviser, who is authorised under the Financial Services and Markets Act 2000 (as amended) (“FSMA”) if you are in the United Kingdom, or another appropriately authorised independent financial adviser if you are in a territory outside the United Kingdom.**

If you have sold or otherwise transferred all of your Ordinary Shares, please send this document, together with the accompanying Form of Proxy, at once to the purchaser or transferee or to the stockbroker, banker or other agent through whom the sale or transfer was effected, for onward transmission to the purchaser or transferee.

This document should be read as a whole. Your attention is drawn to the letter from the Chairman of the Company which is set out in this document and which recommends that you vote in favour of the Resolution to be proposed at the General Meeting. Your attention is also drawn to the section entitled “Action to be Taken” on page 12 of this document.

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## **TAYLOR MARITIME INVESTMENTS LIMITED**

*(Incorporated under the laws of Guernsey as a closed-ended investment company limited by shares  
with registered number 69031)*

### **NOTICE OF GENERAL MEETING**

**to consider the recommended proposal to amend the Existing Investment Policy**

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The Proposal described in this Circular is conditional on Shareholder approval at the General Meeting. Notice of the General Meeting to be held at Sarnia House, Le Truchot, St Peter Port, Guernsey GY1 1GR on 28 October 2022 at 10.00 a.m. for the purpose of considering and, if thought fit, passing the Resolution, is set out at the end of this Circular.

Shareholders are requested to complete and return the Form of Proxy in accordance with the instructions printed on it as soon as possible but, in any event, so as to be received by the Registrar, Computershare Investor Services (Guernsey) Limited by no later than 10.00 a.m. on 26 October 2022. If you hold your Ordinary Shares in uncertificated form (that is, in CREST) you may appoint a proxy by completing and transmitting a CREST Proxy Instruction in accordance with the procedures set out in the CREST Manual so that it is received by the Registrar by no later than 10.00 a.m. on 26 October 2022.

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## EXPECTED TIMETABLE

Date of publication of Circular	12 October 2022
Latest time and date for receipt of Forms of Proxy or transmission of CREST Proxy Instructions (as applicable)	26 October 2022
General Meeting	28 October 2022
Results of General Meeting announced	28 October 2022

**Note:**

Each of the times and dates in the expected timetable of events may be extended or brought forward without further notice. If any of the above times and/or dates change, the revised time(s) and/or date(s) will be notified to Shareholders by an announcement through a RIS provider. All times are London times.

## PART 1

# LETTER FROM THE CHAIRMAN OF TAYLOR MARITIME INVESTMENTS LIMITED

*(Incorporated under the laws of Guernsey as a closed-ended investment company limited by shares with registered number 69031)*

### *Directors*

Nicholas Lykiardopulo (*Non-executive Chairman*)  
Edward Buttery (*Chief Executive Officer*)  
Christopher Buttery (*Non-executive Director*)  
Helen Tveitan (*Non-executive Director*)  
Trudi Clark (*Non-executive Director*)  
Sandra Platts (*Non-executive Director*)

### *Registered Office*

Sarnia House  
Le Truchot  
St Peter Port  
Guernsey  
GY1 1GR

12 October 2022

Dear Shareholders,

### **Recommended proposal to amend the Existing Investment Policy**

**and**

### **Notice of General Meeting**

## **1. INTRODUCTION**

The Company is an internally managed investment company which was incorporated on 31 March 2021, with ordinary shares of no par value in the capital of the Company (the **Ordinary Shares**). The Ordinary Shares were admitted to listing on the premium listing segment (closed-ended investment fund category) and trading on the Main Market of the London Stock Exchange on 27 May 2021 (**Admission**). The Company was established with the investment objective of providing investors with an attractive level of regular, stable and growing income and the potential for capital growth through investing primarily in vessels, usually employed or to be employed on fixed period charters.

Since Admission, the Company raised a further USD 75 million through an equity raise in July 2021, the net proceeds of which having been deployed in accordance with the Company's investment objective and policy. The Company's first set of audited final results for the financial period ended 31 March 2022 were published on 14 July 2022. As at 30 June 2022, the Company was invested in a fleet of 27 vessels with a market value of USD 542 million and the unaudited Net Asset Value of the Company was USD 591 million<sup>1</sup>.

In order to facilitate a broader range of investment transactions by the Company such as the Proposed Acquisition (as defined and described in paragraph 2 of Part 1 of this Circular), the Board has concluded that amendments to the Existing Investment Policy as detailed in paragraph 4 of Part 1 of this Circular would be in the best interests of the Company and are necessary for the Company to proceed with the Proposed Acquisition of Grindrod Shipping.

The proposed amendments are considered to constitute a material change to the Company's published Investment Policy. Therefore, pursuant to LR 15.4.8(2) of the Listing Rules, the Company is required to obtain the approval of the Company's Shareholders by way of an Ordinary Resolution. The FCA has given its prior approval to the proposed amendments.

The purpose of this Circular is to convene a General Meeting at which the Resolution will be proposed, to provide shareholders with details of the Proposal, to explain why the Board considers the Proposal to be in

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<sup>1</sup> The Net Asset Value figure reflects other investment assets and cash.

the best interests of the Company as a whole and to recommend that the Shareholders vote in favour of the Resolution.

## 2. BACKGROUND TO AND RATIONALE FOR PROPOSED CHANGES TO THE INVESTMENT POLICY

### *Introduction*

The Company wishes to broaden its Investment Policy to enable it to undertake a wider variety of investments in accordance with its investment objective, including acquiring majority stakes in shipping companies (such as through the Proposed Acquisition) in addition to the direct acquisition of vessels. The proposed changes are not designed to detract from the Company's overall objective, policy and investment philosophy and the underlying investment proposition will remain the same.

### *The Proposed Acquisition*

On 28 January 2022, the Company completed the acquisition of a 22.6% stake in Grindrod Shipping Holdings Ltd (**Grindrod Shipping**), a Singapore incorporated, dry bulk owner operator that is dual listed on NASDAQ and the Johannesburg Stock Exchange, for cash consideration of USD 77.9 million via a private, off-market acquisition from a wholly-owned subsidiary of Remgro Limited, Grindrod Shipping's then largest shareholder. Taken together with Grindrod Shipping shares purchased by the Company on the open market, the Company's aggregate interest in Grindrod Shipping is currently approximately 26%.

Grindrod Shipping owns 25 vessels including 15 Handysize vessels and 10 Supramax and Ultramax vessels. Grindrod Shipping also has a further six Supramax and Ultramax vessels which are "chartered-in" on long term leases.

As set out in the Company's announcement on 12 October 2022 (the **Announcement**), the Company has announced, via its wholly-owned subsidiary, Good Falkirk (MI) Limited (the **Offeror**), a formal takeover offer to acquire the entire issued and to be issued share capital of Grindrod Shipping not already owned by the Offeror by way of a takeover offer for cash structured as a voluntary general offer governed by the Singapore Code on Takeovers and Mergers (the **Proposed Acquisition**).

The consideration payable by the Offeror pursuant to the terms of the Proposed Acquisition comprises a cash payment of USD 21 per Grindrod Shipping share and the payment by Grindrod Shipping of a special dividend of USD 5 per Grindrod Shipping share to shareholders of Grindrod Shipping, representing an aggregate transaction value of USD 26 per Grindrod Shipping share and valuing Grindrod Shipping's existing issued and to be issued ordinary share capital at approximately USD 506 million on a fully diluted basis. The Company will be financing the cash consideration payable under the Proposed Transaction out of its own cash resources and a new acquisition finance facility arranged by Nordea Bank Abp, filial i Norge (the **New Facility**) comprising (1) a term loan facility in a principal amount not exceeding USD 163,330,000 (the **Term Loan**) and (2) a top up term loan in a principal amount not exceeding USD 45,000,000 (the **Top Up Facility**). The rate of interest payable in respect of the New Facility is the percentage rate per annum which is the aggregate of the applicable term SOFR reference rate, the relevant credit adjustment spread and a margin of 3.10 basis points (in respect of the Term Loan) and 3.85 basis points (in respect of the Top Up Facility).

The amount to be drawn down under the New Facility will depend on the level of holding that the Company acquires in Grindrod Shipping under the Proposed Transaction. The minimum size of the stake in Grindrod Shipping that will be acquired pursuant to the Proposed Acquisition is shares carrying voting rights to more than 50% of the voting capital of Grindrod Shipping, but this could rise to 100%, depending on the level of valid tenders received from Grindrod Shipping shareholders. The amount that the Company will be required to borrow under the New Facility ranges from zero at an ownership interest of 50.1% to approximately USD 175 million at 100%. Sums drawn down under this facility will be guaranteed by the Company and will also be secured by, among other things, a pledge over the Offeror's shareholding in Grindrod Shipping following the Proposed Transaction. In addition, the Company will provide collateral security over a pool of vessels within its existing portfolio of assets.

At the maximum draw down under the New Facility, the Company's borrowings would represent just under 40% of its Gross Assets. Accordingly, in order to facilitate the Proposed Acquisition, it is also proposed that the Company would increase its current gearing limit within its Investment Policy to 40% of gross assets on an exceptional basis, with a commitment to bring gearing back within the current limit of 25% of gross assets within 18 months of the entry into of such facility through a combination of vessel sales and cash generation. The Directors are confident in the Company's ability to generate sufficient cash to reduce such overall borrowings within this timeframe. The potential consequences of failing to reduce such borrowings back to 25% of Gross Assets are described further under "Risk Factors" below.

The Directors believe there is a strong strategic, operational and financial rationale for the Proposed Acquisition which affords a number of significant benefits to the Company and its Shareholders, including:

- The Proposed Acquisition represents the logical next move to consolidate the Group's existing 26% minority stake in Grindrod Shipping into a controlling stake, to facilitate a combined fleet which will benefit from a larger commercial footprint in the market and should benefit from economies of scale achievable in the management of a larger fleet of vessels;
- The Company and Grindrod Shipping have highly complementary fleets and are a natural operational fit – the combined fleet of mid-sized ships will comprise 58 vessels (including 6 chartered-in ships 4 of which have purchase options) all geared (of which 53 are Japanese built), in a segment characterised by attractive longer-term fundamentals;
- The Enlarged Group should benefit from enhanced resilience and improved market access to face potentially more difficult macro environments and in the face of future incoming shipping regulations relating to the environment;
- The Proposed Transaction is expected to be earnings accretive to the Company. This reflects the Company's strategy to deliver enhanced shareholder value, with a commitment to reduce post transaction debt to ensure a sustainable low leverage capital structure underpinning long term dividends and Net Asset Value performance;
- The Proposed Transaction is also expected to be NAV enhancing for the Company; and
- Following the Proposed Acquisition, the Company's dividend policy is expected to remain unchanged, with the Company continuing to target an annual dividend yield of 8% p.a. (on the Initial Issue Price) with the potential for further growth afforded by the Proposed Acquisition in due course. The Company will also continue to target a Total NAV Return of 10 to 12% p.a. (net of expenses and fees but excluding any tax payable by Shareholders) over the medium to long term<sup>2</sup>.

#### ***Reasons for the proposed changes to the Investment Policy***

As the Existing Investment Policy contemplates investment by the Company in non-wholly owned structures, such as the existing investment in Grindrod Shipping, and notes that the Company will seek, wherever possible, to have a controlling interest, it is arguable that the Proposed Acquisition falls within that policy. However, it has been determined that the policy should be amended to expressly contemplate an acquisition of a "Target Company" including as contemplated by the Proposed Acquisition. It is proposed that no single majority or entire investment in a Target Company shall exceed 40% of gross assets on an exceptional basis, with a commitment to bring the investment exposure down to a maximum of 30% of gross assets within 18 months through a combination of vessel sales and group restructuring. The revised investment policy and investment restrictions set out in the schedule to this letter provides further details on how this test will be measured. The Company's exposure to Grindrod Shipping is expected to range between 23% and 38% of the Company's gross assets, depending on the size of stake acquired by the Company at completion of the Proposed Transaction.

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<sup>2</sup> Shareholders should note that the targeted annualised dividend yield and targeted Total NAV Return are targets only and not profit forecasts and there can be no assurance that either will be met or that any dividend or capital growth will be achieved. For the above purposes, Total NAV Return measures the percentage change in NAV per Share taking into account both capital returns and dividends paid to Shareholders (with dividends assumed to be re-invested).

Further, in order to facilitate larger investments such as the Proposed Acquisition and the drawing of sums under the New Facility (as described above), the Company proposes to increase its current gearing limit within its Investment Policy. Such borrowing limit will be increased to 40% of gross assets on an exceptional basis, with a commitment to bring gearing back within the current limit of 25% of gross assets within 18 months through a combination of vessel sales and cash generation. As such, and as detailed in the Announcement, the Proposed Acquisition is conditional on, amongst other things, the passing of the Resolution at the General Meeting.

On completion of the Proposed Transaction, the exposure to any single underlying vessel will remain well below the 20% of NAV diversification limit in the Company's Investment Policy. Following completion of the Proposed Acquisition, the Company will consider the feasibility of restructuring the Grindrod Shipping group such that each vessel (or vessel holding SPV) currently held by Grindrod Shipping would be separated from the current Grindrod Shipping group and held in the same manner as the Company's current vessels.

### **3. PROPOSAL**

The Company is proposing to amend its Existing Investment Policy in the manner set out in paragraph 4 of Part 1 of this Circular (the **Proposal**).

The Proposal is subject to the approval of Shareholders by way of Ordinary Resolution (the **Resolution**) and this Circular contains a notice of General Meeting at which the Resolution to approve the Proposal will be considered. The Proposal, if approved by the Shareholders, will result in the Company adopting the New Investment Policy with effect from the conclusion of the General Meeting.

In the event that the Resolution to be proposed at the General Meeting is not passed, the Company will continue to operate under its Existing Investment Policy and will not be able to complete the Proposed Acquisition.

Your attention is drawn to the Notice convening the General Meeting to be held at Sarnia House, Le Truchot, St Peter Port, Guernsey GY1 1GR on 28 October 2022 at 10.00 a.m. at which Shareholders will be asked to consider and, if thought fit, approve the Resolution. A summary of the action you should take is set out in paragraph 7 of Part 1 of this Circular and on the Form of Proxy that accompanies this Circular.

**THE RESOLUTION IS IMPORTANT TO THE COMPANY AND THE BOARD CONSIDERS THAT THE PROPOSAL IS IN THE BEST INTERESTS OF SHAREHOLDERS AS A WHOLE AND ACCORDINGLY RECOMMENDS THAT SHAREHOLDERS VOTE IN FAVOUR OF THE RESOLUTION TO BE PROPOSED AT THE GENERAL MEETING.**

### **4. NEW INVESTMENT POLICY**

For the reasons set out in paragraph 2 of Part 1 of this Circular above, the Company is proposing to amend its Existing Investment Policy to allow for the Proposed Acquisition and to increase its current gearing limit within its Investment Policy to 40% of gross assets on an exceptional basis. All other material terms remain the same. Other minor amendments are proposed to be made to the Existing Investment Policy to reflect that the Company has been implementing its Investment Policy for over a year.

It is proposed that, if the Proposal is approved, the New Investment Policy of the Company will be as follows (with the proposed changes from the Existing Investment Policy indicated in blacklining):

#### **Investment Objective**

The Company's investment objective is to provide investors with an attractive level of regular, stable and growing income and the potential for capital growth through investing primarily in vessels, usually employed or to be employed on fixed period Charters.

## Investment Policy

In order to achieve its investment objective, the Company will invest in a diversified Portfolio of vessels which will primarily be second-hand and which historically have demonstrated average yields in excess of the Company's target dividend yield from time to time and are capable of being acquired at valuations that are expected to be below long-term average prices or depreciated replacement cost. ~~Following completion of the Seed Asset Acquisition Agreements, it is expected that the Company's initial assets will comprise the Seed Portfolio of 23 Geared Ships.~~

It is intended that the Company will hold vessels through SPV(s) which will be wholly owned and controlled by the Company and may be held through an intermediate holding company. The Company may acquire vessels through asset purchases (in which case the vessel will be transferred to an SPV) or through the acquisition of the relevant vessel owning SPV. The Company may, in exceptional circumstances, also invest in vessels through joint ventures with other parties or other non-wholly-owned structures, although, in such circumstances, the Company will seek, wherever possible, to have a controlling interest. The Company may also acquire interests (including minority, majority and entire interests) in shipping businesses and companies ("Target Companies") whose business includes the ownership of vessels provided that no single such investment in a Target Company will exceed (i) 30 per cent of Gross Asset Value in the case of a minority investment and (ii) 40 per cent of Gross Asset Value in the case of an investment that confers majority or entire ownership and where such investment exposure shall be reduced to a maximum of 30 per cent of Gross Asset Value within 18 months of completion of an acquisition of an investment interest that takes the Company's total exposure to such investment to more than 30 per cent of Gross Asset Value. No single vessel in the relevant Target Company's portfolio of vessels shall represent more than 20 per cent of Net Asset Value.

The Company will pursue a balanced employment strategy, comprising short term Charters (less than 6 months), medium term Charters (more than 6 months) and long-term Charters (greater than a year) which will benefit from staggered renewals, with a view to flattening the income curve.

## Investment Restrictions

The Company will observe the following investment restrictions calculated, where relevant, at the point of investment:

- no single total investment in a Target Company will exceed (i) 30 per cent of Gross Asset Value in the case of a minority investment and (ii) 40 per cent of Gross Asset Value in the case of an investment that confers majority or entire ownership in which case such investment exposure shall be reduced to a maximum of 30 per cent of Gross Asset Value (the "Scale Down") within 18 months of completion of an investment interest that takes the Company's total exposure to such investment to more than 30 per cent of Gross Asset Value (the "Longstop Date");
- no single vessel will represent more than 20 per cent of Net Asset Value;
- exposure to any one charterer will not exceed 25 per cent of Net Asset Value;
- exposure to the spot market, (being the market in which vessels are employed using single voyage employment contracts) will not account for more than 25 per cent of Net Asset Value;
- no investment will be made in cruise ships, passenger ships, Ro-Ros, tugboats and barges, offshore vessels, livestock carriers or ferries;
- no investment will be made in other closed ended investment companies; and
- no vessel will be registered under the laws of a country which is not included in the white list of the Paris Memorandum of Understanding (or the equivalent of this list) or if doing so would be contrary to any sanction or prohibition imposed by the United Nations, the United States, the European Union or the United Kingdom.

For the purposes of measurement of the proportionate exposure to a Target Company: (a) Gross Asset Value shall be measured by reference to the Gross Asset Value at the time of investment and, where the Scale Down applies, by reference to the Gross Asset Value at the Longstop Date; and (b) the investment (or where made in successive tranches, the relevant tranche of such investment) shall be valued at cost at the time of making that investment or tranche of investment (as the case may be).

References in the investment restrictions detailed above to “invest in” shall relate to the Company’s interest held through SPV(s).

### **Borrowing Policy**

The Company does not intend to employ any long-term or structural borrowings, save in limited circumstances, such as, temporarily, on acquiring vessel owning entities which are leveraged with debt and prior to the post-acquisition repayment of such debt.

The Company does, however, expect to utilise short term borrowing, including but not limited to the Revolving Credit Facility, which the Group has entered into to assist with the acquisition of vessels, and the repayment of debt on certain vessels.

The Company’s aggregate borrowings (of whatever nature) shall not ~~exceed 25 per cent of Gross Assets measured at the point of time of entry into or acquiring such debt~~, in any circumstances, exceed the Maximum Aggregate Gearing Limit (as defined below).

The “Maximum Aggregate Gearing Limit” shall be 25 per cent of Gross Assets, save where the Company utilises acquisition financing to finance the acquisition of an interest in a Target Company in accordance with its investment policy, in which case it shall be a maximum of 40 per cent of Gross Assets.

Where the Company has entered into an acquisition finance facility or facilities and the Maximum Aggregate Gearing Limit is 40 per cent of Gross Assets, the Company shall reduce aggregate borrowings through vessel sales and cash generation such that the Maximum Aggregate Gearing Limit is returned to no more than 25 per cent of Gross Assets within 18 months of the entry into of such facility.

### **Hedging and derivatives**

Shipping assets are generally valued in and earn USD. Therefore, there should be no material currency risk. However, the Company may make limited investments denominated in currencies other than USD including Sterling and Euros. In the event of the Company making such investments, the Company will use its judgement, in light of the Company’s investment policy, in deciding whether or not to affect any currency hedging in relation to any such investments.

In addition to interest rate and currency hedging (as described above) the Company (through its SPV(s)) with the approval of the Board may, exceptionally, enter into other shipping specialised hedging arrangements, such as bunker hedging against the cost of fuel exposure and hedging through Forward Freight Agreements (“FFAs”) against the freight market exposure.

### **Cash management**

Pending investment, cash will be temporarily invested in cash or cash equivalents, money market instruments, bonds, commercial paper or other debt obligations with banks or other counterparties having a single -A (or equivalent) or higher credit rating as determined by an internationally recognised rating agency.

The Company may appoint a suitably qualified service provider to undertake cash management if the Board considers it is in the best interests of Shareholders to do so.

## **Amendments to and compliance with the Company's investment policy**

No material change will be made to the Company's investment policy without the approval of Shareholders by ordinary resolution.

In the event of a breach of the investment policy set out above, if the Board considers the breach to be material, notification will be made to a Regulatory Information Service and the Company will seek to resolve the breach as soon as reasonably practicable.

## **5. RISK FACTORS**

The following represents certain risks relating to the Proposal. These are not exhaustive.

### **5.1 *Risk of the proposed amendments to the investment policy not being approved by Shareholders***

Whilst the Company can still deliver on its investment objectives under the Existing Investment Policy, if the proposed amendments to the Existing Investment policy are not approved by Shareholders, the Company will be unable to proceed with the Proposed Acquisition as it falls outside of the scope of the Company's Existing Investment Policy. The Proposed Acquisition is therefore conditional on the Resolution being duly passed.

### **5.2 *Risk of more concentrated portfolio of the Company and larger investments***

The changes to the Investment Policy will permit majority investment in operating shipping businesses that may represent a significant percentage of the Company's gross assets. Further, investment in such companies may present certain additional risks when compared with the direct ownership of vessels (or the special purpose vehicles holding such vessels) given the operational activities of such companies beyond the core activity of ship ownership.

Whilst the Company will undertake due diligence in connection with any investment in a Target Company, and has undertaken such exercise in relation to the Proposed Acquisition, there can be no assurance that any due diligence carried out in connection with any such investment, will reveal all of the liabilities of the Target Company or the risks associated with that investment or the full extent of such risks including the impact of any provisions of agreements entered into by a Target Company affected by the acquisition of majority ownership.

To the extent that the Company acquires a majority interest in a Target Company, but not complete ownership, the operation of a Target Company may be subject to certain additional considerations arising from the continued involvement of minority shareholders and (where applicable) a continued listing on a stock exchange and/or regulatory registrations. In particular, absent acquiring a level of ownership at which a minority compulsory acquisition procedure can be effected in relation to the Proposed Acquisition, Grindrod Shipping may be required to retain its market listings on NASDAQ and the Johannesburg Stock Exchange until such time as any necessary shareholder and/or regulatory approvals are obtained.

### **5.3 *Risk of failure to reduce concentration limits with 18 months***

Whilst the Company expects to comply with the respective reduced concentration limits at the end of the 18 month period specified in the New Investment Policy, if that were not to be the case, the Company would have to consider remedial action which may include seeking approval for a move to the Specialist Fund Segment of the London Stock Exchange at the end of such 18 month period.

### **5.4 *Risk of higher gearing of the Company***

The New Investment Policy affords the Company with a higher level of potential gearing. In order to finance the Proposed Acquisition, the Company has entered into the New Facility, utilisation of which will be dependent on the passing of the Resolution. As a result of the New Facility, the Company is proposing an increase in its borrowings limit as described above. An increase in the borrowings of the

Company will increase the amount of interest which the Company pays on its borrowings and will expose the Company to certain additional risks.

Under the terms of the New Facility, which will be secured over the Offeror's investment in Grindrod Shipping and also be subject to certain additional security provided by the Company (including over certain existing vessels in the Company's portfolio), the Company is required to comply with various covenants including, in particular, the covenant to pay amounts of principal and interest.

In the event the Company's portfolio generates insufficient income, the Company would be unable to meet its obligations to pay principal and interest under the New Facility and/or under any existing financing arrangements. This would result in an event of default which may result in the lenders, or an agent thereof, recalling or accelerating the debt. Payments of principal and interest under the New Facility may impact the Company's ability to pay dividends or the amount of such dividends.

If an investment is sold, Shareholders may only receive the proceeds of sale which are remaining after deducting the repayments under the relevant loan facility. There may be no proceeds left after such deduction. This could adversely affect the ability of the Company to meet its investment objective and result in the substantial loss of an investor's investment.

**5.5 *Risk of the Company not achieving its investment objective such that investors may not get back the full value of their investment***

The success of the Company will depend on the ability of the Board and the executive team to pursue the Investment Policy successfully and on broader market conditions. The Company may not be successful in pursuing the New Investment Policy or may not be able to identify and complete investments on attractive terms, generate the target or any investment returns for the Company's investors or avoid investment losses. The investment objective of the Company is an objective only. Failure to achieve the Company's investment objective could occur because of a failure to acquire vessels or a failure to acquire vessels on favourable terms. Such failures are likely to have an adverse effect on the value of the Portfolio, the Company's target returns, the Company's financial condition, results of operations and prospects, with a consequential adverse effect on returns to Shareholders and the market value of the Ordinary Shares.

## **6. GENERAL MEETING**

The Resolution is subject to Shareholder approval. A General Meeting of the Company will be held at Sarnia House, Le Truchot, St Peter Port, Guernsey GY1 1GR on 28 October 2022 at 10.00 a.m. for the purpose of approving the Resolution. The business to be considered at the General Meeting is contained in the Notice of General Meeting set out in Part 3 of this Circular. A Form of Proxy to be used in connection with the General Meeting is enclosed.

At the General Meeting, the Resolution will be proposed as an Ordinary Resolution and, as such, will require the approval of a simple majority of Shareholders present by a show of hands or, if a poll is demanded, the total voting rights held by Shareholders cast at the General Meeting (in each case, whether voted by Shareholders in person or by proxy).

The quorum for the General Meeting will be two (2) or more members present in person or by proxy. If within half an hour after the time appointed for the General Meeting a quorum is not present, the General Meeting shall stand adjourned to the next Business Day at the same time and place or to such other day and at such other time and place as the Board may determine and no notice of adjournment is required.

Further explanatory notes are provided in the notes on page 17 of this Circular.

## **7. ACTION TO BE TAKEN**

### ***Voting at the General Meeting***

If you are a Shareholder, you will find enclosed with this Circular a Form of Proxy for use in connection with the General Meeting. Whether or not you intend to be present in person at the General Meeting, you are requested to complete and return the Form of Proxy in accordance with the instructions printed on it as soon as possible but, in any event, so as to be received by the Registrar, Computershare Investor Services (Guernsey) Limited, c/o The Pavilions, Bridgwater Road, Bristol BS99 6ZY no later than 10.00 a.m. on 26 October 2022.

If you hold your Ordinary Shares in uncertificated form (that is, in CREST) you may appoint a proxy by completing and transmitting a CREST Proxy Instruction in accordance with the procedures set out in the CREST Manual so that it is received by the Registrar (under CREST participant ID 3RA50) by no later than 10.00 a.m. on 26 October 2022. CREST members may choose to use the CREST electronic proxy appointment service in accordance with the procedures set out in the notes to the Form of Proxy and the Notice of General Meeting.

Unless the Form of Proxy or CREST Proxy Instruction (as applicable) is received by the relevant date and time specified above, it will be invalid.

Completion and return of the Form of Proxy or the submission of a CREST Proxy Instruction will not preclude you from attending and voting in person at the General Meeting if you wish to do so.

## **8. RECOMMENDATION, VOTING UNDERTAKINGS AND INTENTIONS**

The Board considers that the Proposal is in the best interests of the Shareholders as a whole and accordingly recommends that Shareholders vote in favour of the Resolution to be proposed at the General Meeting.

The Directors have undertaken to vote in favour of the Resolution in respect of their own beneficial holdings, which amount in aggregate to 3,618,476 Ordinary Shares and represent approximately 1.1 per cent. of the Company's issued share capital as at 11 October 2022 (being the latest practicable date prior to the publication of this Circular).

Undertakings to vote in favour of the Resolution have also been received from certain Shareholders (excluding the Directors referred to above) which amount in aggregate to 41,946,549 Ordinary Shares and represent approximately 12.7 per cent. of the Company's issued share capital as at 11 October 2022 (being the latest practicable date prior to the publication of this Circular).

Letters of intent to vote in favour of the Resolution have also been received from certain Shareholders which amount in aggregate to 78,606,747 Ordinary Shares and represent approximately 23.8 per cent. of the Company's issued share capital as at 11 October 2022 (being the latest practicable date prior to the publication of this Circular).

Yours faithfully

**Nicholas Lykiardopulo**  
*Chairman*

## PART 2

### DEFINED TERMS

<b>“Admission”</b>	has the meaning given at paragraph 1 of Part 1 of this Circular;
<b>“Announcement”</b>	has the meaning given at paragraph 2 of Part 1 of this Circular;
<b>“Board”</b>	the directors of the Company from time to time;
<b>“Business Day”</b>	any day on which banks are generally open for business in London and Guernsey other than a Saturday or Sunday;
<b>“Circular”</b>	this document containing the Notice of General Meeting;
<b>“Company”</b>	Taylor Maritime Investments Limited (Guernsey registered number 69031) which, when the context so permits, shall include any intermediate holding company of the Company SPVs and other subsidiaries;
<b>“CREST”</b>	the computerised settlement system operated by Euroclear which facilitates the transfer of title to shares in uncertificated form;
<b>“CREST Manual”</b>	the compendium of documents entitled CREST Manual issued by Euroclear from time to time and comprising the CREST Reference Manual, the CREST Central Counterparty Service Manual, the CREST International Manual, CREST Rules, CCSS Operations Manual and the CREST Glossary of Terms;
<b>“CREST Proxy Instruction”</b>	an instruction allowing holders of Ordinary Shares in uncertificated form (that is, in CREST) to appoint a proxy by completing and transmitting a CREST Proxy Instruction;
<b>“Directors”</b>	the directors of the Company as of the date of this Circular;
<b>“Enlarged Group”</b>	the Group as enlarged by the Proposed Acquisition;
<b>“Euroclear”</b>	Euroclear UK & Ireland Limited, being the operator of CREST;
<b>“Existing Investment Policy”</b>	the investment policy of the Company as detailed in the prospectus of the Company dated 7 May 2021;
<b>“FCA”</b>	the United Kingdom Financial Conduct Authority (or any successor entity or entities);
<b>“Form of Proxy”</b>	form of proxy accompanying this Circular to be used in connection with the General Meeting;
<b>“FSMA”</b>	the Financial Services and Markets Act 2000, as amended from time to time;
<b>“General Meeting”</b>	the general meeting of the Company to be held at Sarnia House, Le Truchot, St Peter Port, Guernsey GY1 1GR on 28 October 2022 at 10.00 a.m.;
<b>“Grindrod Shipping”</b>	has the meaning given at paragraph 2 of Part 1 of this Circular;

<b>“Gross Asset Value” or “Gross Assets”</b>	the aggregate of the fair value of all underlying vessels and all other assets of the Group in accordance with the Group’s usual accounting policy;
<b>“Group”</b>	the Company, TMI Holdco Limited and all its subsidiary undertakings (including the SPVs);
<b>“Investment Policy”</b>	the investment policy of the Company, as published from time to time;
<b>“Listing Rules”</b>	the listing rules made by the UK Listing Authority under section 73A of the FSMA;
<b>“London Stock Exchange”</b>	London Stock Exchange plc;
<b>“NAV” or “Net Asset Value”</b>	the value, as at any date, of the assets of the Company after deduction of all liabilities of the Company and in relation to a class of Shares in the Company, the value, as at any date of the assets attributable to that class of Shares after the deduction of all liabilities attributable to that class of Shares determined in accordance with the accounting policies adopted by the Company from time-to-time;
<b>“New Investment Policy”</b>	the proposed investment policy for the Company as set out at paragraph 4 of Part 1 of this Circular, with changes to the Existing Investment Policy showing in track change;
<b>“New Facility”</b>	has the meaning given at paragraph 2 of Part 1 of this Circular;
<b>“Notice” or “Notice of General Meeting”</b>	the notice convening the General Meeting to be held at Sarnia House, Le Truchot, St Peter Port, Guernsey GY1 1GR on 28 October 2022 at 10.00 a.m., as set out at the end of this Circular;
<b>“Offeror”</b>	has the meaning given at paragraph 2 of Part 1 of this Circular;
<b>“Ordinary Resolution”</b>	an ordinary resolution set out in the Notice of General Meeting and to be proposed at the General Meeting, which requires a simple majority of the Shareholders present in person or by proxy and entitled to vote and voting at the meeting;
<b>“Ordinary Shares”</b>	redeemable ordinary shares of no par value in the capital of the Company;
<b>“Portfolio”</b>	the investment portfolio of the Company;
<b>“Proposal”</b>	the proposal contained in this Circular to amend the Existing Investment Policy;
<b>“Proposed Acquisition”</b>	has the meaning given at paragraph 2 of Part 1 of this Circular;
<b>“Registrar” or “Computershare”</b>	Computershare Investor Services (Guernsey) Limited, in its capacity as the Company’s registrar, pursuant to the Registrar Agreement;
<b>“Registrar Agreement”</b>	the registrar agreement dated 6 May 2021 between the Company and the Registrar;
<b>“Resolution”</b>	has the meaning given at paragraph 3 of Part 1 of this Circular;
<b>“RIS”</b>	a regulatory information service;

<b>“Shareholders”</b>	the holders of Ordinary Shares;
<b>“SPVs”</b>	corporate entities, formed and wholly owned (directly or indirectly) by the Company, specifically to hold one or more vessels, and including (where the context permits) any intermediate holding company of the Company;
<b>“Target Company”</b>	has the meaning defined in the New Investment Policy;
<b>“Term Loan”</b>	has the meaning given at paragraph 2 of Part 1 of this Circular;
<b>“Top Up Facility”</b>	has the meaning given at paragraph 2 of Part 1 of this Circular;
<b>“United Kingdom” or “UK”</b>	the United Kingdom of Great Britain and Northern Ireland;
<b>“USD”</b>	US dollars, the lawful currency of the United States.

## PART 3

### NOTICE OF GENERAL MEETING

#### TAYLOR MARITIME INVESTMENTS LIMITED

*(Incorporated under the laws of Guernsey as a closed-ended investment company limited by shares  
with registered number 69031)*

**NOTICE IS HEREBY GIVEN** that a general meeting of Taylor Maritime Investments Limited (the “**Company**”) will be held at Sarnia House, Le Truchot, St Peter Port, Guernsey GY1 1GR on 28 October 2022 at 10.00 a.m. to consider and, if thought fit, pass the following resolution which will be proposed as an Ordinary Resolution.

#### ORDINARY RESOLUTION

**THAT** the Investment Policy of the Company be amended as described in paragraph 4 of Part 1 of the circular to Shareholders of the Company (the “**Circular**”) and be adopted in the form produced to the meeting and initialled by the Chairman for the purpose of identification as the New Investment Policy of the Company in substitution for, and to the exclusion of, the Existing Investment Policy.

Save where the context requires otherwise, the definitions contained in the Circular shall have the same meanings where used in this Resolution.

**By order of the Board**

Dated 12 October 2022

Sanne Fund Services (Guernsey) Limited  
for and on behalf of **Taylor Maritime Investments Limited**  
*Company Secretary*

**Notes:**

1. A shareholder is entitled to appoint another person as his proxy to exercise all or any of his rights to attend and to speak and vote at the General Meeting. A shareholder may appoint more than one proxy in relation to the General Meeting provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that shareholder. If you submit more than one valid proxy, the proxy received last before the latest time for the receipt of proxies will take precedence. If the Company is unable to determine which proxy was last validly received, none of them shall be treated as valid in respect of the same. A proxy need not also be a shareholder of the Company.
2. Shareholders will find enclosed a form of proxy for use in connection with the General Meeting (and any adjournment). The form of proxy should be completed in accordance with the instructions. To be valid, the form of proxy (together with the power of attorney or other authority, if any, under which it is executed or a notarially certified copy of such power or authority) must be deposited at the offices of the Registrar at the following address:

Computershare Investor Services (Guernsey) Limited,  
c/o the Pavilions,  
Bridgwater Road,  
Bristol BS99 6ZY

or by email: #UKCSBRS.ExternalProxyQueries@computershare.co.uk by 10.00 a.m. on 26 October 2022. Where a form of proxy is given by email the power of attorney or other authority, if any, under which it is executed or a notarially certified copy of such power or authority must be deposited at the offices of the Registrar at the above address by the appointed time. A space has been included in the form of proxy to allow shareholders to specify the number of shares in respect of which that proxy is appointed. Shareholders who return the form of proxy duly executed but leave this space blank will be deemed to have appointed the proxy in respect of all of their shares. Shareholders who wish to appoint more than one proxy in respect of their shareholding should contact the Registrar, on their helpline number: 0370 707 4040 from within the UK or on +44 370 707 4040 if calling from outside the UK for additional forms of proxy, or you may photocopy the form of proxy provided with this document indicating on each copy the name of the proxy you wish to appoint and the number of ordinary shares in the Company in respect of which the proxy is appointed. All forms of proxy should be returned together in the same envelope.

3. In the case of joint holders, any one holder may vote. If more than one holder is present at the meeting, only the vote of the senior will be accepted, seniority being determined in the order in which the names appear on the register of members of the Company.
4. The total issued share capital of the Company as at the date of this Notice of General Meeting is 330,215,878 Ordinary Shares. Pursuant to the articles of association, on a show of hands every member (being an individual) present in person or by proxy or (being a corporation) present by a duly authorised representative shall have one vote on a show of hands, and one vote per Ordinary Share on a poll (other than the Company itself where it holds its own shares as treasury shares). As at the date of this Notice of General Meeting, there are no outstanding warrants and/or options to subscribe for Ordinary Shares and there are no treasury shares in issue.
5. A corporate shareholder may by resolution of its board or other governing body, authorise such person or persons as it thinks fit to act as its representative at the General Meeting. Where a person is authorised to represent a corporate shareholder, he may be required to produce a certified copy of the resolution from which he derives his authority.
6. To be entitled to attend and vote at the General Meeting (and for the purpose of the determination by the Company of the votes they may cast), shareholders must be registered in the register of members of the Company at 6.00 p.m. on 26 October 2022 or, in the event of any adjournment, at 6.00 p.m. on the date which is two days before the time of the adjourned meeting. Changes to entries on the register of members after the relevant deadline shall be disregarded in determining the rights of any person to attend and vote at the General Meeting.
7. CREST members who wish to appoint a proxy or proxies by utilising the CREST electronic proxy appointment service may do so for the General Meeting (and any adjournments thereof) by utilising the procedures described in the CREST Manual. 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 providers, who will be able to take the appropriate action on their behalf.
8. In order for a proxy appointment made by means of CREST to be valid, the appropriate CREST Proxy Instruction must be properly authenticated in accordance with Euroclear UK & Ireland Limited's specifications and must contain the information required for such instructions, as described in the CREST Manual. The message must be transmitted so as to be received by the Registrar, by the latest time for receipt of proxy appointments specified in this Notice of 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 issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST.
9. CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear UK & Ireland Limited 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 personal member or sponsored member or has appointed a voting service provider, to procure that his CREST sponsor or voting service provider takes) 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 limitations of the CREST system and timings. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 34 of the Uncertificated Securities (Guernsey) Regulations 2009.





