

DATED 11 JANUARY 2011

(1) FORESIGHT 4 VCT PLC

(2) FORESIGHT GROUP LLP

CARRIED INTEREST AGREEMENT

- relating to -

FORESIGHT 4 VCT PLC

Ref: KXP/FO689.8



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THIS AGREEMENT is made on

11th January

2011.

BETWEEN:

- (1) **FORESIGHT 4 VCT PLC**, a public limited company registered in England and Wales with registered number 03506579, whose registered office is at ECA Court, 24-26 South Park, Sevenoaks, Kent TN13 1DU ("the Company"); and
- (2) **FORESIGHT GROUP LLP**, a limited liability partnership registered in England and Wales with registered number OC300878, whose registered office is at ECA Court, 24-26 South Park, Sevenoaks, Kent TN13 1DU ("the Rights Holder").

INTRODUCTION

- (1) The Company is a venture capital trust under section 259 of the Income Tax Act 2007.
- (2) By an agreement dated 24 July 2004, the Rights Holder was appointed as the investment manager to the Company.
- (3) The Company has granted existing carried interest rights to the Rights Holder under a number of agreements in respect of the management of the Company's existing assets.
- (4) The Rights Holder has agreed to the termination of the existing carried interest rights in consideration of the Company granting new carried interest rights on the terms set out in this agreement.

IT IS AGREED as follows:

1. DEFINITIONS

- 1.1 The following expressions shall unless the context otherwise requires have the following meanings:

"Auditors"	the auditors of the Company for the time being;
"Board"	the board of directors of the Company from time to time in office;
"Business Day"	a day (other than a Saturday) on which banks in the City of London generally are open for business;
"Carried Interest Right"	the conditional right of the Rights Holder to subscribe for Shares pursuant to clause 5.1;
"Distributions"	all distributions (whether in cash or otherwise) paid or declared by the Company pro rata to all holders of Ordinary Shares from time to time on or after 11 January 2011 (and each a "Distribution");

"Existing Agreements"	the existing carried interest agreements between the Company (1) and the Rights Holder (2) dated 30 July 2004, 23 March 2005 and 22 January 2008 pursuant to which the Rights Holder has been granted existing carried interest rights;
"Fair Proportion"	as defined in clause 10.1 of this agreement;
"Foresight Group Members"	the members of the Rights Holder from time to time;
"High Watermark Test"	the test set out in clause 4 of this agreement;
"Investment Management Agreement"	the agreement dated 30 July 2004 made between the Company (1) and the Rights Holder (2) (as varied or amended from time to time) pursuant to which the Rights Holder was appointed to manage the investment of the Company's capital;
"Listing Rules"	the listing rules published by the UKLA;
"London Stock Exchange"	The London Stock Exchange plc;
"Model Code"	the code promulgated by the UK Listing Authority in connection with the dealing in listed securities, the current version of which appears as an annex to LR9 of the Listing Rules;
"NAV"	the most recently published net asset value per Share, in each case adjusted by the deduction (if not already made) of the relevant Distribution paid or to be paid;
"Official List"	the official list of the UK Listing Authority;
"Restricted Proportion"	as defined in clause 10.2 of this agreement;
"Shares"	ordinary shares of 1 pence each in the capital of the Company (and each a "Share");
"Tax Act"	the Income Tax Act 2007 as amended;
"Total Return"	in relation to a Share, the aggregate amount of: (i) the net asset value per Share (calculated in accordance with the Company's normal accounting policies from time to time); plus (ii) all Distributions paid per Share on or after 1 January 2011 (adjusted to

be net of the payments made (whether in Shares or cash) under this agreement;

"UK Listing Authority"

the United Kingdom Listing Authority; and

"Venture Capital Investment"

an investment by the Company in the shares or securities of unquoted or AIM listed companies.

- 1.2 References to clauses, schedules and the parties are respectively to clauses of schedules to and the parties to this agreement.

2. TERMINATION OF EXISTING CARRIED INTEREST RIGHTS

The parties hereby agree to the termination of the Existing Agreements and confirm that neither party has any obligation to, or rights against, the other party.

3. GRANT OF NEW CARRIED INTEREST

The Company hereby grants to the Rights Holder the Carried Interest Right set out in clause 5.1 of this agreement, subject to the High Watermark Test set out in clause 4 being met.

4. HIGH WATERMARK TEST

The Carried Interest Right shall only be exercisable if and to the extent that the High Watermark Test is and would be met immediately after the issue of Shares (or as the case may be the payment of the cash equivalent therefor pursuant to clause 5.4) pursuant to the Carried Interest Right. The High Watermark Test requires that the Total Return per Share in issue, and remaining in issue, immediately after exercise of the Carried Interest Right is equal to:

- 4.1 in respect of the first Distribution following 11 January 2011, 100 pence; and

- 4.2 thereafter, an amount equal to "Y", calculated as follows:

$$Y = 100 + (D1 \times 0.85)$$

where:

D1 = all Distributions per Share where a payment has been made under this agreement.

5. AMOUNT OF CARRIED INTEREST

- 5.1 Subject to clause 5.4, if a Distribution is made, the Carried Interest Right shall entitle the Rights Holder to subscribe at par for such number of Shares as is equal to the lesser of "X" calculated as follows:

$$X = \frac{P \times 0.15}{NAV}$$

where:

P = the relevant Distribution; and

NAV = the most recently published net asset value per Share.

- 5.2 The Directors shall resolve to and shall issue the Shares to be issued pursuant to the Carried Interest Right as follows:
- 5.2.1 the Shares shall be issued on the later of:
- 5.2.1.1 the date on which the relevant Distribution is paid to the Shareholders;
- 5.2.1.2 the date on which the Company receives the subscription monies in respect of the Shares to be issued; and
- 5.2.1.3 the date on which the Company obtains the necessary authorities from its members to issue such Shares; and
- 5.2.2 the Shares shall be allocated and issued to the Foresight Group Members in accordance with the terms of the member's agreement (or equivalent) constituting the then current terms of the limited liability partnership of the Rights Holder as confirmed by the Rights Holder to the Company in writing or as the Rights Holder may advise by written notification to the Company.
- 5.3 The Directors shall procure that the Foresight Group Members are registered in the Company's register of members as soon as practicable as the holders of the Shares issued to them and shall apply for such Shares to be listed on the Official List and admitted to trading on the London Stock Exchange's market for listed securities.
- 5.4 The Company may (if requested by the Rights Holder on behalf of the Foresight Group Members or otherwise at the discretion of its directors (excluding any Foresight Group Member who may also be a director of the Company)) determine that the Carried Interest Right may not be exercised in whole or in part by the Rights Holder and to the extent that it is not so exercised the Company shall pay to Foresight Group Members the cash equivalent of (or of the part excluded from) the Carried Interest Right.
- 5.5 The cash equivalent of (or of the part excluded from) the Carried Interest Right shall be calculated by:
- 5.5.1 taking as amount equivalent to "X" in clause 5.1;
- 5.5.2 deducting therefrom the number of Shares in relation to which the Carried Interest Right may not be exercised ("the Cash Equivalent Number") and
- 5.5.3 multiplying the Cash Equivalent Number by NAV (as defined in clause 5.1).
- 5.5.4 If, pursuant to clause 5.4, the Company decides that it would prefer to pay to Foresight Group Members the cash equivalent of (or of some part of) the Carried Interest Right it shall notify the Rights Holder of this decision as soon as practicable after it is made.
- 5.5.5 If a notice is given to the Rights Holder pursuant to clause 5.5.4, the Rights Holder shall have the right to serve a counter notice requesting in the alternative that the Rights Holder be entitled to exercise the Carried Interest Right on the basis that the Rights Holder will consent, immediately after having subscribed for the Shares

pursuant to the Carried Interest Right, to the immediate purchase of some or all of those Shares by the Company by way of a market purchase pursuant to section 693 of the Companies Act 2006 (as amended from time to time or re-enacted) at a price per Share equal to the lesser of NAV (as defined in clause 5.1) and the maximum price permitted from time to time by the Listing Rules.

- 5.5.6 If the Rights Holder serves a counter notice pursuant to clause 5.5.5 then so far as may be practicable (and in the sole discretion of the directors of the Company (excluding any Foresight Group Member who may also be a director of the Company) after first having regard to the best interests of shareholders in the Company), the Company may agree, to an extent determined by such directors, to arrange for the purchase of some or all of the Shares subscribed pursuant to the exercise of the Carried Interest Right by way of a market purchase pursuant to section 693 of the Companies Act 2006 (as from time to time amended or re-enacted) at a price per Share equal to the lesser of NAV (as defined in clause 5.1) and the maximum price permitted from time to time by the Listing Rules.

6. RESTRICTIONS ON THE ISSUE OF SHARES

- 6.1 Shares may not be issued pursuant to the Carried Interest Right to the extent that their issue would, at the time when they would otherwise fall to be issued, or there is a substantial likelihood that their issue will:
- 6.1.1 result in the Company being in breach of the Listing Rules or any other regulations or statutes binding on the Company; or
 - 6.1.2 cause the Company to lose its approval as a venture capital trust under section 259 of the Tax Act (or any replacement thereof); or
 - 6.1.3 result in the Rights Holder and/or the Foresight Group Members (or any other person) together with persons acting in concert with any of them, being interested (directly or indirectly) in any shares in the Company carrying in aggregate more than 29.9% of the voting rights of the Company unless:
 - 6.1.3.1 the Rights Holder and/or the Foresight Group Members (or any other person) together with persons acting in concert with any of them (as relevant) make a cash offer to acquire the shares of all other shareholders at a price per share which is not less than the most recently published net asset value per share (but discounted to reflect the entitlement to additional Shares which have not been issued as a result of this restriction); or
 - 6.1.3.2 the Company is wound up; or
 - 6.1.3.3 a person or persons acting in concert acquire shares in the Company which carry the right to cast a majority of the votes exercisable at any general meeting of the Company disregarding the rights attaching to Shares which would be issued pursuant to the Carried Interest Right but which have been restricted from issue by this clause.
- 6.2 The issue of Shares pursuant to the Carried Interest Right, where the Model Code for dealing in securities adopted by the Company from time to time applies to a Foresight Group Member, shall be subject at all times to the provisions of that Model Code.
- 6.3 If the issue of Shares pursuant to the Carried Interest Right is restricted pursuant to this clause 6, the entitlement shall accrue and shall be exercisable as soon as

practicable after the date on which such restriction or restrictions no longer apply to such issue.

7. COMPANY'S UNDERTAKING

The Company shall at all times use reasonable endeavours to keep available a sufficient number of unissued Shares to satisfy the exercise of the Carried Interest Right from time to time and maintain all necessary shareholder authorities for such issue.

8. TERMINATION OF THE APPOINTMENT OF THE RIGHTS HOLDER

8.1 If the appointment of the Rights Holder under the Investment Management Agreement is terminated by the Company by notice pursuant to clause 2.2 thereof or by the Rights Holder for cause pursuant to clause 27.1 thereof, the Rights Holder (and its assigns if any) shall be entitled to a Fair Proportion of the Carried Interest Right in respect of Distributions made following the date of termination.

8.2 If the appointment of the Rights Holder under the Investment Management Agreement is terminated by the Rights Holder by notice pursuant to clause 2.2 or by the Company for cause pursuant to clause 27.1 thereof, the Rights Holder shall have no further entitlement from the date of such termination whatsoever or howsoever arising in respect of Distributions made following the date of termination.

8.3 If the Investment Management Agreement is amended or replaced, this clause 8 shall apply on the basis of the references to clauses 2.2 and 27.1 of the Investment Management Agreement being substituted with references to the relevant equivalent clauses of the amended or revised agreement.

9. APPOINTMENT OF ADDITIONAL INVESTMENT MANAGERS

If pursuant to clause 2.5 of the Investment Management Agreement the Company appoints a third party to advise and/or manage in respect of all or some part of the capital of the Company in substitution for the Rights Holder then the entitlement of the Rights Holder to the Carried Interest Right shall be restricted to the Restricted Proportion.

10. MEANING OF 'A FAIR PROPORTION' AND 'A RESTRICTED PROPORTION' OF THE CARRIED INTEREST RIGHT

10.1 For the purposes of clause 8, a Fair Proportion means a proportion of the Carried Interest Right in respect of Distributions which are calculated by reference to accounting periods which end on or before the expiry of the sixth anniversary of the month in which the date of termination occurs which is pro rata to:

10.1.1 six years less the period which commences with the date of termination and which ends at the expiry of the relevant accounting period; compared to

10.1.2 a period of six years.

10.2 For the purposes of clause 9, the Restricted Proportion means a proportion of the Carried Interest Right which is pro rata to the capital of the Company in respect of which the Rights Holder continues to advise plus a Fair Proportion of the remainder of the Carried Interest Right on the assumption (if not the fact) that, if the Company appoints a third party to advise in respect of some part of the capital of the Company

in substitution for the Rights Holder, the duration of the Rights Holder's appointment to advise in respect of that part has come to an end.

11. GENERAL OFFERS

11.1 If a general offer is made for the equity share capital of the Company, the Company shall immediately inform the Rights Holder thereof in writing and shall use all reasonable endeavours to procure that a comparable offer is extended to the Foresight Group Members as if the Carried Interest Right has become exercisable, and has been exercised in full and the Shares to which the Foresight Group Members would be entitled on this basis have been issued. Publication of a scheme of arrangement under the Companies Act 2006 (as amended from time to time or re-enacted) providing for the acquisition by any person of the whole or any part of the issued share capital of the Company shall be deemed to be the making of an offer for the purpose of this clause 11.1.

11.2 For the purposes of determining whether the Carried Interest Right has become exercisable under clause 11.1, when calculating the Total Return, the amount of the Distribution per Share will be deemed to be an amount equal to the excess of the offer price per Share over the sum of Y.

11.3 The amount of any such offer to the Foresight Group Members shall deduct the subscription monies otherwise payable on exercise of the Carried Interest Right.

12. WINDING-UP

12.1 If the Company is wound up, the Foresight Group Members will be entitled to participate in a distribution in the liquidation as if the Carried Interest Right has become exercisable, and has been exercised in full and the Shares to which the Foresight Group Members would be entitled on this basis as may be applicable for the relevant class of Share have been issued.

12.2 For the purposes of determining whether the Carried Interest Right has become exercisable under clause 12.1 when calculating the Total Return, the amount of the Distribution per Share will be deemed to be an amount equal to the excess of the liquidation distribution per Share of the relevant class over the sum of Y.

12.3 The amount of such distribution shall take into account the subscription monies payable on exercise of the Carried Interest Right.

13. DISPUTES RESOLUTION

In the event of disagreement, the amount of the Distribution, the NAV and the number of Shares to be issued pursuant to this agreement or the cash equivalent therefor shall be certified by the Auditors.

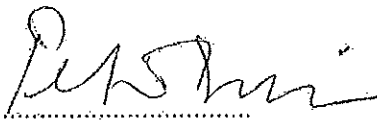
14. GENERAL

14.1 No amendment, change or addition hereto shall be effective or binding on any party unless it is in writing and executed by or on behalf of the Rights Holder and the Company. The consent of the Rights Holder for an amendment to this agreement which is reasonably necessary to comply with the rules of the UK Listing Authority or of any other regulations legally binding on the Company shall not be unreasonably withheld or delayed.

- 14.2 The Carried Interest Right and the cash equivalent therefor or for any part thereof shall be exclusive of any value added tax which may be payable by the Company in respect of the same.
- 14.3 The headings to clauses of this agreement are for ease of reference only and do not form part of this agreement and are not in any way to affect its construction.
- 14.4 Any notice to be given under this agreement:
- 14.4.1 must be in writing;
- 14.4.2 must be given to the Company at the address of the Company's solicitors (or such other address as it may notify to the Rights Holder for such purpose);
- 14.4.3 must be given to the Rights Holder at the address stated herein (or such other address as the Rights Holder may notify to the Company for such purpose);
- 14.4.4 will be effectively served:
- 14.4.4.1 on the day of receipt, where any hand delivered letter, or telefax message is received on any Business Day (being any day between Monday and Friday other than United Kingdom public or bank holidays) before or during normal working hours;
- 14.4.4.2 on the following Business Day, where any hand delivered letter, or telefax message is received either on any Business Day after normal working hours or on any day which is not a Business Day; or
- 14.4.4.3 on the second Business Day following the day of posting, upon despatch from within the United Kingdom of any posted letter by post office inland first class mail postage prepaid and in proving such service it shall only be necessary to prove that the same was stamped, addressed and posted as aforesaid.
- 14.5 This agreement and the documents referred to herein contains the whole agreement between the parties in relation to the subject matter hereof.
- 14.6 The provisions of this agreement shall be severable and distinct from one another, and, if at any time any of such provisions is or becomes invalid, illegal or unenforceable, the validity, legality or enforceability of the others shall not in any way be affected or impaired thereby.
- 14.7 This agreement may be executed in any number of counterparts and by the parties on separate counterparts, each of which, when so executed and delivered, shall be an original, but all the counterparts shall together be deemed to constitute one and the same document.
- 14.8 Except as otherwise expressly stated herein, nothing in this agreement confers any rights on any person (other than the parties hereto) pursuant to the Contracts (Rights of Third Parties) Act 1999.
- 14.9 This agreement shall be governed by and construed in accordance with English law, and the parties irrevocably submit to the exclusive jurisdiction of the English courts.

In witness whereof this agreement has been executed and delivered as a deed on the date first mentioned.

EXECUTED as a DEED by
FORESIGHT 4 VCT PLC
acting by a director;
in the presence of:



Witness' Signature: 
Name: AMINA KHATUN
Address: c/o SPORTINGBET PLC
45 MOORFIELDS EC2Y 9AE
Occupation: LEGAL SECRETARY

EXECUTED as a DEED by
FORESIGHT GROUP LLP
acting by:

Member

Member

EXECUTED as a DEED by
FORESIGHT 4 VCT PLC
acting by a director:
in the presence of:

.....

Witness' Signature:

Name:

Address:

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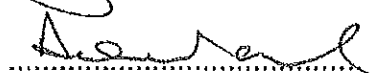
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EXECUTED as a DEED by
FORESIGHT GROUP LLP
acting by:

Member


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