

DATED 21 JUNE 2023

**(1) FORESIGHT VCT PLC
(2) FORESIGHT GROUP LLP**

DEED OF AMENDMENT AND RESTATEMENT

- relating to a -

CO-INVESTMENT AND PERFORMANCE INCENTIVE AGREEMENT



Ref: KXP/PGM/351746.199

THIS DEED is made the 21st day of June 2023

BETWEEN

- (1) **FORESIGHT VCT PLC**, a company registered in England and Wales with registered number 03421340, whose registered office is at The Shard, 32 London Bridge Street, London SE1 9SG (**Company**); and
- (2) **FORESIGHT GROUP LLP**, a limited liability partnership registered in England and Wales with registered number OC300878, whose registered office is at The Shard, 32 London Bridge Street, London SE1 9SG (**Manager**).

WHEREAS:

- (A) The Company and Foresight Group CI Limited (**FGCI**) entered into a co-investment and performance incentive agreement dated 31 March 2017 (**COPIA Agreement**).
- (B) Pursuant to a deed of novation and amendment dated 27 January 2020 and made between the parties and FGCI (**Deed of Novation and Amendment**), the COPIA Agreement was novated from FGCI to the Manager and FGCI was released from its obligations under the COPIA Agreement, save as provided in the Deed of Novation and Amendment. The Deed of Novation and Amendment also provided for the amendment of the COPIA Agreement, the revised form of which was set out in the Schedule to the Deed of Novation and Amendment (**Amended Form COPIA Agreement**).
- (C) The parties have agreed to further amend and consolidate the Amended Form COPIA Agreement into the 2023 Revised COPIA Agreement (as defined in clause 2) on the terms set out in this deed effective from the date of this deed.

IT IS HEREBY AGREED as follows:

1. INTERPRETATION

In this deed:

- 1.1 **Amendment Date** means the date of this deed;
- 1.2 **Sender, Recipient and Notice**, shall have the meanings set out in clause 5.1;
- 1.3 the headings to the clauses shall not affect their interpretation;
- 1.4 references to clauses or schedules of the COPIA Agreement are references to the COPIA Agreement in the form of the Amended Form COPIA Agreement; and
- 1.5 references to clauses or schedules are references to clauses of and schedules to this deed as the same may be amended from time to time by agreement of the parties.

2. AMENDMENT AND RESTATEMENT

The parties hereby agree that, with effect from the Amendment Date (notwithstanding the provisions of clause 2.3 of the Amended Form COPIA Agreement), the Amended Form COPIA Agreement shall be amended so as to be in the form of the co-investment and performance incentive agreement set out in the Schedule to this deed (**2023 Revised COPIA Agreement**).

3. **PRIOR PERFORMANCE INCENTIVE FEE ENTITLEMENT**

The Manager acknowledges and agrees that any Performance Incentive Entitlement for any period prior to 1 January 2023 shall cease and the Company shall have no liability to the Manager in relation to any Performance Incentive Fee other than pursuant to the terms of the 2023 Revised COPIA Agreement.

4. **CONTINUING AGREEMENT**

- 4.1 The parties hereto further agree that except as expressly provided in this deed, the terms of the COPIA Agreement shall remain in full force and effect.
- 4.2 The Company may assign the benefit of this deed, in whole or in part, to any person to whom it may assign, in whole or in part, the benefit of the COPIA Agreement.

5. **NOTICES**

- 5.1 Except as otherwise specified in this deed, any notice, request, demand, consent, approval or other communication (a **Notice**) by or from any of the parties (the **Sender**) to another (the **Recipient**) shall be in writing.
- 5.2 A Notice may be either delivered by the Sender to the Recipient or sent by post (whether ordinary, first class, pre-paid or registered or recorded delivery) addressed to such party at its address stated in clause 5.3 or such other address as the Recipient may specify in writing to the other party or, if the Recipient is the Manager, to its registered office. Any Notice sent by post shall be deemed to have been served on the second Business Day next following the Business Day on which the envelope containing the same is posted (or if it is not posted on a Business Day, then the third Business Day next following the date on which it is posted) and in proving such service it shall, in the case of ordinary, first class, pre-paid post be sufficient to prove that the envelope containing the same was properly addressed and either delivered to a Post Office or put into a Post Office letter box.
- 5.3 The address of each party (unless otherwise notified by a party to the other in writing) for the purpose of this clause 5 is:

The Company:

Foresight VCT plc
No. 1 Colmore Square
Birmingham
B4 6AA
For the attention of: Peter Mayhew

with a copy to the chairperson from time to time of the Company at such address notified to the Manager from time to time; and

The Manager:

Foresight Group LLP
The Shard
32 London Bridge Street
London
SE1 9SG
For the attention of: Gary Fraser.

6. **GENERAL**

- 6.1 This deed and the rights and obligations of the parties (whether contractual or non-contractual) shall be governed by and construed in accordance with the laws of England.

- 6.2 The parties irrevocably submit to the exclusive jurisdiction of the courts of England and Wales in respect of any claim, dispute or difference arising out of or in connection with this deed.
- 6.3 Except as otherwise expressly stated herein, nothing in this deed confers any rights on any person (other than the parties hereto) pursuant to the Contracts (Rights of Third Parties) Act 1999.
- 6.4 This deed 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 deed.
- 6.5 If any term, condition or provision of this deed shall be held to be invalid, unlawful or unenforceable to any extent, such term, condition or provision shall not affect the validity, legality or enforceability of the remainder of this deed.
- 6.6 If any invalid, unenforceable or illegal provision would be valid, enforceable or legal if some part of it were deleted, the provision shall apply with whatever modification is necessary to give effect to the commercial intention of the parties.
- 6.7 Any variation of this deed shall be in writing and signed by or on behalf of each party.
- 6.8 Any waiver of any right under this deed is only effective if it is in writing and signed by the waiving or consenting party and it applies only in the circumstances for which it is given and shall not prevent the party who has given the waiver from subsequently relying on the provision it has waived.
- 6.9 No failure to exercise or delay in exercising any right or remedy provided under this deed or by law constitutes a waiver of such right or remedy or shall prevent any future exercise in whole or in part thereof.
- 6.10 No single or partial exercise of any right or remedy under this deed shall preclude or restrict the further exercise of that right or remedy.
- 6.11 Unless specifically provided otherwise, rights arising under this deed are cumulative and do not exclude rights provided by law.

In witness whereof this deed is executed and delivered as a deed on the date aforementioned.

SCHEDULE

DATED 31 MARCH 2017
(AS NOVATED AND AMENDED BY WAY OF A DEED OF AMENDMENT AND RESTATEMENT
DATED 27 JANUARY 2020 AND AS FURTHER AMENDED BY WAY OF A DEED OF
AMENDMENT AND RESTATEMENT DATED 21 JUNE 2023)

- (1) FORESIGHT VCT PLC
- (2) FORESIGHT GROUP LLP

**CONFORMED COPY OF A
CO-INVESTMENT AND PERFORMANCE
INCENTIVE AGREEMENT**

relating to

FORESIGHT VCT PLC



Ref: KXP/PGM/351746.127

351746.199 - Co-invest and Performance Incentive (Amended and Restated) (2023 Draft)(25149595.6)

**CONFORMED COPY OF A CO-INVESTMENT AND PERFORMANCE INCENTIVE AGREEMENT
MADE ON 31 MARCH 2017 (AS NOVATED AND AMENDED BY WAY OF A DEED OF AMENDMENT
AND RESTATEMENT DATED 27 JANUARY 2020 AND AS FURTHER AMENDED BY WAY OF A
DEED OF AMENDMENT AND RESTATEMENT DATED 21 JUNE 2023)**

BETWEEN:

- (1) **FORESIGHT VCT PLC** a public limited company incorporated in England and Wales with registered number 03421340 and whose registered office is at The Shard, 32 London Bridge Street, London SE1 9SG ("the **Company**"); and
- (2) **FORESIGHT GROUP LLP** a limited liability partnership registered in England and Wales with registered number OC300878 and whose registered office is at The Shard, 32 London Bridge Street, London SE1 9SG ("the **Manager**").

RECITALS

(A) By a deed of novation, amendment and restatement entered into on 27 January 2020 (the "**Effective Date**") and made between the Company (1), Foresight Group CI Limited ("**Outgoing Manager**") (2) and the Manager (3), with effect from the date of that deed, the provisions of this agreement were amended and the rights and obligations of Foresight Group CI Limited under this agreement were novated to the Manager and Foresight Group CI Limited was released from any and all obligations thereunder save to the extent as set out in that deed.

It is agreed as follows:

1. INTERPRETATION

1.1 In this agreement (including the Recitals and the Schedule):

1.1.1 the following expressions shall unless the context otherwise requires have the following meanings:

"1% Cap"	as defined in clause 4.1;
"the Act"	the Companies Act 2006 as amended;
"Allocation Table"	the allocation table setting out the proportions in which the Co-Investor Group will co-invest alongside the Company pursuant to the Co-Investment Arrangements;
"Auditors"	the Company's auditors from time to (or if they are unable or decline to act, an independent firm of chartered accountants appointed by agreement by the Parties or, in the event of disagreement appointed by the Board);
"Average Annual Hurdle"	as defined in clause 3.2;
"Average Total Return per Share"	as defined in clause 3.2;
"Board"	the directors of the Company;

“Business Day”	any day (other than Saturday) on which clearing banks are open for normal banking business in sterling in the City of London;
“Calculation Period”	in respect of a Relevant Financial Period, the period comprising that Relevant Financial Period and the four preceding Financial Periods;
“Catch Up Fee”	as defined in clause 4.2;
“Cessation Date”	as defined in paragraph 6 of the schedule to this agreement;
“Closing NAV”	as defined in clause 3.2;
“Co-Investment”	an investment in an Investee Company by a member of the Co-Investor Group made pursuant to the Co-Investment Arrangements;
“Co-Investment Arrangements”	the co-investment arrangements granted by the Company pursuant to clause 2.1 and as described in the schedule to this agreement;
“Co-Investor Group”	the Manager and the Management Team;
“Dividends”	as defined in clause 3.2;
“Effective Date”	as defined in Recital (A);
“Equity Securities”	shall have the meaning set out in section 560 of the Act;
“equity share capital”	shall have the meaning set out in section 548 of the Act;
“Fair Proportion”	as referred to in, and calculated in accordance with, clause 9;
“First Relevant Class”	as defined in paragraph 3 of the schedule to this agreement;
“Financial Period”	any period in respect of which accounts are required to be prepared and certified by the auditors of the Company to enable it to comply with all relevant legal, accounting and Listing Rules’ requirements;
“HMRC”	HM Revenue and Customs;
“Investee Company”	a company in which the Company makes an Investment on or after 31 March 2017;
“Investment”	an investment (comprised of one or more financial instruments which may include Equity Securities, preference shares or loan capital made) made by the Company after 31 March 2017 (excluding any investments made in respect of the funds attributable to the planned exit shares of 1p each in the capital of the Company and/or the infrastructure shares of 1p each in the capital of the Company) in a company or group

“Investment Management Agreement”	which, as at 31 March 2017, has not previously received any investment from the Company;
“Listing Rules”	an investment management agreement dated 21 June 2012 between the Company (1); the Outgoing Manager (2); the Manager (3); (as novated supplemented, amended, adhered to and restated, from time to time);
“Management Team”	the listing rules made by the Financial Conduct Authority under section 73A of the Financial Services and Markets Act 2000 as amended;
“Market Abuse Regulation”	means members and/or employees of the private equity team (as may be renamed from time to time) of the Manager and any other members and/or employees of the Manager which the Manager includes in the Allocation Table;
“NAV per Share”	the Market Abuse Regulation ((EU) 596/2014) as such Regulation forms part of UK law and as amended;
“Negative Return”	net asset value per Share, calculated in accordance with the Company's normal accounting policies;
“Next Class”	as defined in clause 4.2;
“Offer”	as defined in paragraph 4 of the schedule to this agreement;
“Opening NAV”	as defined in clause 10.1;
“Other Manager Personnel”	as defined in clause 3.2;
“Partial Period Adjustments”	personnel of the Manager (other than individuals in the Management Team) involved in the management and administration of the Company;
“Parties”	as defined in clause 2.13;
“Payment Date”	the parties to this agreement;
“Payment NAV”	as defined in clause 2.5;
“Performance Incentive Entitlement”	as referred to, and calculated, in accordance with, clause 5.2;
“Performance Incentive Fee”	the right to receive Performance Incentive Fees;
“Recipient”	as defined in clause 2.4;
“Relevant Excess”	as defined in clause 6.1.3;

“Relevant Financial Period”	a Financial Period of the Company commencing on or after 1 January 2023;
“Relevant Financial Period Total Return”	as defined in clause 4.2;
“Restricted Proportion”	as referred to in, and calculated in accordance with, clause 9;
“Shares”	ordinary shares of 1p each in the capital of the Company from time to time (and each a “Share”);
“Termination Financial Period”	as defined in clause 7.2; and
“Weighted Average Shares in Issue”	as defined in clause 3.2.
1.1.2	unless the context otherwise expressly requires, words and expressions which are otherwise defined in the Companies Act 2006 shall have the same meaning when used in this agreement;
1.1.3	references to “cash” shall mean cash in British sterling;
1.1.4	reference to any statute or statutory provision includes a reference to the statute or statutory provision as amended, extended or re-enacted after the date of this agreement; and
1.1.5	unless the context otherwise requires reference to any clause or to a schedule is to a clause of or a schedule to this agreement.
2.	PERFORMANCE INCENTIVE ENTITLEMENT AND CO-INVESTMENT ARRANGEMENTS
2.1	In consideration of the sum of £1 (receipt of which is hereby acknowledged), the Company grants to the Manager the Performance Incentive Entitlement and agrees to the Co-Investment Arrangements.
2.2	The Manager will, and undertakes to procure that the Management Team will, make a Co-Investment on the terms of the Co-Investment Arrangements in respect of each Investment. If the Co-Investment Arrangements are not complied with in respect of an Investment the Board shall be entitled to withdraw or modify the Co-Investment Arrangements in respect of future Investments.
2.3	The Board reserves the right, but subject to consultation with the Manager, to amend or terminate the Co-Investment Arrangements and/or the Performance Incentive Entitlement on giving the Manager six months' prior notice in writing at any time if it believes that the objectives of the Co-Investment Arrangements and/or (as the case may be) the Performance Incentive Entitlement are not being met and/or are no longer aligned with the best interests of the Company or the holders of Shares.
2.4	The Manager shall be entitled to receive a performance incentive fee in cash sterling of an amount calculated in accordance with clauses 3 and 4 (“Performance Incentive Fee”).
2.5	The Performance Incentive Fee shall, subject to clauses 2.6 and 2.7, be paid in cash 30 Business Days following the date of publication by the Company of the audited annual report and financial statements of the Company for the Relevant Financial Period (or, if later, in

the event of disagreement as to the amount or calculation basis of the Performance Incentive Fee, within 30 Business Days of the certification provided by the Auditors (assuming that a Performance Incentive Fee remains payable as a result of such certification)) ("Payment Date").

2.6 The Board shall, at its discretion, be entitled to satisfy a Performance Incentive Fee (in whole or part) by the allotment of Shares to the Manager and the Management Team credited as fully paid up. Such notification must be provided at least ten Business Days prior to the Payment Date.

2.7 The Manager shall be entitled to request that the payment of a Performance Incentive Fee (in whole or part) be satisfied through an allotment of Shares to the Manager and the Management Team. Such request must be provided at least 20 Business Days prior to the Payment Date and shall specify the amount of the Performance Incentive Fee requested to be satisfied through such allotment to each of the Manager and the relevant members of the Management Team. The decision to accept any such request (which may be in whole or part) or reject will remain the decision of the Board and will be notified to the Manager ten Business Days prior to the Payment Date.

2.8 The allotment and issue of Shares pursuant to clauses 2.6 and 2.7 shall be in accordance with clause 5 and subject to clause 6.

2.9 The Parties may agree alternative time periods for any payments, allotments, notices and requests referred to in clauses 2.4 to 2.8.

2.10 75% of any Performance Incentive Fee payable, whether in cash and/or to be satisfied through the allotment of Shares, shall be allocated internally by the Manager to the Management Team and Other Manager Personnel (such allocation being at the Manager's final discretion but subject to consultation with the Board and subject to any good leaver/bad leaver provisions agreed by the Manager with such individuals (or any specific arrangements in relation to any such individual) from time to time). The allocation to the Management Team and Other Manager Personnel will be provided by the Manager to the Board before Payment Date of the relevant Performance Incentive Fee.

2.11 The Manager undertakes to the Company that, as soon as reasonably practicable following the Effective Date and in any event no later than 28 February 2020 or, if earlier, the first Investment made following the Effective Date and prior to 28 February 2020, it will have been duly appointed as attorney and receiving agent of all members of the Management Team at that time (such obligation having been satisfied by the Manager), and will procure that it is duly appointed as attorney and receiving agent of any additional members of the Management Team for the purposes of the allotment of Shares pursuant to this clause 2.

2.12 If the Co-investment Arrangements are not complied with by the Manager and the Management Team in respect of every Investment following 31 March 2017 then, unless the Board in its sole discretion decides otherwise, any and all entitlement to Performance Incentive Fees following such non-compliance shall cease.

2.13 For the purpose of this agreement, including but not limited to clause 2.5, the amount of the Performance Incentive Fee, and the underlying bases of calculation, assume that each financial period of the Company will be 12 months. However, if any financial period of the Company is greater or less than 12 months then the amount of the Performance Incentive Fee shall be adjusted on a pro rata basis, with such other proportionate adjustments to the underlying bases of calculation as the Parties (acting reasonably) may agree ("Partial Period Adjustments").

2.14 The Manager acknowledges and agrees that any Performance Incentive Entitlement for any period prior to 1 January 2023 shall cease and the Company shall have no liability to the Manager in relation to any Performance Incentive Fee other than pursuant to the terms of this agreement.

3. **CALCULATION OF PERFORMANCE INCENTIVE FEE**

3.1 In respect of each Relevant Financial Period, the Performance Incentive Fee shall, subject to clause 4, be an amount equal to:

20% of the Relevant Excess x Weighted Average Shares in Issue

3.2 For the purposes of calculating the Performance Incentive Fee:

"Relevant Excess" means the amount by which (if any) the Average Total Return per Share for the Relevant Financial Period exceeds the Average Annual Hurdle for that Relevant Financial Period.

"Weighted Average Shares in Issue" means the weighted average number of Shares in issue during the Calculation Period calculated by taking the number of Shares issued and bought back during the Calculation Period multiplying each by the percentage of that Calculation Period for which that Share number applies and then totalling with the number of Shares at the beginning of the Calculation Period.

"Average Total Return per Share" means:

((Closing NAV + Dividends) – Opening NAV) / 5

"Average Annual Hurdle" means

((Opening NAV x 1.25) – Opening NAV) / 5

"Closing NAV" means the closing NAV per Share as at the end of the Calculation Period.

"Opening NAV" means the opening NAV per Share as at the beginning of the Calculation Period.

"Dividends" means the aggregate of all dividends paid per Share by the Company during the Calculation Period.

4. **CAP AND CATCH UP**

4.1 The amount of the Performance Incentive Fee in respect of a Relevant Financial Period shall be subject to a cap of an amount equal to 1% of the net assets of the Company as at the end of the Relevant Financial Period ("**1% Cap**"). For the avoidance of doubt, any amount of Performance Incentive Fee for the Relevant Financial Period which would otherwise be due but for the 1% Cap shall not be carried forward.

4.2 No Performance Incentive Fee shall be payable in respect of a Relevant Financial Period where the closing NAV per Share (plus dividends paid per Share) ("**Relevant Financial Period Total Return**") in the Relevant Financial Period is less than the opening NAV per Share for the Relevant Financial Period (and the amount by which the Relevant Financial Period Total Return is less than the opening NAV per Share for the Relevant Financial Period shall be the "**Negative Return**"). Any Performance Incentive Fee that would otherwise have been payable but for the Negative Return shall be carried forward to the next Relevant Financial Period only and paid subject to the provisions of 4.3 ("**Catch Up Fee**").

4.3 The Catch Up Fee shall be payable where (and only to the extent that payment would not prejudice):

- 4.3.1 the Average Total Return per Share for the next Relevant Financial Period exceeds the Average Annual Hurdle for that next Relevant Financial Period; and
- 4.3.2 the closing NAV per Share (plus dividends paid per Share) in the next Relevant Financial Period is greater than the opening NAV per Share for that next Relevant Financial Period plus an amount equal to the Negative Return; and
- 4.3.3 together with any Performance Incentive Fee for the next Relevant Financial Period it would not be greater than the 1% Cap for that next Relevant Financial Period.

For the avoidance of doubt, any amount of Catch Up Fee which would otherwise be due but for the 1% Cap shall not be carried forward.

5. **SATISFACTION OF A PERFORMANCE INCENTIVE FEE THROUGH AN ALLOTMENT OF SHARES**

5.1 The following shall apply to any amount of Performance Incentive Fee to be satisfied through an allotment of Shares.

5.2 The number of Shares to be allotted shall be calculated as the relevant amount of the Performance Incentive Fee to be satisfied through an allotment of Shares divided by the Payment NAV, where "**Payment NAV**" shall be calculated as follows:

$(\text{Net Assets} - \text{Payment Adjustment}) \div \text{No. of Shares}$

where:

"**Net Assets**" means the latest NAV per Share published by the Company immediately prior to the date of issue multiplied by No. of Shares;

"**Payment Adjustment**" means the amount of any potential Performance Incentive Fees (but only if, and to the extent, it is not already included as a liability (contingent or otherwise) within the calculation of NAV per Share for the purposes of Net Assets); and

"**No. of Shares**" means the number of Shares in issue as at close of business immediately prior to the date of issue.

5.3 Subject to clause 6, the Board shall resolve to and shall allot and issue the Shares as soon as practicable after the date on which the Company obtains any necessary shareholder authorities to issue such Shares to the Manager and the Management Team.

5.4 The Board shall procure that the recipients of the Shares so allotted and issued are registered in the Company's register of members as soon as practicable as the holders of such Shares and shall apply for such Shares to be listed on the Official List of the London Stock Exchange and admitted to trading on the London Stock Exchange's market for listed securities.

5.5 The Company shall at all times use its reasonable endeavours to maintain sufficient shareholder authority to issue Shares in order to satisfy Performance Incentive Fees being satisfied through an allotment of Shares from time to time.

6. **RESTRICTIONS ON ISSUE OF SHARES**

6.1 Shares will not be allotted and issued if, and to the extent that, their issue will or may:

- 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 274 of the Income Tax Act 2007 (or any replacement thereof); or
- 6.1.3 result in any recipient of such Shares (“**Recipient**”) together with persons acting in concert, being interested (directly or indirectly) in the share capital of the Company carrying in aggregate more than 29.9% of the voting rights of the Company and/or 29.9% of the voting rights attaching to the Shares unless (but in all cases subject to, or as may otherwise be required, under the City Code on Takeovers and Mergers):
 - 6.1.3.1 the Recipient (together with persons acting in concert), make a cash offer to acquire the shares of all other shareholders at a price per share which is not less than their NAV per share (calculated on the basis referred to in clause 5.2 for the purposes of the Shares); or
 - 6.1.3.2 an order is made by a court of competent jurisdiction or a resolution is passed by shareholders for the winding up of the Company; or
 - 6.1.3.3 another 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 the Shares which would otherwise have been issued but for restricted from issue by this clause.

6.2 The allotment of Shares in satisfaction of any Performance Incentive Fee shall be subject at all times to the provisions of the Market Abuse Regulation.

7. TERMINATION OF THE APPOINTMENT OF THE MANAGER

7.1 Subject to the remaining clauses of this agreement, this agreement will automatically terminate in accordance with clause 27 of the Investment Management Agreement as if that clause, mutatis mutandis, applied to this agreement.

7.2 If the appointment of the Manager under the Investment Management Agreement is terminated by the Company by notice pursuant to clause 2.2 thereof or by the Manager for cause pursuant to clause 27 thereof:

- 7.2.1 the Manager shall, in respect of the Financial Period in which termination occurs (“**Termination Financial Period**”), be entitled to a Fair Proportion of:
 - 7.2.1.1 any Performance Incentive Fee which would otherwise have been payable in respect of the Termination Financial Period; and
 - 7.2.1.2 any Catch Up Fee in respect of the preceding Financial Period which would otherwise have been payable in respect of the Termination Financial Period;
- 7.2.2 the Manager shall, in respect of the Financial Period immediately following the Termination Financial Period, be entitled to a Fair Proportion of any Catch Up Fee in respect of the Termination Financial Period which would otherwise have been payable in respect of that Financial Period; and

7.2.3 the Co-Investment Arrangements will be available, but will not be an obligation, in respect of any ongoing Investment completed within three months of the date of termination.

In all other circumstances of termination of the appointment of the Manager under the Investment Management Agreement, all entitlements to Performance Incentive Fees or Catch Up Fees will cease and, without prejudice to existing Co-Investments made on or before the date of termination, the Co-Investment Arrangements will terminate on the date of termination.

7.3 The Company hereby undertakes that it shall act in good faith in not seeking to terminate the appointment of the Manager under the Investment Management Agreement, nor to terminate this agreement, for the purpose, in the absence of other good reasons, of frustrating payments otherwise to be made to the Manager pursuant to this agreement.

8. APPOINTMENT OF ADDITIONAL MANAGERS

If pursuant to clause 2.3 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 Manager, then the entitlement of the Manager to any Performance Incentive Fees shall be reduced to the Restricted Proportion.

9. MEANING OF A “FAIR PROPORTION” AND “RESTRICTED PROPORTION”

9.1 For the purposes of clause 7, a “**Fair Proportion**” means:

9.1.1 in respect of any Performance Incentive Fee or Catch Up Fee payable pursuant to clause 7.2, an amount equal to:

$$\text{Fee} \times ((M-N) \div M)$$

Where:

“**Fee**” means the amount of the Performance Incentive Fee or (as relevant) Catch Up Fee which would otherwise be payable;

“**M**” means 12 for the purposes of the calculation of Fair Proportion in respect of clause 7.2.1 and 24 for the purposes of the calculation of Fair Proportion in respect of clause 7.2.2; and

“**N**” is the number of full months having expired since the date of termination.

9.2 For the purposes of clause 8, a “**Restricted Proportion**” means:

9.2.1 a proportion of the Performance Incentive Fee which is pro rata to the capital of the Company in respect of which the Manager continues to be appointed to manage; plus

9.2.2 a Fair Proportion (and for these purposes, M shall mean 60 and N shall mean the number of full months having expired since the date of appointment of the third party to advise and/or manage in respect of all or some part of the capital of the Company) of the remainder of the Performance Incentive Fee.

10. GENERAL OFFERS

10.1 If a general offer is made for the equity share capital of the Company ("the **Offer**"), the Company shall immediately inform the Manager thereof in writing and the entitlement of the Manager to a Performance Incentive Fee in respect of the Relevant Financial Period in which such Offer is to be completed shall be calculated in accordance with clause 4, as adjusted by clause 10.2, and any amount payable shall be paid in cash sterling immediately prior to completion of the Offer.

10.2 For the purposes of clause 10.1, in respect of the calculation of the Performance Incentive Fee under clauses 3 and 4:

10.2.1 the 'Relevant Financial Period' shall be from the beginning of the financial period in which the Offer completes to the date of completion of the Offer (and clause 2.13 shall apply as if the period was a financial period shorter than 12 months); and

10.2.2 the 'Closing NAV' shall be the final price per Share offered under the Offer.

11. WINDING UP

11.1 If the Company is placed into liquidation, the entitlement of the Manager to a Performance Incentive Fee in respect of the Relevant Financial Period in which such liquidation occurs shall be calculated in accordance with clauses 3 and 4, as adjusted by clause 11.2, and any amount payable shall become due immediately prior to the Company being placed into liquidation.

11.2 For the purposes of clause 11.1, in respect of the calculation of the Performance Incentive Fee under clause 4:

11.2.1 the 'Relevant Financial Period' shall be from the beginning of the financial period in which the Company is placed into liquidation to the date the Company is placed into liquidation (and clause 2.13 shall apply as if the period was a financial period shorter than 12 months); and

11.2.2 the 'Closing NAV' shall be the last published NAV per Share prior to the date the Company is placed into liquidation.

12. DISPUTE RESOLUTION

Any disagreement as to the amount, or the calculation, of any Performance Incentive Fee (including any Catch Up Fee or Partial Period Adjustments), the number of Shares to be issued in satisfaction of a Performance Incentive Fee or any amendments to the Performance Incentive Fee Entitlement as a result of a share capital change or a change in accounting policies as contemplated by clause 14.5 shall be determined by the Auditors (acting as experts and not arbitrators) on the application of either party whose cost shall be borne by either party or both in such proportions as the Auditors may determine. The opinion of the Auditors in respect of any matter shall be final and binding on the Parties and Parties shall use all reasonable endeavours to agree the terms and conditions of the appointment of the Auditors.

13. INDEMNITY

In the event that HMRC claims that income tax and/or employee national insurance contributions ("NICs") are due from the Company under the Pay As You Earn regulations, and that the Company is liable for employer NICs, in each case in respect of the payment

of (i) Performance Incentive Fees or (ii) returns from the Co-Investment Arrangements, the Manager covenants to pay to the Company, within five Business Days of the Company demanding such sum and providing a copy of any assessment or determination by HMRC, an amount equal to any such income tax, employer and employee NICs. The Company may deduct any sum required by law prior to the payment of any Performance Incentive Fee or set off such sum from any subsequent Performance Incentive Fee before payment.

14. **GENERAL**

- 14.1 This agreement represents the whole agreement between the parties with regard to the subject matter hereof.
- 14.2 This agreement may not be amended unless in writing and executed as a deed by the Parties. The consent of the Manager to an amendment to this agreement which is reasonably necessary to comply with the rules of the UK Listing Authority (or replacement body) shall not be unreasonably withheld or delayed.
- 14.3 Notwithstanding any rule of law or equity to the contrary, any release, waiver or compromise or any other arrangement of any kind by any party shall not affect the rights and remedies of the party concerned as regards any other party or its rights and remedies against the party in whose favour the release, waiver, compromise or other arrangement is granted or made, except (in any event) to the express extent of the release, waiver, compromise or other arrangement, and no such release, waiver, compromise or other arrangement shall have effect unless granted or made in writing.
- 14.4 The amount of any Performance Incentive Fee (whether in cash or otherwise) shall be deemed to be inclusive of any applicable VAT.
- 14.5 The basis on which the Performance Incentive Fee Entitlement is calculated may be adjusted in such manner as the Board and the Manager agree in writing where there is a consolidation, sub-division or similar change to the Share capital of the Company or a change to the accounting reference date or policies applicable to the Company that would have an effect on the basis of such calculation.
- 14.6 This agreement may not be assigned by either Party.
- 14.7 The rights of the parties to terminate, rescind or agree any variation, waiver or settlement under this agreement are not subject to the consent of any other person.
- 14.8 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.
- 14.9 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.
- 14.10 The termination of this agreement shall be without prejudice to any obligations or rights of any of the parties hereto which have accrued prior to such termination and shall not affect any provision of this agreement which is expressly or by implication provided to come into effect on or to continue in effect after such termination.

15. NOTICES

- 15.1 Any notice relating to this agreement shall be in writing delivered personally or sent by pre-paid first class post or facsimile transmission to the registered office of the party to be served.
- 15.2 Any such notice shall, if sent by post, be deemed to have been served 24 hours after despatch and shall, if sent by facsimile transmission, be deemed to have been served at the time of transmission, provided that if, in the case of delivery by hand or by facsimile transmission, such delivery or transmission occurs on, or if, in the case of delivery by post a period of 24 hours after despatch would expire on a day which is not a Business Day or after 4.00p.m. on a Business Day, then service shall be deemed to occur on the next following Business Day.
- 15.3 In proving service it shall be sufficient to prove, in the case of a letter, that such letter was properly stamped, addressed and placed in the post and, in the case of a facsimile transmission, it shall be sufficient to produce a transmission report showing that transmission was duly and fully made to the correct number.
- 15.4 The address of each party (unless otherwise notified by a party to the other in writing) for the purpose of this clause 15 is:

The Company:

Foresight VCT plc
No. 1 Colmore Square
Birmingham
B4 6AA
For the attention of: Peter Mayhew

with a copy to the chairperson from time to time of the Company at such address notified to the Manager from time to time; and

The Manager:

Foresight Group LLP
The Shard
32 London Bridge Street
London
SE1 9SG
For the attention of: Gary Fraser.

16. THIRD PARTIES

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. For the avoidance of doubt, no rights are conferred on any individual member of the Management Team.

17. DEED

It is the intention of the parties that this document is entered into as a deed.

18. APPLICABLE LAW AND JURISDICTION

- 18.1 This agreement and the rights and obligations of the parties shall be governed by and construed in accordance with the law of England.

18.2 The parties irrevocably submit to the exclusive jurisdiction of the courts of England and Wales in respect of any claim, dispute or difference arising out of or in connection with this agreement.

In witness whereof this agreement has been executed and delivered as a deed by or on behalf of the parties on the date first mentioned.

SCHEDULE

CO-INVESTMENT ARRANGEMENTS

1. Each Investment that is made after 31 March 2017 shall be subject to the Co-Investment Arrangements as set out in this schedule.
2. For the avoidance of doubt, the Co-Investment Arrangements apply to each Investment in an Investee Company made after 31 March 2017, and each subsequent investment in such an Investee Company, but shall not apply to subsequent investments made in Investee Companies in respect of which the Company's original investment was made before 31 March 2017.
3. The Co-Investor Group shall be required to subscribe, subject to paragraphs 4 and 5, for the same class of ordinary shares of the lowest priority class of share in the Investee Company as those invested in by the Company ("**First Relevant Class**"):
 - a. on the same day on which the Company completes the relevant Investment;
 - b. at the same price per share as is paid by the Company pursuant to the relevant Investment;
 - c. the amount invested by the Co-Investor Group being equal to 1.0% (1.5% prior to the Effective Date) of the total amount invested (whether in shares, loans, securities or other form of investment) in the Investee Company by the Company pursuant to the relevant Investment;
 - d. the shares being allocated as to 25% to the Manager and 75% to the other members of the Co-Investor Group in the percentages set out in the Allocation Table (subject to paragraph 6); and
 - e. the shares to be issued to the Co-Investor Group (other than the Manager) will be issued to a nominee and subject to the grant of powers of attorney in favour of the Manager by all members of the Co-Investor Group (other than the Manager) and the nominee on terms to be agreed between the Parties.
4. Where the shares to be issued pursuant to paragraph 3 would result in the shares of the First Relevant Class to be issued in aggregate to the Co-Investor Group representing more than 3.33% (5% prior to the Effective Date) of the shares of the First Relevant Class to be issued to the Company, then
 - a. The Co-Investor Group shall subscribe for such number of shares of the **First Relevant Class** as shall result in the Co-Investor Group as shall represent 3.33% (5% prior to the Effective Date) of the shares of the **First Relevant Class** to be issued to the Company pursuant to the relevant Investment; and
 - b. such number of shares or securities in the next lowest priority class ("**Next Class**") in the Investee Company as those invested in by the Company pursuant to the Investment and the provisions of paragraph 3 will apply mutatis mutandis,

and if in the shares or securities of the Next Class to be issued in aggregate to the Co-Investor Group would represent more than 3.33% (5% prior to the Effective Date) of the shares or securities of the Next Class to be issued to the Company pursuant to the relevant Investment then the amount that the Co-Investor Group shall subscribe in the Next Class shall represent 3.33% (5% prior to the Effective Date) of the shares of the Next Class to

be issued to the Company pursuant to the relevant Investment and the further amount to be invested by the Co-Investor Group shall be in the next lowest priority class in the Investee Company as those invested in by the Company pursuant to the Investment and so on and the provisions of paragraph 3 will apply mutatis mutandis to all such investments.

5. The Allocation Table will be based upon a points system agreed between the Manager and the Board from time to time. The first Allocation Table shall apply from 31 March 2017 to 31 December 2017 and will apply in respect of all Co-Investments completed during that period. The Allocation Table shall be updated annually based on the points system and shall apply in respect of all Co-Investments completed during the following year.
6. If a member of the Co-Investor Group ceases to be a member and/or employee of the Manager for any reason, so that they are no longer a member or employee ("Cessation Date"), that member shall then cease to be a member of the Co-Investor Group and their allocation under the Allocation Table applicable for that year, from the Cessation Date for the remainder of the year must be taken up by other members of the Co-Investor Group or any member and/or employee of the Manager that has joined during the relevant year.
7. The Company hereby agrees and confirms that the Manager and the Management Team shall be entitled to retain all benefits they derive from the Co-Investment Arrangements notwithstanding that they may represent a conflict of interest with the duties owed to the Company pursuant to the Investment Management Agreement.
8. The Parties acknowledge that the Management Team desire, where possible, to benefit from income tax relief under the Enterprise Investment Scheme set out in Part 5 of the Income Tax Act 2007 in respect of their Co-Investments, and agree to use their reasonable endeavours, at the cost and expense of the Manager, to facilitate this ambition.

**ORIGINALLY EXECUTED AS A DEED
ON 31 MARCH 2017 BY
FORESIGHT VCT PLC**

**ORIGINALLY EXECUTED AS DEED
ON 31 MARCH 2017 BY
FORESIGHT GROUP CI LIMITED**

**ORIGINALLY ADHERED TO
ON THE EFFECTIVE DATE BY
FORESIGHT GROUP LLP**

EXECUTED as a DEED by
FORESIGHT VCT PLC
acting by:

Director:

DocuSigned by:

Margaret Littlejohns

.....72CE92C1F20945A.....

Director:

DocuSigned by:



.....D783995262B242A.....

EXECUTED as a DEED by
FORESIGHT GROUP LLP
acting by:

Member:

DocuSigned by:

Emily Raser

.....E703A450E8804C9.....

Member:

DocuSigned by:

Stephen Thayer

.....A123AB63D0FD40C.....