

DATED 27 JANUARY 2020

- (1) FORESIGHT VCT PLC
- (2) FORESIGHT GROUP LLP
- (3) FORESIGHT GROUP CI LIMITED
- (4) FORESIGHT GROUP HOLDINGS LIMITED

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DEED OF NOVATION AND AMENDMENT

- relating to an -

INVESTMENT MANAGEMENT AGREEMENT

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Ref: KXP/974060.2

THIS DEED is made the 27<sup>th</sup> day of January 2020

**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 (the **Company**);
- (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 (**FGLLP**);
- (3) **FORESIGHT GROUP CI LIMITED**, a company registered in Guernsey with registered number 51471, whose registered office is at Ground Floor, Dorey Court, Admiral Park, St Peter Port, Guernsey GY1 2HT (**FGCI**); and
- (4) **FORESIGHT GROUP HOLDINGS LIMITED**, a company registered in Guernsey with registered number 51521, whose registered office is at Ground Floor, Dorey Court, Admiral Park, St Peter Port, Guernsey GY1 2HT (**FGHL**).

**WHEREAS:**

- (A) FGCI provides investment management and administration services (**Services**) to the Company pursuant to the terms of an investment management agreement dated 21 June 2012, (**Original Investment Management Agreement**), as amended, varied, supplemented and novated from time to time up to but not including the date of this deed (**Investment Management Agreement**).
- (B) FGCI assumed (effective from 18 June 2012) all rights and obligations including the obligations to provide investment management services and administration services arising under the terms of the Original Investment Management Agreement from FGLLP and Foresight Fund Managers Limited respectively by way of a deed of novation and termination dated 21 June 2012 and made between the Company (1), FG LLP (2), FGCI (3) and Foresight Fund Managers Limited (4) (**Novation Deed**), the prior arrangements with FGLLP and FGCI being terminated pursuant to that deed).
- (C) The parties have agreed to novate the Investment Management Agreement and to amend and consolidate that agreement into the Revised Investment Management Agreement (as defined in clause 4 of this deed) and for FGHL to adhere to the Investment Management Agreement as provided herein. The Revised Investment Management Agreement does not substantively change the commercial terms of the Investment Management Agreement.

**IT IS HEREBY AGREED** as follows:

**1. INTERPRETATION**

In this deed:

- 1.1 **Effective Date** means the date of this deed;
- 1.2 **Novation Deed** shall have the meaning set out in Recital B;
- 1.3 **Revised Investment Management Agreement** shall have the meaning set out in clause 4;
- 1.4 **Sender, Recipient and Notice**, shall have the meanings set out in clause 7.1;
- 1.5 the headings to the clauses shall not affect their interpretation; and

- 1.6 references to clauses, schedules or annexures 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. NOVATION**

- 2.1 It is agreed that with effect from the Effective Date:

- 2.1.1 FGLLP shall be appointed to provide the Services to the Company pursuant to the Investment Management Agreement in place of FGCI and shall be entitled to the benefits conferred on FGCI as if FGLLP was an original party to the Investment Management Agreement;

- 2.1.2 the obligations and liabilities imposed by the Investment Management Agreement on FGCI shall continue with full force and effect shall be binding upon FGLLP as if FGLLP was an original party to the Investment Management Agreement in place of FGCI (including (i) obligations and liabilities arising as a result of acts, omissions and breaches by FGLLP and/or FGCI prior to the Effective Date and (ii) liabilities and obligations assumed by FGCI pursuant to the Novation Deed); and

- 2.1.3 FGCI is save as expressly provided in clause 34 (Guarantee and Indemnity) of the Revised Investment Management Agreement released from all obligations and liabilities arising from the Investment Management Agreement. For the avoidance of doubt, the guarantee and indemnity in clause 5 of the deed of novation and termination referred to in Recital B shall continue with full force and effect.

## **3. FGHL ADHERENCE**

FGHL, with effect from the Effective Date, hereby agrees to adhere to the Investment Management Agreement and undertakes to each other party to the Investment Management Agreement to observe and be bound by all the obligations of the Investment Management Agreement (as amended pursuant to clause 5 to the form of the Revised Investment Management Agreement) in all respects, in particular in relation to clause 34, as if it were a party to the Investment Management Agreement (as amended pursuant to clause 5 to the form of the Revised Investment Management Agreement) and named therein as a Guarantor.

## **4. AMENDMENT**

The parties hereby agree that with effect from the Effective Date the Investment Management Agreement shall be amended so as to be in the form of the investment management agreement set out in the Schedule to this deed (**Revised Investment Management Agreement**).

## **5. RECORDS AND ACCESS TO INFORMATION**

On and at any time after the Effective Date, FGCI shall give or procure to be given to FGLLP and the Company all such information and other assistance that may be reasonably required for the management and operation of the Company, including giving reasonable access during business hours to the books, accounts, records and returns of FGCI relating to such management or performance as FGLLP or the Company may require (including the right to take copies and extracts) and shall keep them in good order.

## **6. CONTINUING AGREEMENT**

- 6.1 The parties hereto further agree that except as expressly provided in this deed, the terms of the Investment Management Agreement shall remain in full force and effect.

- 6.2 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 Revised Investment Management Agreement.

7. **NOTICES**

7.1 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.

7.2 A Notice may be either delivered to the Recipient or sent by post (whether ordinary, first class, pre-paid or registered or recorded delivery) addressed to such party at his address stated in clause 6.3 or such other address as the Recipient may specify in writing to the other party or, if the Recipient is a Company incorporated in England and Wales, 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.

7.3 The address of each party (unless otherwise notified by a party to the other in writing) for the purpose of this clause 6 is:

The Company:

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

FGLLP, FGCI and FGHL:

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

8. **GENERAL**

8.1 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.

8.2 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.

8.3 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.

8.4 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.

8.5 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.

- 8.6 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.
- 8.7 Any variation of this deed shall be in writing and signed by or on behalf of each party.
- 8.8 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.
- 8.9 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.
- 8.10 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.
- 8.11 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.**

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




Witness Signature:

Name:

Address:

Occupation:

  
ANTHONY WELDON  
#808 ST JAMES COURT,  
HAMILTON PARISH, BERMUDA FLOY  
DIRECTOR

EXECUTED as a DEED by  
FORESIGHT GROUP LLP  
acting by:

Member: .....

Member: .....

EXECUTED as a DEED by  
FORESIGHT GROUP CI LIMITED  
acting by:

Director: .....

Director/Secretary: .....

EXECUTED as a DEED by  
FORESIGHT GROUP HOLDINGS LIMITED  
acting by:

Director: .....

Director/Secretary: .....

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

.....

Witness Signature: .....

Name: .....

Address: .....

.....

Occupation: .....

**EXECUTED** as a **DEED** by  
**FORESIGHT GROUP LLP**  
acting by:

Member: .....

Member: .....

*J. M. Hughes*  
*[Signature]*

**EXECUTED** as a **DEED** by  
**FORESIGHT GROUP CI LIMITED**  
acting by:

Director: .....

Director/Secretary: .....

**EXECUTED** as a **DEED** by  
**FORESIGHT GROUP HOLDINGS LIMITED**  
acting by:

Director: .....

Director/Secretary: .....

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

.....

Witness Signature: .....

Name: .....

Address: .....

.....

Occupation: .....

**EXECUTED as a DEED by  
FORESIGHT GROUP LLP**  
acting by:

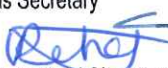

Member: .....

Member: .....


**EXECUTED as a DEED by  
FORESIGHT GROUP CI LIMITED**  
acting by:

Director:  .....

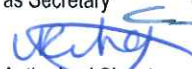

~~Director~~/Secretary:

JTC Fund Solutions (Guernsey) Limited as Secretary	
	
Authorised Signatory	Authorised Signatory

**EXECUTED as a DEED by  
FORESIGHT GROUP HOLDINGS LIMITED**  
acting by:

Director:  .....

~~Director~~/Secretary:

JTC Fund Solutions (Guernsey) Limited as Secretary	
	
Authorised Signatory	Authorised Signatory



**SCHEDULE**  
**Revised Investment Management Agreement**

**CONFORMED COPY OF AN INVESTMENT MANAGEMENT AGREEMENT  
DATED 21 JUNE 2012 (AS NOVATED AND AMENDED UP TO AND  
INCLUDING 27 JANUARY 2020)**

- (1) FORESIGHT VCT PLC**
- (2) FORESIGHT GROUP LLP**
- (3) FORESIGHT GROUP CI LIMITED**
- (4) FORESIGHT GROUP HOLDINGS LIMITED**

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**CONFORMED COPY  
INVESTMENT MANAGEMENT AGREEMENT  
- relating to -  
FORESIGHT VCT PLC**

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Ref: KXP/974060.2

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**CONFORMED COPY OF AN INVESTMENT MANAGEMENT AGREEMENT DATED 21 JUNE 2012 (AS NOVATED AND AMENDED UP TO AND INCLUDING 27 JANUARY 2020).**

**BETWEEN:**

- (1) **FORESIGHT VCT PLC**, a public limited company registered in England under number 03421340 and having its registered office at The Shard, 32 London Bridge Street, London SE1 9SG (the **Company**);
- (2) **FORESIGHT GROUP LLP**, a limited liability partnership established in England with registered number OC300878 and having its registered office at The Shard, 32 London Bridge Street, London SE1 9SG (the **Manager**);
- (3) **FORESIGHT GROUP CI LIMITED** a company registered in Guernsey under number 51471 and having its registered office at Ground Floor, Dorey Court, Admiral Park, St Peter Port, Guernsey GY1 2HT (**FGCI**); and
- (4) **FORESIGHT GROUP HOLDINGS LIMITED**, a company registered in Guernsey under number 51521 and having its registered office at Ground Floor, Dorey Court, Admiral Park, St Peter Port, Guernsey GY1 2HT (**FGHL**).

**WHEREAS**

- (A) The Company carries on business as a venture capital trust. The Manager has agreed to provide the investment management and administration services as contemplated by, and in accordance with, in this agreement.
- (B) By a deed of novation and termination dated 21 June 2012 and made between the Company (1), the Manager (2), FGCI (3) and Foresight Fund Managers Limited (4), with effect from 18 June 2012 FGCI took over the obligations to provide investment management services from the Manager and administration services from Foresight Fund Managers Limited pursuant to the provisions of this agreement in the form entered into on 21 June 2012 (the prior arrangements with the Manager and FGCI being terminated pursuant to that deed).
- (C) By a deed of novation and amendment dated 27 January 2020 and made between the Company (1), the Manager (2), FGCI (3) and FGHL (4), with effect from the date of that deed the provisions of this agreement were amended, the right and obligations of FGCI under this agreement were novated to the Manager and FGHL adhered to this agreement for the purposes of its obligations pursuant to clause 34.
- (D) The Manager is authorised and regulated by the Financial Conduct Authority (**FCA**) and is permitted under the Financial Services and Markets Act 2000 (as amended) (**Act**) to provide investment advisory and management services.
- (E) The parties acknowledge that the Company is an alternative investment fund for the purposes of Directive 2011/61/EU on Alternative Fund Managers (**AIFM Directive**). The parties further acknowledge that for the purposes of the AIFM Directive the Company is an internally managed alternative investment fund (and hence its own alternative investment fund manager (**AIFM**)).
- (F) The Manager has been selected by the Board (as defined below) of the Company with all due care and, in the opinion of the Board, the provision of services by the Manager is in the best interests of the Company. Nothing in this agreement shall effect the ability of the Board to effectively monitor and supervise the provision of services by the Manager.

## IT IS AGREED AS FOLLOWS

### 1. DEFINITIONS AND INTERPRETATION

- 1.1 The following words and expressions shall where used in this agreement (including the Recitals and the Schedules) have the meanings respectively ascribed to them below:-

<b>Act</b>	the Financial Services and Markets Act 2000 (as amended, supplemented or replaced from time to time);
<b>Administrative Services</b>	the services described in clause 4.4;
<b>AIFM</b>	has the meaning given in Recital (E);
<b>AIFM Directive</b>	has the meaning given in Recital (E);
<b>Anti-bribery Policy</b>	as defined in clause 3.8.3;
<b>Appointment</b>	the appointment of the Manager as described in clause 2;
<b>Arrangement Services</b>	the services described in clause 4.2;
<b>Assets</b>	all the assets of the Company whatsoever including, without limitation, shares, securities and financial instruments of any description and any moneys wherever held but excluding any assets of the Company from time to time managed under separate arrangements between the Company and third parties;
<b>Associated Fund</b>	the whole, or if less than the whole, that part, of a venture capital fund, investment fund or company other than the Company in relation to which the Manager or a Related Company acts as an investment adviser or an investment manager;
<b>Associates</b>	members, partners, directors, employees, consultants and shareholders of the relevant entity;
<b>Auditors</b>	the auditors from time to time of the Company;
<b>Board</b>	the board of directors of the Company as constituted from time to time;
<b>CASS</b>	the Client Asset rules as described in the FCA Rules;
<b>Business Day</b>	any day which is not a Saturday, Sunday or a public holiday in England;
<b>Data Protection Laws</b>	the Data Protection Act 1988, the General Data Protection Regulation (GDPR) (Regulation) (EU) 2016/679 and all other applicable data protection laws and regulations from time to time;
<b>Excess</b>	as defined in clause 11.8;
<b>Excess Cash</b>	as defined in clause 11.3;

<b>FCA</b>	as defined in Recital (C) (or its successors from time to time);
<b>FCA Rules</b>	the FCA Handbook of Rules and Guidance the rules and guidance issued by the FCA (as varied, supplemented or replaced from time to time) and, as may be applicable to the Manager, the MiFiD Requirements;
<b>Guarantors</b>	FGCI and FGHL (and each a <b>Guarantor</b> );
<b>Foresight GDPR Panel</b>	the panel established by the Manager with the responsibility of compliance by the Manager with the Data Protection Laws;
<b>HMRC</b>	HM Revenue & Customs;
<b>Indemnified Persons</b>	as defined in clause 15.1.2;
<b>Investee</b>	any company in which the Company holds an investment;
<b>ITA</b>	the Income Tax Act 2007 (as amended or replaced from time to time);
<b>London Stock Exchange</b>	London Stock Exchange plc;
<b>Management Services</b>	the services described in clause 4.3;
<b>Manager Benefits</b>	as defined in clause 11.10;
<b>Market Abuse Regulation</b>	Regulation 596/2014 of the European Parliament and of the Council on market abuse (as amended, recast, modified, supplemented, re-enacted or replaced from time to time) as implemented or given direct effect in the UK;
<b>MiFiD Requirements</b>	Directive 2004/39/EC of the European Parliament and of the Council on markets in financial instruments (as amended, recast, modified, supplemented, re-enacted or replaced from time to time including under Directive 2014/65/EU of the European Parliament and of the Council on markets in financial instruments and Regulation (EU) No 600/2014 of the European Parliament and of the Council on markets in financial instruments) as implemented or given direct effect in the UK;
<b>Net Asset Value</b>	the net asset value of the Company being total assets less total liabilities;
<b>Net Cash Raised</b>	in respect of: <ul style="list-style-type: none"> <li>(i) a publicly quoted company, in respect of each class of share, the aggregate of the ordinary share capital and share premium accounts, net of issue expenses, at the time that company announces that any public offer for subscription of the relevant class of share has closed, multiplied by the</li> </ul>

proportion of the funds allocated by that Company to the Manager for investment; this amount to be regarded as nil prior to the closing of a first public offer for subscription by such a company in a particular class of share, and thence forward to be amended only upon the closing of any subsequent public offer for subscription in the same class of share;

- (ii) a fund organised as a limited partnership and/or a limited liability partnership investing alone or through a parallel investment agreement, the aggregate of capital contributions and loan commitments as increased from time to time at each closing of such a fund, until the manager of the fund announces that the fund will not accept any further commitments;
- (iii) any other fund (in whatever form), including but not limited to funds established in connection with business property relief or tax reliefs under the Enterprise Investment Scheme;

**Notice**

as defined in clause 28.1;

**Partial Quarter**

as defined in clause 11.6;

**Qualifying Holdings**

holdings of shares or securities or indebtedness held by the Company in Investees which satisfy the requirements of Chapter 4 of Part 6 of ITA;

**Quarter**

each of the quarterly periods beginning on the first day of January, April, July and October respectively;

**Recipient**

as defined in clause 28.1;

**Regulations**

the Act, the Companies Act 2006, the FCA Rules, the MiFID Requirements, Market Abuse Regulation, AIFM Directive, the city code on takeovers and mergers (or any replacement thereof), all applicable rules and requirements of the FCA, ITA, VCT Regulations, Data Protection Laws, the Bribery Act 2010 and every other law, rule, regulation or code as from time to time in force and for the time being binding on the Company (unless the Manager could not reasonably be expected to know the law, rule, regulation or code was binding on the Company) and/or the Manager in so far as they relate to the Manager's obligations under this agreement;

**Regulatory Authority**

any body, person or authority, agency, organisation, exchange, clearing house, professional body, institute and trade association concerned with regulating the

business carried on by the Company, including without limiting the generality of the foregoing any designated agency, investment exchange, clearing house, the competent authority (in each instance within the meaning of the Act) and their successors, HMRC, the Bank of England and any authority in a country or territory outside the United Kingdom which exercises functions corresponding to those of the designated agency, recognised self-regulating organisation, the competent authority and their successors or the Bank of England;

**Related Company**

in relation to the Manager, any body corporate which is or at any material time was:

- (a) a holding company or subsidiary of the Manager; or
- (b) a subsidiary of a holding company of the Manager;

**Relevant Requirements**

as defined in clause 3.8.1;

**Relevant Terms**

as defined in clause 3.11;

**RPI**

the Retail Prices Index published by the Office of National Statistics (or any replacement index);

**Running Costs**

the normal annual running costs of the Company, these being the annual expenses of the Company incurred in its ordinary business, excluding:

- (a) performance incentive fees payable to the Manager or any other third party;
- (b) trail commission;
- (c) exceptional items; and
- (d) any fees, costs and expenses which the Board determines should be regarded as exceptional items;

**Sender**

as defined in clause 28.1;

**Services**

the services to be provided by the Manager in accordance with clause 4 comprising the Arrangement Services, the Management Services and the Administrative Services;

**Takeover Panel**

the UK Panel on Takeovers and Mergers;

**UK**

the United Kingdom of Great Britain and Northern Ireland;

**VCT Regulations**

the Venture Capital Trust Regulations 1995 (SI 1995/1979) as amended or replaced from time to time;



**VCT Status Monitor**

any entity from time to time appointed by the Company to monitor its status as a Venture Capital Trust; and

**Venture Capital Trust**

a company which is a venture capital trust for the purpose of section 259 of ITA and is approved as such by HMRC.

1.2 A reference to any statutory provision in this agreement:

1.2.1 includes any order, instrument, plan, regulation, permission and direction made or issued under such statutory provision or deriving validity from it;

1.2.2 shall be construed as a reference to such statutory provision as in force at the date of this agreement (including, for the avoidance of doubt, any amendments made to such statutory provision that are in force at the date of this agreement); and

1.2.3 shall also be construed as a reference to any statutory provision of which such statutory provision is a re-enactment or consolidation.

1.3 The headings in this agreement are for convenience only and shall not affect its meaning.

1.4 Reference to a clause or Schedule is (unless otherwise stated) to a clause of and Schedule to this agreement.

1.5 Words importing one gender (where appropriate) include any other gender and words importing the singular shall (where appropriate) include the plural and vice versa.

1.6 Except where stated or where the context otherwise demands, words and phrases defined in the Glossary to the FCA Rules or in the Act or in the CA 2006 have the same meaning when used in this agreement (and in the event of conflict between those three then in the order in which they are listed).

1.7 The Schedules form part of this agreement.

**2. APPOINTMENT AND TERM**

2.1 The Company has appointed the Manager (effective from 21 June 2012) to carry out and provide the Services pursuant to the terms of this agreement subject to the overall policies, direction and control of the Board. Notwithstanding the aforesaid, nothing in this agreement shall prevent the Company from declaring that it itself is the AIFM of the Company for the purposes of the AIFM Directive.

2.2 The Manager's appointment shall continue in force unless and until subject to the provisions of clause 27, terminated by the expiry of not less than twelve months' notice in writing given by either the Company or the Manager to the other at any time.

2.3 If at any time after consultation with the Manager the Company in good faith genuinely believes, in the light of all the circumstances at the time of which the Company is aware, that the Company does not or may not in the future meet the requirements of section 274 of ITA, then the Company shall be entitled to appoint one or more third parties to manage or advise in respect of the whole or some part of the Assets in substitution for the Manager and on such appointment being made and notified to the Manager the whole or the relevant part of the Assets shall cease to be regarded as under the Management of the Manager for the purpose of this agreement.

**3. GENERAL OBLIGATIONS OF THE MANAGER**

3.1 The Manager shall perform its duties hereunder with all the skill, care and expertise which can reasonably be expected of a qualified, professional, experienced investment manager and administrator operating in the UK. The Manager shall use its best judgment, efforts and facilities in

rendering the Services and shall in the performance of the Services hereunder at all times, and in all respects, faithfully serve the interests of the Company.

- 3.2 The Manager shall, in the performance of its duties under this agreement observe and comply with the memorandum and articles of association of the Company and the Company's investment objectives, investment policy and investment strategy (including, in particular, to obtain and maintain the Company's status as a Venture Capital Trust). In addition, the Manager shall conform to, comply with and carry out all policy decisions and directions which the Board may from time to time make or give (unless the Manager reasonably believes, and so informs the Company, that such compliance might involve the Manager or the Company in a contravention of any law, rule or regulation) and any recommendations received in relation to the monitoring arrangements from the VCT Status Monitor.
- 3.3 The Manager undertakes to the Company that it will at all times ensure that any dealings or other arrangements in respect of the Assets carried out by the Manager in the provision of the Services, whether as principal or as agent, pursuant to or in connection with the performance of this agreement are carried out in good faith in the best interests of the Company.
- 3.4 The Manager shall give the Company the benefit of all reasonable judgement, efforts and facilities and shall in conjunction with its delegates, subcontractors and service providers under clause 14.3 devote such time and have all necessary, competent and efficient personnel and equipment as may be required to enable it to carry out its duties hereunder properly and efficiently.
- 3.5 The Manager shall take out and maintain at its own cost for the benefit of the Manager and any other person who is a delegate, subcontractor or service provider to the Manager such professional indemnity cover as it reasonably considers normal and customary for the services provided.
- 3.6 The Manager shall use its best endeavours to maintain the Company's status as a Venture Capital Trust approved as such by HMRC.
- 3.7 In performing its duties under this agreement, the Manager shall comply with all Regulations (including maintaining all policies, books, accounts, records and data in relation to this agreement in accordance with its obligations under the Regulations), in particular those matters set out in clause 3.8 to 3.10.
- 3.8 The Manager shall:
  - 3.8.1 comply with all applicable laws, statutes, regulations and codes relating to anti-bribery and anti-corruption including but not limited to the Bribery Act 2010 (**Relevant Requirements**);
  - 3.8.2 not engage in any activity, practice or conduct which would constitute an offence under sections 1, 2 or 6 of the Bribery Act 2010 if such activity, practice or conduct had been carried out in the UK;
  - 3.8.3 comply with any Anti-bribery Policy provided by or agreed with the Company from time to time (**Anti-bribery Policy**);
  - 3.8.4 have and shall maintain in place throughout the term of this agreement its own policies and procedures, including adequate procedures under the Bribery Act 2010, to ensure compliance with the Relevant Requirements, the Anti-bribery Policy and clause 3.8.2 above, and will enforce them where appropriate;
  - 3.8.5 promptly give notice to the Company of any request or demand for any undue financial or other advantage of any kind received by the Manager in connection with the performance of this agreement, such notice to include summary details of such request or demand (unless to do so would be a breach of the Manager's duties and obligations to the FCA); and
  - 3.8.6 promptly provide to the Company on request by the Board confirmation in writing signed by an officer of the Manager, of compliance with this clause 3.8 by the Manager and all of

its Associates (or, as the case may be, Associates of its delegates, subcontractors and service providers) provide such supporting evidence of compliance as the Company may reasonably request.

- 3.9 The Manager shall maintain an insider list identifying those shareholders, directors and employees of the Manager who have access to inside information relating directly or indirectly to the Company on an occasional or regular basis and the reason for their inclusion. The Manager shall promptly update such insider list whenever there is a change in the reason for the person's inclusion, a new person is added or a person no longer has access to inside information. The Manager shall further ensure that each person with access to inside information acknowledges the legal and regulatory duties entailed, and is aware of the sanctions attaching to misuse or improper circulation of such information.
- 3.10 The Manager shall ensure that any of its Associates who are performing services in connection with this agreement do so only on the basis or arrangements which impose on such persons terms equivalent to those imposed on the Manager in clauses 3.6 to 3.9 (**Relevant Terms**). The Manager shall be responsible for the observance and performance by such persons of the Relevant Terms, and shall be directly liable to the Company for any breach by such persons of any of the Relevant Terms.

#### 4. THE SERVICES

- 4.1 The Manager shall provide the following separate services to the Company which together comprise the Services: the Arrangement Services, the Management Services and the Administrative Services.
- 4.2 The Arrangement Services shall be as follows:
- 4.2.1 for the account of the Company to complete or arrange for the completion of transactions for the acquisition of Qualifying Holdings and to complete or arrange for the completion of transactions for the disposal (in whatever manner the Manager considers appropriate) of Qualifying Holdings;
  - 4.2.2 for the account of the Company to complete or arrange for the completion of transactions for the acquisition of shares or securities, and to complete or arrange for the completion of transactions for the disposal (in whatever manner the Manager considers appropriate) of such shares or securities;
  - 4.2.3 for the account of the Company and for the purpose of providing these services referred to in clauses 4.2.1 and 4.2.2 to arrange the terms of the investment, including without limitation, the conditions attaching to any shares or securities to be acquired by the Company and the proportions in which such shares and securities are to be acquired.
- 4.3 The Management Services shall be as follows:
- 4.3.1 to advise the Board and make recommendations on matters of investment policy and investment strategy and developments in or changes to the investment policy and investment strategy which the Manager may from time to time consider appropriate;
  - 4.3.2 to search out, carry out due diligence in respect of and evaluate investment opportunities in Qualifying Holdings and other Assets for possible investment by the Company;
  - 4.3.3 to determine in relation to any investment opportunities in Qualifying Holdings evaluated as suitable for investment by the Company, the amount to be invested and any representation on the board of the company concerned in which the Company has invested;
  - 4.3.4 to determine whether an Asset should be acquired, held or disposed of in accordance with clause 7.2, but subject always to clause 7.3;

- 4.3.5 to liaise with banks and brokers in respect of investments in fixed interest securities deposits, money market funds or other shares and securities not constituting Qualifying Holdings;
  - 4.3.6 (unless otherwise agreed) without prejudice to clause 8, once in every three months to submit to the Board reports on the progress and valuation of Assets (to be calculated in accordance with the Company's normal accounting policies applied on a consistent basis) in which the Company has invested (and to advise the Board as soon as practicable should there be a sudden and significant change in the value of an Asset);
  - 4.3.7 to keep or cause to be kept proper and accurate records (whether expressly required by the foregoing provisions of this agreement or not) of all investments and transactions undertaken on behalf of the Company by the Manager together with all necessary receipts and vouchers (and the Manager shall liaise with any banks and brokers appointed in respect of investments in fixed interest securities, money market funds and other shares and securities not constituting Qualifying Holdings in relation to the valuation of and records relating to those assets);
  - 4.3.8 to ensure that the records relating to the Company or its Assets shall at all times, upon reasonable notice in writing, be open for inspection by the Auditors, the VCT Status Monitor, the Board and any person authorised by the Board;
  - 4.3.9 to provide sufficient information to the VCT Status Monitor to enable the VCT Status Monitor to ensure that the status of the Company as a Venture Capital Trust is maintained;
  - 4.3.10 to monitor investments in Qualifying Holdings and other investments of the Company once made (including monitoring the continuing compliance with the requirements of Part 6 of ITA);
  - 4.3.11 on behalf of, and in the name of the Company, to exercise its discretion and exercise such powers and rights as the Company may employ both at law and by contract to protect, preserve, maintain and enhance those investments (inter alia by the giving or withholding, subject to clause 7.3, of consents to the commission or omission of any acts or transactions by Investees) to the best of the Manager's abilities;
  - 4.3.12 to take steps to enforce rights available to the Company relating to the Company's investments;
  - 4.3.13 to advise the Company upon and to do all such acts and transactions which appear to the Manager are relevant or would be advantageous to the Company in its implementation of its investment objective, investment policy and investment strategy;
  - 4.3.14 to provide personnel to represent the interests of the Company on the boards or other governing bodies of Investees; and
  - 4.3.15 to provide a representative to attend meetings of the Board to report on the progress of the Company's investment, the investment policy, the status of its investments and the investment opportunities for possible investment by the Company which are being identified.
- 4.4 The Administrative Services to be provided by the Manager shall be as follows:
- 4.4.1 the provision of a registered office for the Company in London;
  - 4.4.2 to arrange for accommodation for the meetings of the Board or shareholders in London or at such other place or places as may from time to time be agreed with the Board and with all necessary general administrative and secretarial services required in connection therewith;

- 4.4.3 to act as the company secretary of the Company and provide all duties normally performed by the secretary of a public limited company incorporated in England and Wales whose shares are admitted to the Official List of the FCA;
- 4.4.4 to act as bookkeeper and accountant of the Company and providing all duties normally performed by a bookkeeper and accountant;
- 4.4.5 to arrange for the maintenance of all records, books of account, statutory books and registers required to be maintained by the Company by law;
- 4.4.6 to arrange for liaison with, and advice on relations with, investors in the Company;
- 4.4.7 liaising with the Company's bankers and registrars as necessary for the efficient running of the Company;
- 4.4.8 liaising with the Company's brokers in connection with the completion of market purchases of the Company's own shares;
- 4.4.9 to administer and manage the obligations of the Company to third parties under the VCT Regulations (liaising, where necessary, with the Company's registrars, for this purpose);
- 4.4.10 to prepare and submit (or cause to be prepared and submitted) to shareholders of the Company or, where such shareholders are nominees, the beneficial owner of such shares, certificates of eligibility for tax relief in respect of their shareholdings in the Company containing the information specified in the VCT Regulations and issued within the time prescribed by the VCT Regulations;
- 4.4.11 subject to clause 10.3, open, manage and operate bank accounts of the Company in accordance with mandates agreed with the Board from time to time (including administering payments and receipts and completing bank reconciliations);
- 4.4.12 to administer the Company's payroll (including calculation and payment of PAYE and national insurance contributions);
- 4.4.13 ensure compliance with (including arranging for the filing or registration of all requisite documents required under) the Companies Act 2006, the requirements of FCA and of the London Stock Exchange, VCT legislation, AIFMD and all other applicable legislation and regulations applicable to the Company;
- 4.4.14 to procure that the value of the Assets is calculated quarterly in accordance with the Company's normal accounting policies applied on a consistent basis.
- 4.4.15 to prepare the annual accounts of the Company and liaise with the Auditors in relation thereto and prepare the unaudited half yearly financial statements of the Company;
- 4.4.16 to prepare quarterly management accounts of the Company;
- 4.4.17 to compile, submit and agree the taxation computations of the Company;
- 4.4.18 to use reasonable endeavours to arrange and maintain directors' and officers' insurance for members and former members of the Board;
- 4.4.19 notwithstanding the aforementioned:
  - 4.4.19.1 to ensure that the records relating to the Company or its Assets shall at all times, upon reasonable notice in writing, be open for inspection by the Auditors, the VCT Status Monitor, the Board and any person authorised by the Board;
  - 4.4.19.2 to provide sufficient information to the VCT Status Monitor to enable the VCT Status Monitor to ensure that the status of the Company as a Venture Capital Trust is maintained; and

- 4.4.19.3 to provide sufficient information to the Auditors to enable the Auditors in relation to its audit work in connection with the annual accounts and half-yearly accounts;
- 4.4.20 provide safekeeping of the title documents of the Company's Assets (which shall be held in a secure, fire-proof safe) ensuring that there are adequate arrangements so as to safeguard the Company's ownership rights in accordance with CASS 6, in particular that such title documents are segregated from the title documents relating to assets of the Manager (and any other fund managed or advised by the Manager or for whom the Manager or a Related Company provides safekeeping and/or custody services);
- 4.4.21 maintain full records relating to the Company's Assets including records of title documents in relation to such Assets and carry out reconciliations and provide quarterly reports in relation thereto to the Company (in particular as may be required by CASS 6);
- 4.4.22 to assist with the annual evaluation of the Board and the Company's advisers;
- 4.4.23 to assist with risk review and assessment;
- 4.4.24 managing and updating the Company's website (whether as a separate website or as part of the Manager's website);
- 4.4.25 preparing and distributing newsletters from the Manager to the Company's shareholders, updating them on the performance of the VCT and its investment activities;
- 4.4.26 acting as company secretary and administrator in connection with all fundraising activities, offers for subscription, rights issues, share placements, tender offers, share purchases and any statutory reconstructions which involve communication with, to and from shareholders, including liaising with the Company and its Board, prospective investors (including carrying out or arranging client due diligence checks) and their intermediaries, current shareholders of the Company and their intermediaries, any party appointed to act as receiving agent, distributor, sponsor or promoter and the Company's registrars and advisers;
- 4.4.27 responding to the Company's shareholders', and their duly authorised intermediaries', reasonable requests for information on the performance of their investments in the Company, including confirming or reporting the number of shares owned, dividends paid or payable, the current value of the shareholding on a share price or net asset value basis, the latest reported Net Asset Value per share and cumulative total shareholder returns; and
- 4.4.28 to do all others things which are incidental or conducive to the above or to the rights, powers, discretions, duties, obligation and responsibilities given and/or imposed on the Manager in connection with the Administrative Services.

## 5. EXCLUDED ACTIVITIES

- 5.1 For the avoidance of doubt the duties of the Manager hereunder shall not include:
  - 5.1.1 services in relation to any take-over or merger involving the Company or any issue of or any overseas listing for any securities of the Company;
  - 5.1.2 advice or services which would not normally be provided by investment managers of a Venture Capital Trust and which are not referred to in clause 4;
  - 5.1.3 advice or services in relation to a reorganisation, liquidation, amalgamation or unitisation of the Company;
  - 5.1.4 acting as registrars on behalf of the Company; and
  - 5.1.5 the provision of employees to serve the Company as executive officers.

- 5.2 To the extent permitted by the Rules and applicable law, the Manager undertakes to provide or procure the provision of such advice and any such services to the Company as are referred to in clause 5.1 if the Board so requests. If the Manager shall render or perform such services or extra or special services of any kind to the Company the Manager shall be entitled to receive such additional reasonable fees therefrom as the Board in consultation with the Manager may from time to time agree.

## **6. RIGHTS OF THE MANAGER AND UNDERTAKINGS BY THE COMPANY**

- 6.1 The Company shall not buy, sell, grant options over or otherwise deal in any of the Assets in such a way as to derogate from the appointment of the Manager hereunder to provide Management Services save as provided in clauses 2.3 and 7.
- 6.2 The Company undertakes that it shall give prior notification to the Manager of any charge or other encumbrance in relation to the Assets which it proposes to create.
- 6.3 The Manager shall be entitled to deal with the Assets without having regard to any matter whatsoever arising between the Company and any third party of which the Manager has not been notified by the Company.
- 6.4 The Company shall indemnify the Manager against all losses, costs, claims, liabilities, expenses and demands sustained or incurred by the Manager which result directly or indirectly from any other person claiming to be entitled to any of the Assets or any interest therein of which the Manager did not have actual knowledge.
- 6.5 Where the formal consent or approval of the Company or the Board is required under this agreement then if such consent is given the Company shall thereafter when requested by the Manager so to do execute and do or procure to be executed and done all such documents, deeds, attorneys, proxies, acts and things as may be requisite and shall lend its name to any proceedings in relation to the matter for which such consent or approval is given.

## **7. MANAGER'S POWERS AND LIMITATIONS**

- 7.1 Subject to clause 3 and to clause 7.3 the Company vests in the Manager as agent for the Company all rights and powers of whatsoever nature as shall be necessary for the Manager to properly and efficiently perform its specified duties under clause 4 and the Manager may effect or arrange transactions through or with any person, firm or company that it may select, including any Related Company.
- 7.2 For the avoidance of doubt the authority of the Manager in relation to the Assets, shall include, without limitation, the power to determine that an investment should be acquired, held or disposed of, instruct professional advisers, agree fee arrangements with advisers, abort transactions prior to completion, negotiate and execute on behalf of the Company acquisition, disposal and other appropriate agreements, all without reference to the Company but subject always to such policy decisions and directions as are given under clause 3.2.
- 7.3 If the aggregation of a Qualifying Holding with any investment in the same Investee held by an Associated Fund in the opinion of the VCT Status Monitor may constitute control of that Investee for the purposes of section 298 of ITA then the Manager shall not have any power or authority to act on the Company's behalf without specific direction from the Company being given in relation to any rights of consent, approval or voting enjoyed by the Company in relation to the following matters concerning that Qualifying Holding:
- 7.3.1 the exercise of voting rights at general meetings or class meetings of the shareholders of the Investee;
  - 7.3.2 the payment of dividends by the Investee; or
  - 7.3.3 a return of capital by the Investee,

- 7.3.4 however, in respect of the following the Manager's discretion shall not be fettered by this clause:
- 7.3.5 rights which the Company enjoys as a loan creditor; and
- 7.3.6 rights arising as a result of the Company holding non-convertible preference shares (being non-voting and paying a dividend which is a fixed rate per cent of the nominal value of such shares and which, together with any sum paid on redemption, represents no more than a reasonable commercial return on the consideration for which such shares were acquired).
- 7.4 The Manager shall provide the Board with any information reasonably required by the Board in relation to any request for a specific direction referred to in clause 7.3 and shall use its reasonable endeavours to provide such information in good time and in a form reasonably required by the Board.
- 7.5 The Manager shall, in the absence of the specific prior written approval of the Board, have no power or authority to borrow or incur indebtedness in the name of or on behalf of the Company.
- 7.6 The Manager shall have no power to give guarantees in the name of or on behalf of the Company in respect of the borrowings, indebtedness, liabilities or obligations of any person whatsoever or howsoever arising.
- 7.7 The Manager shall have no power to give warranties or indemnities in the name of or on behalf of the Company save warranties as to title and ownership.
- 7.8 The Manager shall have no power in the name of or on behalf of the Company to authorise, approve, accept responsibility for or consent to the issue of any prospectus or admission document or any offer in relation to which a prospectus or admission document have been published.

## **8. REPORTING**

- 8.1 The Manager shall keep the Board informed as appropriate as to the discharge of the Manager's duties and responsibilities hereunder (including providing any notifications and reports as referred to in Schedule 2). The Manager shall once in every three months submit to the Board full reports regarding the composition and value of the assets of the Company and such other reports and information regarding the Company's affairs (including such financial statements as may be required by corporate or taxation legislation) as the Board shall reasonably require and shall attend all meetings of the Board or any committee thereof whenever reasonably required by the Board so to do. The Manager shall not be obliged to issue contract notes in respect of individual transactions or Periodic Statements (as defined in the FCA Rules) but shall instead provide the reports to the Board referred to in this clause 8.
- 8.2 If at any time the share capital of the Company is divided into more than one class of shares, The Manager shall maintain the accounting records of the Company so that the assets, liabilities, profits and losses attributable to any class of shares in the Company can be separately identified and such attribution between the classes of shares shall comply with the provisions of the articles of association of the Company for the time being.

## **9. INSTRUCTIONS AND COMMUNICATION WITH THE COMPANY**

- 9.1 Any instruction from the Board to the Manager in relation to the Manager's duties hereunder may be communicated either orally (which may take the form of an oral instruction from the Board or a duly authorised committee of the Board) or in writing (which may take the form of a minute or of a resolution of the Board or of a duly authorised committee of the Board) but so that the Manager shall not be obliged to act on such oral instructions until such instructions are confirmed in writing to the satisfaction of the Manager.
- 9.2 The Manager shall at all times have the right to make unsolicited calls on the Company where it considers this necessary or desirable for the better management of the Assets of the Company and provision of its Services pursuant to this agreement.



## 10. DUTIES IN RELATION TO ASSETS OF THE COMPANY

- 10.1 All Assets purchased pursuant hereto or otherwise held for the benefit of the Company shall be registered in the name of or on behalf of the Company.
- 10.2 The Manager shall in the performance of its duties use proper care to ensure that its conduct of business on behalf of the Company conforms to every law and regulation for the time being binding on the Company and the Manager or affecting any particular transaction or which shall otherwise be applicable in relation to the business of the Company and the subject matter of this agreement.
- 10.3 Neither the Manager nor any delegate or subcontractor of the Manager shall hold the Company's money which shall be held in one or more bank accounts in the name of the Company over which the Manager (as Company Secretary) (or other person approved by the Company) shall have a mandate enabling it to carry out its duties under this agreement.
- 10.4 The Manager does not accept liability for loss of the Assets or certificates or documents of title relating to them in the absence of its own negligence or wilful default.

## 11. REMUNERATION

- 11.1 As consideration for the provision of the Services by the Manager, the Company shall pay the fees calculated and payable in accordance with the provisions of this clause 11. The Manager shall also be entitled to any additional remuneration payable in accordance with clause 5.2 and the expenses referred to in clause 11.11.
- 11.2 The fees for the Administrative Services from 1 January 2020 shall be £120,308.76 per annum, such amount subject to annual increase (but not decrease) on 1 January in each subsequent year by the percentage increase in RPI over the previous year (on a compounding basis), but subject to a cap of £130,000, which shall be paid quarterly in advance together with the fees for the Arrangement Services and the Management Services.
- 11.3 The fees for the Arrangement Services and the Management Services shall be payable quarterly in advance at the beginning of each Quarter, the fee in respect of each Quarter being equal to one-quarter of 2% of the Net Asset Value as at the opening of business on the first Business Day of the previous Quarter. The Company and the Manager may agree, such agreement to be in writing, a reduced fee percentage from time to time applicable to the amount of cash held by the Company within the Net Asset Value in excess of an agreed maximum (**Excess Cash**). As at the date of this agreement a reduced fee is agreed of an amount equal to 1% in relation to Excess Cash over £20 million, such agreement to continue to apply unless otherwise agreed in accordance with this clause 11.3.
- 11.4 The Net Asset Value shall be calculated quarterly by the Manager according to the Company's normal accounting policies applied on a consistent basis and subject to such adjustments as the Company and the Manager may agree. The calculations shall be reviewed by the Auditors at the end of each accounting year and, if an adjustment is necessary, the fees payable to the Manager following the adjustment shall be varied in accordance with the determination of the Auditors.
- 11.5 If, pursuant to clause 2.3, the Company appoints a third party to manage part of the Assets then the value of that part shall be excluded for the purposes of the calculation of Net Asset Value pursuant to clause 11.4.
- 11.6 If the Manager's Appointment is terminated or ends, in whole or in part, otherwise than at the end of any Quarter, the Manager shall be entitled to a pro rata payment only in respect of the part of the relevant Quarter during which the Manager's Appointment shall subsist (the **Partial Quarter**) and the fees payable in respect of the Arrangement Services and the Management Services shall be calculated by reference to the Net Asset Value as at the opening of business on the first Business Day of the Partial Quarter.
- 11.7 In the event that during the continuance of the Appointment there shall be any changes in the capital structure of the Company, including without limitation an issue of shares, such adjustments shall be made to the amount of the fees payable pursuant to this clause as may be agreed between the

Manager and the Company, acting reasonably, or, failing agreement between them, as determined by the Auditors in accordance with clause 24. For the avoidance of doubt if the Company shall raise additional capital by the issue of shares during a Quarter the Manager shall be entitled to further fees for that Quarter on such additional capital (net of costs) calculated on a time weighted basis.

- 11.8 At the end of each financial year of the Company, the Company shall calculate whether the total Running Costs incurred during that year are in excess of an amount equal to 2.4% of the Net Asset Value as at the end of the relevant financial year (the **Excess**). If there shall be an Excess, the Company shall notify the Manager of the amount of the Excess as soon as reasonably practicable after the end of the financial year of the Company and the fees for the Arrangement Services and the Management Services payable to the Manager in respect of the relevant financial year shall be reduced by the Excess and the Manager shall forthwith make such repayment to the Company (unless otherwise agreed by the Company for such amount to be deducted from future fees payable for the Arrangement Services and Management Services) as may be necessary.
- 11.9 The Company shall at all times during the continuance of this agreement and (to the extent necessary) after the termination thereof permit the Manager by its duly authorised representatives access to the books of account and records of the Company for the purpose of confirming the amounts due to it by way of fee hereunder.
- 11.10 The Manager and any Related Company shall be entitled to receive and retain entirely for its own use and benefit all transaction fees, directors' fees, monitoring fees, consultancy fees, corporate finance fees, introductory fees, syndication fees, commissions and refunds of commission received by the Manager or any Related Company in connection with the management of the investment portfolio of the Company (together **Manager Benefits**) provided that the Company may place specific and/or annual maximum caps in relation to Investments, Investee Companies and overall Manager Benefits from time to time and:
- 11.10.1 the Manager has given reasonable prior notice of all such Manager Benefits to the Company prior to making the relevant investment to which such fees, commissions or refunds relate or has otherwise obtained the specific consent of the Company to the retention of such fees, commissions or refunds;
- 11.10.2 no Manager Benefits will be charged without the consent of the Company in relation to the making of an investment into an entity in which Associated Funds already hold more than 50% of the voting rights where, in the reasonable opinion of the Company, such new investment is rescue finance; and
- 11.10.3 the Manager shall disclose to the Company on a quarterly basis all Manager Benefits received by the Manager and any Related Companies during that quarter.

For the avoidance of doubt, the Manager and any Related Company shall not receive any warrants to subscribe or options to acquire any shares or securities of an Investee or otherwise acquire shares or securities in an Investee, save for in connection with any co-investment arrangements agreed in writing by the Company with the Manager in respect of itself and its partners, members and employees.

- 11.11 Unless otherwise agreed by the Manager and the Company (and, for the avoidance of doubt, subject to clause 11.8), all reasonable costs and expenses (including any value added tax charged to the Manager in respect of such costs or expenses for which it is not entitled to claim credit or set off) reasonably incurred by the Manager in the performance of its duties hereunder as set out in Schedule 1, shall be borne by the Company.
- 11.12 Value added tax shall in addition be payable, as may be applicable, in respect of all fees on receipt of an appropriate tax invoice.

## 12. **NON-EXCLUSIVE SERVICES**

The services of the Manager to the Company hereunder are not to be deemed exclusive and the Manager shall be at liberty to render similar services to others subject to the provisions of clause 17.

### 13. DISCLOSURE OF INTERESTS

#### 13.1 It is understood that:

- 13.1.1 directors, officers, agents and shareholders of the Company are or may be interested in the Manager as directors, officers, agents, shareholders or otherwise;
- 13.1.2 directors, officers, agents and shareholders of the Manager are or may be interested in the Company as directors, officers, agents, shareholders or otherwise;
- 13.1.3 the Company may be interested in the Manager as a shareholder or otherwise; and
- 13.1.4 the Manager may be interested in the Company as a shareholder or otherwise.

#### 13.2 The Manager shall promptly on request by the Company provide a written disclosure of all the interests which will fall within the separate sub-paragraphs of clause 13.1.

#### 13.3 The Manager shall disclose to the Board the nature of any material interest which the Manager, any person to whom the Manager has delegated or subcontracted, the Guarantor or any Related Company or any of their employees or members may have in any proposed transaction to which the Company is, or is to be, a party, and the Manager shall not cause the Company to become a party to any such contract or transaction except with the prior approval of the Board (and then subject always to the Listing Rules of the FCA) provided that:

- 13.3.1 for the avoidance of doubt this clause 13 applies to any transaction or arrangement between an Investee and any company or other entity in which an Associated Fund holds an Investment otherwise than in the ordinary and normal course of trading of the Investee; and
- 13.3.2 this clause 13 shall not apply to the allocation of investment opportunities which shall be governed by clause 17 or any co-investment arrangements agreed in writing by the Company with the Manager in respect of itself and its partners, members and employees.

#### 13.4 All potential conflicts shall be referred to those members of the Board who are not also directors or employees of the Manager for resolution in accordance with the aforesaid provisions of the FCA Rules.

#### 13.5 In the course of providing the Company with its services, the Manager may effect or arrange for the Company, transactions through or with any person, firm or company that it may select. The Manager however may not effect or arrange for the Company without specific authority from the Board, any transaction in which:

- 13.5.1 the Manager is dealing as principal; or
- 13.5.2 the Manager is dealing as agent on behalf of the Company and also as an agent for the counter party which is a Related Company; or
- 13.5.3 the relevant securities are securities in which the Manager or a Related Company has underwritten an issue or offer for sale within a period of twelve months before the date of the transaction.

#### 13.6 Subject to the conditions in clause 13.7, the Manager may effect or arrange transactions:

- 13.6.1 through or with a Related Company;
- 13.6.2 in which the Manager or a Related Company or any director, officer or employee thereof has a material interest or the circumstances are such that a conflict of interest or duty arises; and
- 13.6.3 in which the Manager is dealing collectively as agent for the Company and for another customer or customers or a Related Company.

13.7 The conditions referred to in clause 13.6 are that:

13.7.1 the Manager reasonably considers that the terms of a transaction are at least as good as those generally available elsewhere and that the transaction is appropriate in relation to the Company; and

13.7.2 the Manager has made full disclosure to the Company and received the Company's prior consent prior to undertaking the transaction.

#### 14. **DELEGATION**

14.1 The Manager shall be at liberty in the performance of its duties and in the exercise of any of the powers and discretions vested in it hereunder to act by a responsible officer or officers for the time being.

14.2 The Manager may obtain, act or rely on the opinion or advice or any information given by any broker, lawyer, accountant, administrator, valuer, surveyor, auctioneer or other expert acting within their normal competence (whether reporting to the Company or the Manager or otherwise) and the Manager shall not in the absence of its negligence or wilful default be responsible for any loss occasioned as a result of, or arising from, any act aforesaid.

14.3 The Manager may, with the prior written consent of the Company, delegate, sub-contract or procure services to enable it to deliver all or any part of its rights and obligations under this agreement to any third party or agent approved by the Company provided that:

14.3.1 the Manager shall continue to remain liable for the provision of the Services and the performance of its obligations under this agreement and any loss arising from the acts or omissions of any such third party or agent;

14.3.2 such delegate, subcontractor or service provider to the Manager shall not be entitled to any payment from the Company;

14.3.3 such delegate, subcontractor or service provider to the Manager may not itself delegate, or subcontract without the prior written consent of the Company; and

14.3.4 the Manager shall be solely responsible for selecting and monitoring any delegate, subcontractor or service provider to the Manager approved by the Company.

14.4 The Manager shall disclose to the Company all fee sharing or other remuneration arrangements between the Manager and any person to whom rights or obligations are delegated or sub-contracted pursuant to clause 14.3.

14.5 The Company for the purpose of clause 14.3, hereby consents to the Manager procuring investment advisory services from FGCI.

#### 15. **RATIFICATION, INDEMNITY, EXTENT OF LIABILITY AND TAXATION**

15.1 The Company shall:

15.1.1 if called on to do so ratify and confirm any act or thing lawfully and properly done or caused to be done by the Manager or any person to whom the Manager may delegate or subcontract pursuant to clause 14 in the proper performance of its duties hereunder; and

15.1.2 subject to clause 15.2 at all times keep the Manager, any person to whom the Manager may delegate or subcontract pursuant to clause 14 and their members and employees (together **Indemnified Persons**) indemnified against all or any actions, proceedings, losses, claims, demands and liabilities whatsoever arising out of the proper performance of the Manager's duties hereunder which may be brought or prosecuted against or incurred by the Indemnified Persons including, for the avoidance of doubt, where such liabilities are incurred in respect of such a member or an employee holding office as a director of an Investee, save to the extent:

- 15.1.2.1 such actions, proceedings, losses, claims, demands or liabilities are attributable to the fraud, bad faith, negligence or wilful default of, or breach of an express term of this agreement;
  - 15.1.2.2 that such actions, proceedings, losses, claims, demands or liabilities are attributable to any breach of fiduciary duty owed by a member or employee of the Manager acting as a director of an Investee; or
  - 15.1.2.3 that the Indemnified Person is entitled to claim on any policy of insurance (and if requested by the Company the Manager shall procure that all rights of subrogation against the Company are effectively released or waived).
- 15.2 As a pre-condition to indemnification the Manager and the Indemnified Persons shall send to the Company as soon as possible all claims, letters or documents which it receives from third parties relating to any action claim or proceeding in respect of which the Manager or any of the Indemnified Persons is entitled to be indemnified under this clause 15 and shall give whatever information and assistance the Company may reasonably require and no liability of any sort shall be admitted and no undertaking given nor shall any offer, promise or payment be made or legal expenses incurred without the written consent of the Company, which shall be entitled, if it so desires, to take over and conduct in the name of the Manager and the Indemnified Persons the defence of any action or to prosecute any claim for indemnity or damages or otherwise against any third party.
- 15.3 The Manager shall not be liable to the Company for any loss suffered by or arising from any depreciation in the value of the Assets of the Company or the income derived from them (including, without limitation, where such depreciation results from capital loss or taxation liability) except insofar as the same arises as a result of the Manager's or an Indemnified Person's negligence, wilful default or fraud or breach of any term of this agreement or contravention of the Act or the FCA Rules.
- 15.4 The Company will at all times be fully responsible for the payment of all taxes due in respect of the Assets of the Company managed by the Manager pursuant to this agreement. The Manager shall be entitled to and shall be entitled to authorise any person instructed by the Manager to make such deductions in respect of such Assets in respect of taxation as the Manager or such persons are required by law to make.
- 15.5 Nothing in this clause 15 or clause 10.4 shall exclude or restrict any duty or liability of the Manager to the Company under the Act or any successor or replacement legislation or any arrangements thereunder for regulating the investment business of the Manager, including the Rules.
- 15.6 The Manager shall indemnify and keep indemnified the Company from and against all financial loss suffered or incurred by the Company and arising from the agreement (and the matters referred to therein) referred to in Recital D.
- 15.7 The Manager shall at all times keep the Company and its directors and employees indemnified against all or any actions, proceedings, losses, claims, demands and liabilities whatsoever arising out of the fraud, bad faith, negligence or wilful default of, or breach of an express term of this agreement by the Manager or any person to whom the Manager has delegated or sub-contracted any rights or obligations.
- 16. FCA RULES**
- 16.1 For the avoidance of doubt, the services to be provided by the Manager pursuant to this agreement shall be provided to the Company on the basis that the Company is a 'per se professional client' (as defined in the FCA Rules).
- 16.2 Under the FCA Rules, the Company is allowed to request re-categorisation to retail client status and so benefit from a higher level of protection. This may be requested on a trade by trade or more general basis. It is the Company's responsibility to request this higher level of protection if it so wishes, but there is no obligation on the Manager to agree to this re-categorisation.

- 16.3 Each party hereby confirms that such amendments shall be made to this agreement as may from time to time be necessary to comply with the FCA Rules and the Guarantors agree that the provisions of clause 32 shall continue to have full force and effect notwithstanding any such amendment.
- 16.4 In accordance with the FCA Rules, the Manager will comply with its obligation to take reasonable steps to ensure that any recommendation or decision to trade is suitable, taking into account the Company's investment objectives, investment policy and investment strategy.
- 16.5 Schedule 2 contains further provisions required to be agreed, recorded and/or disclosed by the FCA Rules.

**17. ALLOCATION OF INVESTMENT OPPORTUNITIES**

If, during the term of its appointment the Manager and Related Companies provide investment advice or services to an Associated Fund then, unless otherwise agreed by the Company, the Manager will offer (or ensure is offered) to the Company a right of participation in any and all investments suitable for the Company (other than investments proposed to be made in a company in which the Associated Fund has an existing investment of any type) to be made by such Associated Fund (in respect of which the Manager or the Related Company is advising or managing) in proportion to the Net Cash Raised for the Company and the relevant Associated Funds or otherwise in accordance with the allocation policy agreed by the Company and the Manager from time to time.

**18. FIDUCIARY DUTIES**

Subject to clauses 13 and 17, nothing contained in this agreement shall prevent the Manager, the Guarantor or any Related Company (as defined in the FCA Rules) from entering into any transaction with the Company or any shareholder of the Company, or any body any of whose securities are held by or for the account of the Company, or from being interested in any such transaction and neither the Manager nor any Related Company (as defined in the FCA Rules) shall be called upon to account in respect of any such transaction by virtue only of the relationship between the parties concerned.

**19. FORCE MAJEURE**

In the event of any failure, interruption or delay in the performance of the obligations of the Manager resulting from breakdown, failure or malfunction of any telecommunications or computer service not reasonably within the control of the Manager or from any other event or circumstance whatsoever not reasonably within the control of the Manager the Manager shall not be liable or have any responsibility of any kind for any loss or damage thereby incurred or suffered by the Company.

**20. NOT A PARTNERSHIP**

Nothing in this agreement shall constitute a partnership between the Company and the Manager.

**21. CONFIDENTIALITY**

- 21.1 The Manager shall not divulge or use for its own benefit any confidential information which it may obtain in relation to the affairs of the Company.
- 21.2 In making investment decisions hereunder neither the Manager nor any person employed by the Manager shall be under any duty to use or shall attempt to use information received from any person (whether or not an Associate (as defined in the FCA Rules)) which is privileged or confidential.
- 21.3 Neither of the parties hereto shall during the continuance of this agreement or after its termination disclose to any person, firm or company whatsoever (except to its professional advisers or with the authority of the other party or unless ordered to do so by the FCA, the FCA in its capacity as the UK Listing Authority, the London Stock Exchange, the Takeover Panel, HMRC or by a court of competent jurisdiction) any information relating to the business, investments, finances or other matters of a confidential nature of the other party of which it may in the course of its duties hereunder

or otherwise become possessed and each party shall use all reasonable endeavours to prevent any such disclosure.

## 22. DATA PROTECTION

- 22.1 In this clause (and for the purposes of Schedule 3) the terms **controller**, **processor**, **process(es)**, **data subject**, **personal data** and **personal data breach** shall have the meanings respectively given in the Data Protection Laws.
- 22.2 Each party acknowledges that, for the purpose of Data Protection Laws, the Company is the controller of the personal data and that the Manager is a processor. It is not envisaged that either of the Guarantors will process any personal data in relation to this agreement (or, in the case of FGCI, in relation to any investment advisory services it provides to the Manager in relation to the Manager's performance of its Services under this agreement).
- 22.3 The subject-matter and duration of the processing, the nature and purpose of the processing, the type of personal data, the categories of data subjects and the obligations and rights of the Company and the Manager are set out in this clause 22 and in Schedule 3.
- 22.4 The Manager will, in carrying out their duties in accordance with this agreement, comply (where applicable) with the Data Protection Laws.
- 22.5 The Company will comply (where applicable) with the Data Protection Laws and (where applicable) take all reasonable steps to ensure that it has obtained all necessary consents for the Manager to process any personal data for the purposes of this agreement.
- 22.6 The Company will, and will ensure that its directors and officers will, address any questions about data protection in writing to the Foresight Group GDPR Panel (as applicable).
- 22.7 The Manager shall:
- 22.7.1 implement appropriate technical and organisational measures in such a manner that processing will meet the requirements of the Data Protection Laws and ensure the protection of the rights of the data subject.
  - 22.7.2 only process the personal data in accordance with the documented instructions of the Company (including to the extent necessary to provide the services and to comply with its obligations under this agreement);
  - 22.7.3 inform the Company if, in the Manager's opinion, any of the Company's instructions would breach Data Protection Laws;
  - 22.7.4 assist the Company with undertaking an assessment of the impact of processing personal data, and with any consultations with a supervisory authority, if and to the extent an assessment or consultation is required to be carried out under Data Protection Laws;
  - 22.7.5 implement appropriate technical and organisational measures for the fulfilment of the Company's obligation to respond to requests by data subjects to exercise their rights of access, rectification or erasure, to restrict or object to processing of personal data, or to data portability;
  - 22.7.6 if a data subject makes a written request to the Manager to exercise any of the rights referred to in clause 22.7.5 above, notify the Company promptly and on behalf of the Company take all such actions as are required in order to assess, respond to and (if the request is lawful) enable the Company to fulfil that request (including (without limitation) recording all such requests, assessing their validity and managing the preparation of suitable responses in accordance with the Data Protection Laws) in compliance with applicable deadlines and information requirements;
  - 22.7.7 taking into account the state of the art, the costs of implementation and the nature, scope, context and purpose of processing, as well as the risk of likelihood and severity for the

rights and freedoms of natural persons, implement and maintain appropriate technical and organisational measures to ensure a level of security appropriate to the risk, including the risk of unauthorised or unlawful processing of personal data, and of accidental or unlawful loss, alteration, unauthorised disclosure or destruction of, or damage to, personal data; and

22.7.8 notify the Company immediately after becoming aware of a personal data breach, and on behalf of the Company take all such steps as are required (including without limitation investigating and providing to the Company details of the breach, preparing a form of breach notification, and liaising with the relevant supervisory authority as necessary) to ensure the personal data breach is notified by the Company to the relevant supervisory authority and relevant data subject(s) (as applicable) in compliance with the Data Protection Laws.

22.8 The Company authorises the Manager to engage appropriate processors to carry out the processing of the personal data as envisaged herein and in Schedule 3. The Company further authorises the Manager to disclose personal data to any financial intermediary (but solely insofar as such personal data relates to that financial intermediary's client), which may be on the basis that such recipient becomes a separate controller of such personal data, as set out in the Manager's terms and conditions for financial intermediaries from time to time.

22.9 The Manager shall:

22.9.1 save for those processors detailed in Schedule 3, not engage another processor without prior specific or general written authorisation of the Company and in the case of general written authorisation, inform the Company of any intended changes concerning the addition or replacement of other processors, thereby giving the Company the opportunity to object to such changes;

22.9.2 before disclosing personal data to any processor, enter into a written contract with that processor including terms which offer at least the same level of protection for personal data as those set out in this clause 22 and which meet the requirements of the Data Protection Laws;

22.9.3 remain liable to the Company for the acts or omissions of such processors in respect of the processing of personal data under this agreement; and

22.9.4 before disclosing personal data to any of its employees and representatives, and the employees and representatives of each of its processors, in each case who have access to the personal data, ensure that those persons:

22.9.4.1 have undergone appropriate training in data protection and the care and handling of personal data;

22.9.4.2 are bound to hold the information in confidence to at least the same standard as required under this clause 22 (whether under a written agreement or otherwise).

22.10 The Manager shall:

22.10.1 not transfer personal data to, or process personal data in, any third country or territory without the prior written consent of the Company (which consent may be conditional upon the Manager or the relevant third parties entering into an agreement containing similar terms to this clause with the Company) unless (and for so long as):

22.10.1.1 there has been a European Community finding of adequacy pursuant to Article 25(6) of Directive 95/46/EC or, after 24 May 2018, Article 45 of the GDPR in respect of that country or territory;

22.10.1.2 the transfer is to the United States to an importing entity that is a certified member of the EU-US Privacy Shield; or



22.10.1.3 the Company and the relevant importing entity are party to a contract in relation to the export of personal data incorporating standard contractual clauses in the form adopted by the European Commission under Decision 2010/87/EU or an equivalent data transfer agreement meeting the requirements of Data Protection Laws.

22.11 Where any mechanism for cross-border transfers of personal data is found by a supervisory authority, court of competent jurisdiction or other governmental authority to be an invalid means of complying with the restrictions on transferring personal data to a third country or territory as set out in Data Protection Laws, the Manager and the Company shall act in good faith to agree the implementation of an alternative solution to enable the Company to comply with the provisions of Data Protection Laws in respect of any such transfer.

## **23. ASSIGNMENT**

Neither the benefit nor the burden of this agreement shall be assignable by the Company or the Manager.

## **24. DISPUTES ON FEES**

24.1 Any dispute or difference as to the fees payable hereunder or the calculation of the Net Asset Value shall be referred to the Auditors, whose costs of determination shall be borne by the Company and the Manager equally or as the Auditors shall deem just and equitable.

24.2 In relation to any dispute or difference the Auditors shall be deemed to be acting as experts and not as arbitrators and their determination shall, in the absence of manifest error, be final and binding on the parties.

24.3 Any payment required to be made by any party in consequence of such determination shall be made within 14 days thereof.

## **25. ENTIRE AGREEMENT AND COSTS**

25.1 The Appointment shall be on the terms of the agreement which said terms shall be in substitution for all other terms.

25.2 This agreement sets out the entire agreement and understanding between the parties in connection with the Services described herein and each of the parties confirms that it has not relied on any warranty or representation of the other parties except as expressly stated or referred to in this agreement provided that nothing herein shall exclude any party from liability for its own fraud or fraudulent misrepresentation.

25.3 The Manager has agreed to bear the costs and expenses incurred by all parties in or in connection with the preparation, negotiation and completion or termination of this agreement.

## **26. VARIATIONS**

Save as otherwise expressly provided herein, no alteration or addition to this agreement shall be valid unless made in writing and signed by all the parties.

## **27. TERMINATION**

27.1 Notwithstanding clause 2, this agreement may be terminated forthwith on notice from either the Company or the Manager to the other if that other (or, in the case of the Manager, the Guarantors or any person to whom, pursuant to clause 14, the Manager has for the time being delegated or sub-contracted any rights or obligations):

27.1.1 commits a material breach of any of the terms or conditions of this agreement and, in the case of a breach capable of rectification, fails to rectify the same within 30 days of being requested so to do; or

- 27.1.2 enters into liquidation whether compulsorily or voluntarily (otherwise than a voluntary and solvent liquidation for the purpose of reconstruction or amalgamation) or enters into any composition with its creditors generally or suffers any similar action in consequence of default by it in its obligations in respect of any indebtedness for borrowed moneys; or
  - 27.1.3 has an administrator or similar officer appointed or has a receiver appointed of, or an encumbrancer takes possession of all or substantially all of its undertaking and assets; or
  - 27.1.4 being the Company, ceases to be a Venture Capital Trust; or
  - 27.1.5 being the Manager or a Guarantor (or any person to whom the Manager has for the time being delegated or sub-contracted any rights or obligations pursuant to clause 14), ceases to be appropriately authorised; or
  - 27.1.6 is subject to any event or any proceedings in any jurisdiction to which it is subject that has effect equivalent or similar to any of the events or proceedings mentioned in clauses 27.1.2 or 27.1.3; or
  - 27.1.7 being the Manager, ceases to have available to it, directly or indirectly, the services of at least two of Russell Healey, James Livingston and Matthew Smith (or replacements therefor appointed pursuant to this clause 27.1.7) to an extent regarded by the Board as sufficient for the purposes of the performance by the Manager of its duties hereunder and replacements acceptable to the Company shall not be found within 180 days of the date upon which the services of both of such relevant individuals (or replacements therefor appointed pursuant to this clause 27.1.7) shall have ceased to be available; or
  - 27.1.8 being the Manager, ceases to have available to it, directly or indirectly, the services of Gary Fraser (or a replacement therefor appointed pursuant to this clause 27.1.8) to an extent regarded by the Board as sufficient for the purposes of the performance by the Manager of its duties hereunder and replacements acceptable to the Company shall not be found within 180 days of the date upon which the services of Gary Fraser (or a replacement therefor appointed pursuant to this clause 27.1.8) shall have ceased to be available; or
  - 27.1.9 being the Manager is unable to provide either directly or by delegation or subcontracting as permitted under this agreement the services of sufficient and appropriate senior personnel for the provision of the Services, or any of them, and a replacement or replacements acceptable to the Company shall not be found within 180 days of the date upon which the services of such person(s) shall cease to be available.
- 27.2 Any termination of this agreement (in whole or in part) shall be without prejudice to:
- 27.2.1 any claim by either party against the other for any breach of the terms hereof committed prior to such termination or any other rights which have accrued hereunder to either of the parties;
  - 27.2.2 any rights of third parties (if any) acquired by them pursuant to a bona fide exercise by the parties hereto of their rights and duties hereunder; and
  - 27.2.3 the completion of transactions already initiated which shall be completed in accordance with the Manager's usual practice and the payment of accrued fees.
- 27.3 Following the termination of this agreement in whole or (save for clause 27.3.1) in the case of termination of this agreement in relation to certain Assets only and for any reason:
- 27.3.1 the Company agrees that it shall procure that a general meeting of the Company is convened and held within a period of 30 days of such termination at which a resolution shall be proposed for the change in the name of the Company to one not including the name Foresight;

- 27.3.2 the Manager will, in an orderly manner, hand over to the Company all documents, records, books of account, registers, certificates of title of the Company and assets of the Company the subject of the termination and held by the Manager, a Guarantor or any Related Company or any person to whom the Manager or a Guarantor has delegated or subcontracted in whatsoever medium stored;
- 27.3.3 the Manager will procure that any partner, director, shareholder, employee or member of the Manager or any Related Company or any person to whom the Manager has delegated or subcontracted, appointed as a director of any Investee shall offer to resign as a director of every Investee the subject of the termination without claiming for compensation for loss of office or otherwise.
- 27.4 The Manager shall indemnify the Company against all claims made by any employee of the Manager or any Related Company or any person to whom the Manager may delegate or sub-contract pursuant to clause 14.3 which derive from or are connected to the application of the Transfer of Undertakings (Protection of Employment) Regulations 2006 in relation to the termination of this agreement (in whole or in part) (save to the extent such claims arise as a result of any failure by the Company to comply with such Regulations).
- 27.5 For the avoidance of doubt, if the Company or the Manager shall terminate this agreement with respect to some part only of the assets and liabilities of the Company then the provisions of this agreement shall continue to have full force and effect in relation to the remaining assets and liabilities of the Company.
- 27.6 The provisions of clauses 15, 21, 22, 25, 28, 32 and 34 shall continue in effect notwithstanding such termination.
28. **NOTICES**
- 28.1 Except as otherwise specified in this agreement, 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.
- 28.2 A Notice may be either delivered to the Recipient or sent by post (whether ordinary, first class, pre-paid or registered or recorded delivery) addressed to such party at his address stated in clause 28.3 or such other address as the Recipient may specify in writing to the other party or, if the Recipient is a Company incorporated in England and Wales, 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.
- 28.3 The address of each party (unless otherwise notified by a party to the other in writing) for the purpose of this clause 28 is:

The Company:

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

The Manager or a Guarantor:

Foresight Group LLP  
The Shard  
32 London Bridge Street  
London

SE1 9SG

For the attention of: Gary Fraser

**29. 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.

**30. SEVERABILITY**

If any term, condition or provision of this agreement 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 agreement.

**31. DEED**

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

**32. APPLICABLE LAW AND JURISDICTION**

32.1 This agreement 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.

32.2 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.

**33. COUNTERPARTS**

This agreement may be entered into in any number of counterparts and by the parties to it on separate counterparts, each of which shall be an original, but all the counterparts shall together constitute but one and the same agreement.

**34. GUARANTEE AND INDEMNITY**

34.1 The Guarantors, at the request of the Manager, unconditionally and irrevocably guarantee as a primary obligation to the Company and its successors, transferees and assigns the due and punctual performance and observance by the Manager of all the Manager's obligations and the punctual discharge by the Manager of all the Manager's liabilities to the Company arising under this agreement or arising from any termination of this agreement.

34.2 As an independent and primary obligation, without prejudice to clause 34.1, the Guarantors (jointly and severally) unconditionally and irrevocably agree to indemnify and keep indemnified the Company from and against all and any losses, costs, claims, liabilities, damages, demands and expenses suffered or incurred by the Company arising from failure of the Manager to comply with any of its obligations or discharge any of its liabilities under this agreement.

34.3 This guarantee is a continuing guarantee and shall not be affected by an act, omission, matter or thing which, but for this clause 34.3, would reduce, release or prejudice any of the Guarantors' obligations under this clause 34 (whether or not known to it or the Company).

34.4 If any payment by a Guarantor or any discharge given by the Company is avoided or reduced as a result of insolvency or any similar event, the liability of the Manager and the Guarantors shall continue as if the payment, discharge, avoidance or reduction had not occurred and the Company shall be entitled to recover the value or amount of that security or payment. The Guarantors waive any right they may have of first requiring the Company (or any trustee or agent on its behalf) to proceed against or enforce any other rights or security or claim payment from any person before claiming from the Guarantors under this clause 34.

34.5 The Guarantors' obligations in this clause 34 shall apply to this agreement as amended, supplemented, novated or varied at any time after the date of the agreement referred to in Recital D and whether or not with the agreement or consent of one or both of the Guarantors.

**IN WITNESS** whereof this agreement has been entered into and delivered as a deed the day and year first above written.

## **SCHEDULE 1**

### **EXPENSES**

1. All audit and accountancy fees of the Company and legal expenses incurred by the Company or properly and reasonably incurred by the Manager in connection with the corporate existence of the Company or arising out of the relationship of the Company with its shareholders (including, without limitation, the registration of transfers of shares, circulars, notices and tax relief eligibility certificates to shareholders) and third parties and all other professional and other charges in respect of services rendered to the Company in connection with the matters aforesaid.
2. To the extent such fees and expenses are not paid or recovered from investee companies or third parties (which the parties acknowledge is the intention and the Manager undertakes to use all reasonable endeavours to procure agreement from investee companies and/or third parties to pay such fees and expenses) and further subject to the approval of the Board on each occasion, all legal, accountancy and other professional fees and other expenses incurred:
  - 2.1 in researching, negotiating, effecting (either by subscribing for new investments or by the acquisition of investments from existing investors), monitoring holding and realising investments of the Company; and
  - 2.2 in connection with the making of investments with regard to the Company maintaining its status as a Venture Capital Trust;provided that the Manager shall not be entitled to fees or expenses incurred in relation to investments which are not effected.
3. All legal or other professional fees and other expenses in connection with the Company's compliance with monitoring and maintaining its status as a Venture Capital Trust, in particular those incurred as a result of the appointment of the VCT Status Monitor, but excluding (for the avoidance of doubt) any such costs associated with the making of investments as referred to in paragraph 2 above.
4. All accountancy, legal, registrar and other professional fees and other expenses incurred in connection with the corporate structure or share capital of the Company and the admission of any share or loan capital of the Company to the Official List of the FCA or the membership by the Company of the Association of Investment Trust Companies or any other appropriate association, in each case if approved by the Board.
5. All expenses of and incidental to producing, printing and posting or otherwise despatching the annual and half-yearly accounts of the Company together with any report or documents to be annexed thereto and any other communications by the Company to its shareholders including, without limitation, communications concerning tax recovery procedures for shareholders of the Company.
6. All expenses of and incidental to convening and holding meetings of the Board and members of the Company, including directors' fees and expenses.
7. All expenses of every nature arising out of or incidental to deposits or loans made by the Company.
8. Any stamp and other duties, taxes, Governmental charges, brokerage, transfer fees, registration fees and other charges payable in respect of the acquisition or realisation of any Assets, including charges for the transfer of funds or instructions for delivery of securities by telex, cable, telephone or otherwise.
9. Interest on and charges and expenses of arranging, and arising out of, all borrowings made by the Company.
10. All taxes and corporate fees payable by the Company to any Government or other authority or to any agency of any Government or authority in the United Kingdom or elsewhere.

11. The travel and other reasonable expenses incurred by members of the Board in carrying out the business of the Company in their capacity as directors of the Company.
12. Marketing expenses incurred (subject to prior agreement with the Board) in respect of the Company.
13. All charges agreed by the Board arising out of obtaining directors' and officers' liability insurance referred to in clause 4.4.18.
14. All other expenses reasonably incurred by the Manager on behalf of the Company and approved by the Board.

## SCHEDULE 2

### FCA RULES

1. The Manager will manage the Assets in compliance with the FCA Rules and on the basis that the Company's investment objective is to maintain HMRC approval as a venture capital trust.
2. The Company may invest only in investments complying with the strategic investment policies outlined in clause 3.2 of this agreement. There is no other restriction on the amount or value of any one investment or on the proportion of the Assets which may be constituted by any one investment or on the types of investment or markets (if any) in which the Company wishes transactions to be effected. The following paragraphs of this Schedule 2 are subject to the provisions of this paragraph and any investment decision pursuant to any of those paragraphs must nonetheless comply with this paragraph.
3. The services to be provided by the Manager will normally relate to investments which are not readily realisable. The Company is warned and accepts that these investments are not readily realisable, that there is no recognised market for such investments, and that it may therefore be difficult to deal in any such investments or to obtain reliable information about their value or the extent of the risks to which they are exposed.
4. Subject to paragraphs 1 and 2, but without limiting the generality of paragraph 6:
  - 4.1 with the prior written approval of the Board but not otherwise, the Management Services provided under this agreement may relate to, and the Manager may make recommendations and effect transactions in respect of:
    - 4.1.1 units in a Collective Investment Scheme which is not a Regulated Collective Investment Scheme (even if such scheme is operated or advised by the Manager or a Related Company);
    - 4.1.2 securities of which the issue or offer for sale was underwritten, managed or arranged by the Manager or a Related Company whether or not during the preceding twelve months;
    - 4.1.3 the Manager may commit the Company to underwrite any issue of or other transaction in securities of whatever nature and extent as deemed appropriate by the Manager;
    - 4.1.4 the Manager, subject to the specific prior written approval of the Board on each occasion, shall have the power to commit the Company to supplement its funds by borrowing on behalf of the Company or by committing the Company to contracts the performance of which may require the Company to supplement such funds;
    - 4.1.5 the Manager, subject to the specific prior written approval of the Board on each occasion, shall have the power to lend to third parties investments or certificates or other documents of title evidencing title to investments or other Assets of the Company or to borrow money on the Company's behalf against the security of those investments, documents or Assets; and
    - 4.1.6 the Manager shall have power to combine orders placed on behalf of the Company with the Manager's own orders for any Related Company and orders for other clients of the Manager; and
  - 4.2 the Manager shall not have the power to effect a transaction which may relate to Options, Futures or Contracts for Differences or Contingent Liability Transactions effected under the rules of a Designated or Recognised Investment Exchange in a contract traded thereon or otherwise.
5. The Manager shall not decide on the acquisition or disposal of Assets except at a price and in circumstances that it considers to be the best it can reasonably obtain in the circumstances.
6. The Manager may direct the Company to (and may itself on behalf of the Company) acquire or dispose of Warrants. The Company is warned and accepts that Warrants can involve a high degree



of gearing so that a relatively small movement in the price of the security to which the warrant relates may result in a disproportionately large movement, unfavourable as well as favourable, in the price of the Warrant.

7. The Company is warned and accepts that investments may be denominated and assets and liabilities arise in currencies other than that in which the investments are valued and that a movement of exchange rates may have a separate effect, unfavourable as well as favourable, on the gain or loss otherwise experienced on the investments.
8. In accordance with the FCA Rules, the Manager is required to take appropriate steps to identify, prevent and manage conflicts of interest that arise in the provision of services under this agreement. The Manager has established and implemented a conflicts of interest policy, a copy of which has been provided to the Company. The Manager shall notify the Company of any change in the event that such policy, as it pertains to the Company, is materially updated or replaced.
9. To the extent that the arrangements referred to at paragraph 8 above are not sufficient to ensure, with reasonable confidence, that the materialisation of such risks will be prevented, and as a measure of last resort, the Manager shall, in accordance with the FCA Rules, disclose the general nature or sources of such conflicts or interests, or both, and the steps taken to mitigate risks arising therefrom, to the Company.
10. The Manager shall:
  - 10.1 keep and regularly update a record of any activities carried out under this agreement in which a conflict of interest has arisen or may arise; and
  - 10.2 provide to the Company annually, or more frequently if so requested by the Board, written reports on activities referred to in paragraph 10.1 above.
11. The Manager acknowledges the obligations which the Company has under the FCA Rules in relation to the identification, avoidance, prevention, management and disclosure of conflicts of interest. The Manager agrees that where the Company has identified a conflict of interest involving the subject matter of this agreement and concludes that the procedures the Manager has in place are not sufficient to ensure with reasonable confidence that the risks of damage to the shareholders of the Company will be prevented, the Company shall be entitled to disclose such conflict to shareholders of the Company which the Board, acting reasonably, believes is required to enable the Company to comply with its obligations under the FCA Rules shall not be a breach of clause 21 of this agreement.
12. The FCA Rules also require a firm to take all sufficient steps to obtain the best possible results for its clients when executing orders. The Manager has established and implemented an order execution policy. A copy of the Manager's order execution policy, which shall be reviewed by the Manager on an annual basis, has been provided to the Company. The Manager will notify the Company as soon as reasonably practicable of any material change which is proposed to the order execution policy prior to such change coming into effect and will provide a copy of any amended order execution policy to the Company without undue delay following it coming into effect. The Company hereby consents to the Manager's order execution policy.
13. The Manager will monitor the effectiveness of its order execution arrangements on a regular basis and in accordance with the FCA Rules. The Manager will be able to evidence, and shall demonstrate to the Company, at the Company's request that it has executed the Company's orders in accordance with the order execution policy.
14. The Manager shall report annually (or as frequently as required by the FCA Rules) on all investment management activity (including without limitation, matters in relation to order execution) carried out by it in order to meet its regulatory obligations under the FCA Rules.
15. The Manager acknowledges the Company's obligation to make available appropriate information on its execution policy and on any material changes that are made to it to shareholders of the Company and agrees that, subject to prior notice of disclosure being given by the Company to the

Manager, then the Company making its policy available to the Company's shareholders will not be a breach of clause 21 of the agreement.

16. The Manager may not effect transactions with or through the agency of a person who provides services under a soft commission agreement and must not receive any remuneration, discount or non-monetary benefit for routing client orders to a particular trading or execution venue which would infringe the FCA Rules on conflicts of interests or inducements, other than minor non-monetary benefits as permitted by FCA Rules.
17. The Manager may receive research material in return for direct payments by the Manager out of its own resources. To the extent that it is proposed that the Company pays for any research material, such payments may only be made from a separate research payment account controlled by the Manager and overseen by the Company in accordance with the FCA Rules (but subject to such arrangements, including ensuring compliance with any MiFiD Requirements, being approved by the Board in advance in writing).
18. Any specific instructions, directions or other communications by the Company to the Manager or to the Company by the Manager are to be given by or to any director or employee of the Manager and may be either oral or in writing under the hand of a person from time to time authorised by the Company or the Manager, as the case may be. The Manager shall accept and comply with any instructions or other communications from the Company which are within the terms of this agreement.
19. No later than 50 business days (or such other period as may be the maximum permitted by the FCA) after the end of each Quarter the Manager shall prepare and send to the Company an unaudited report providing information on the Company's investment income received and transactions effected as at the relevant date. The basis of valuation will be that unquoted Investments shall be valued on the basis of the Company's stated valuation policy for the time being in force.
20. A statement of the initial value and composition of the Assets will be notified to the Company as soon as practicable.
21. The Manager will notify the Company where the overall value of the Assets depreciates by 10% (and thereafter at multiples of 10%) from the value of the Assets as at the date of the last quarterly valuations of the Assets being approved by the Board, but only if such depreciation occurs prior to the next quarterly valuations of the Assets being approved by the Board (such notification to be made by the end of the Business Day on which the depreciation occurs or the next Business Day of the depreciation occurs on a non-Business Day). For the purposes of this paragraph, the Board will notify the Manager of valuations approved by it on the Business Day on which it approves a valuation of an Asset (or the next Business Day if such valuation approval occurs on a non-Business Day).
22. Termination of this agreement (for whatever cause) shall be without prejudice to transactions already initiated and transactions in progress shall be completed directly between the Company and the counter party.
23. The Manager has established procedures in accordance with the FCA Rules for the effective consideration and handling of complaints by the Company. All formal complaints should be made in writing to the compliance officer, who is responsible for complaints procedures. The Company acknowledges that recourse to the Financial Ombudsman Service will not be available to it.
24. If required by, and subject to compliance with, the FCA Rules, the Manager will record telephone conversations and keep a copy of electronic and other communications that relate to or are intended to lead to the conclusion of a transaction in a financial instrument. In some circumstances, data may be collected about the Company and the Company's employees, directors and other officers indirectly from monitoring devices or other means (for example, telephone logs and recordings). In these circumstances, the data is not accessed on a routine basis but access is possible. Access could occur, for instance, in situations where the data is needed to clarify or confirm instructions provided by the Company, for compliance or billing purposes. Telephone recordings and other

relevant records (such as minutes or notes of face-to-face meetings or records of instructions given by the Company other than by telephone) shall be:

- 24.1 retained as required by the FCA Rules;
- 24.2 provided by the Manager to the Company on request; and
- 24.3 Copies of such records shall be retained for a five year period or longer if so required by the FCA.
- 25. The Company is not entitled to compensation from the Financial Services Compensation Scheme in the event the Manager cannot meet its obligations.
- 26. A statement is available from the Manager describing the Company's rights to compensation in the event that the Manager is unable to meet its liabilities.
- 27. The Manager, at its own cost, will assist the Company in responding to any complaints the Company may receive and which are in the reasonable opinion of the Company related to the services provided by the Manager under this agreement.

**SCHEDULE 3**  
**DATA PROTECTION**

<b>Processing</b>	
<b>Duration of processing:</b>	The Manager may process or use personal data in accordance with this Schedule 3 until termination of this agreement.
<b>Nature of processing:</b>	The Manager may process personal data of service providers (including any delegates), directors, shareholders, prospective investors, shareholder intermediaries, personnel of, or investors in, investee companies and other individuals connected with the Company from time to time which the Manager may maintain or be requested to supply from time to time in accordance with the performance of this agreement.
<b>Purpose of processing:</b>	<p>The Manager may process or use personal data for such purposes as is deemed necessary in relation to the provision of services under this agreement.</p> <p>The Manager may also process personal data where it is under a duty to carry out money laundering checks, conflict checks, fraud prevention and reporting to and auditing by national and international regulatory or exchange bodies in accordance with obligations under any applicable law or regulations.</p> <p>Personal data may be collected directly from the Company or through the Company's agents or any other third party who communicates with the Manager. The Manager may ask for certain details or may record personal data that is disclosed to them.</p>
<b>Authorised Processors</b>	
<b>Processor 1</b>	Pure Print (printer)
<b>Processor 2</b>	Northpoint (printer)
<b>Processor 3</b>	The City Partnership (UK) Limited (receiving agent)
<b>Processor 4</b>	Woodside Corporate Services Limited (receiving agent)
<b>Processor 4</b>	Foresight Group Promoter LLP (promoter)
<b>Processors 5</b>	Mailchimp, Adestra and Veriphy, and other similar service providers who provide technical, back office or similar services to the Manager or Foresight Group Promoter LLP (as promoter)

<b>VCT Personal Data</b>	
<b>Data subjects</b>	Company shareholders Company prospective investors Company shareholder intermediaries Company directors and employees Company contractors Company suppliers Investee company shareholders Investee company prospective investors Investee company directors and employees Investee company contractors Investee company suppliers Investee company advisers
<b>Data categories</b>	Contact details Family information Intermediary details Investee details Personal financial information Payment details Photos or equivalent Payroll data Immigration information Recruitment data Identification number/NI number Location/address data Online identifier One or more factors specific to the following: <ul style="list-style-type: none"> <li>Gender</li> <li>Age</li> <li>Qualifications</li> <li>Tax residence information and account numbers</li> </ul>
<b>Sensitive Personal Data</b>	None - the personal data being processed does not include any of the Company's sensitive personal data.

**ORIGINALLY EXECUTED AS A DEED  
ON 21 JUNE 2012  
BY FORESIGHT VCT PLC**

**ORIGINALLY EXECUTED as a DEED  
ON 21 JUNE 2012  
BY FORESIGHT GROUP LLP**

**ORIGINALLY EXECUTED as a DEED  
ON 21 JUNE 2012  
BY FORESIGHT GROUP CI LIMITED**