

Terms and Conditions of the Flexible Dividend Reinvestment Scheme

Please read these Terms and Conditions carefully and keep them in case you need to refer to them in the future.

This information should not be regarded as a recommendation to buy or hold Shares in the Company. The value of Shares and the income from them can fall as well as rise, and you may not recover the amount of money you invest.

If you are in any doubt about what you should do, you should consult an independent financial adviser. If you have any questions about the Dividend Reinvestment Scheme ("DRIS"), you can write to: DRIS Administration, The City Partnership (UK) Limited, The Mending Rooms, Park Valley Mills, Meltham Road, Huddersfield HD4 7BH.

1. In these DRIS Terms and Conditions, capitalised terms shall have, unless the context otherwise permits, the meanings set out in the "Definitions" section of the Prospectus.
2. The monies subscribed through the DRIS (being dividends paid on Shares held by, or on behalf of a Shareholder who applies to participate in the DRIS (the "Application") shall be invested in new Shares in the relevant share class. Subject to the provisions of condition 3 below, the Scheme Administrator shall not have the discretion to vary such investments and Applicants may not instruct the Scheme Administrator to make any other investments. Applicants who are Shareholders may only join the DRIS in respect of the Shares of the Company if dividends on all the Shares in the relevant share class registered in their name are mandated to the DRIS. The number of Shares in the relevant share class held by any such Applicant which are mandated to the DRIS shall be altered immediately following any change to the number of Shares in respect of which such Shareholder is the registered holder as entered in the share register of the Company from time to time. Applicants who are not Shareholders may join the DRIS in respect of the number of Shares of the Company specified as "Nominee Shareholdings" and notified to the Scheme Administrator by the Applicant and the Shareholder in whose name the Shares are held. Any new Shares in the relevant share class, which will be issued to the Applicant (and not the Shareholder in whose name the Shares mandated to the DRIS are held), will not be mandated to the DRIS unless a separate DRIS application form is completed in respect of them.
3. Applicants may, by written notice to the Scheme Administrator (a "FlexiDRIS Election"), elect to participate in the DRIS in respect of a specified percentage of the Shares held by the Applicant, such percentage to be notified to the Scheme Administrator in accordance with the instructions that will be sent to the Applicant prior to each dividend payment date, and to receive dividends in respect of the balance of the Shares held by the Applicant.
4. On or as soon as practicable after a dividend payment day, the funds subscribed through the DRIS on behalf of each Applicant, or the relevant percentage of such funds in the case of a FlexiDRIS Election, shall be applied on behalf of that Applicant in the subscription for the maximum number of new Shares as can be acquired with those funds:
 - i) The number of new Shares issued to an Applicant pursuant to condition 2 above shall be calculated by dividing the aggregate value of the dividends paid on the Shares in the relevant share class to which that Applicant is entitled by the greatest of (i) the most recently announced net asset value per share in the relevant share class as at the date the dividend is paid (as adjusted for the relevant dividend in question if this has not already been recognised in the most recently announced net asset value) of the Company (as determined by the Manager), (ii) the nominal value per Share in the relevant share class and (iii) the mid-price value per Share in the relevant share class as at the close of business on the Business Day preceding the date of issue of such Shares;
 - ii) Any balance of cash remaining in the Offer Account after the subscription shall continue to be held in that account on behalf of the Applicant to whom it relates and added to the cash available

in respect of that Applicant for the subscription of Shares in the relevant share class on the next investment day. No interest shall accrue or be payable in favour of any Applicant on any such cash balances – any interest earned on the monies held in the account shall be for the benefit of the Company; and

- iii) Subject to the provisions of condition 3, the DRIS involves the investment of the whole dividend paid on each holding in the relevant share class each time a dividend in the relevant share class is paid by the Company. Shareholders will remain in the DRIS, so that all future dividends will be reinvested in accordance with condition 4, until they give notice to the Scheme Administrator that they wish to terminate their participation in the DRIS, either in relation to a particular dividend, or all future dividends.
5. The Registrar shall immediately after the subscription of Shares in accordance with condition 4 hereof take all necessary steps to ensure that the Applicants are entered into the share register of the Company as the registered holders of the Shares issued to them in accordance with condition 4 above, and that share certificates in respect of such Shares are issued and delivered to the Applicants at their own risk, as soon as is reasonably practicable (unless such Shares are to be uncertificated). Shareholders (or such other person as aforesaid) will receive with their share certificates (if any) a statement detailing:
- i) the dividend available for investment;
 - ii) the price per Share subscribed and the date of issue;
 - iii) the number of Shares issued and the total cost; and
 - iv) the cash to be carried forward for investment on the next investment day; or
 - v) in the event of a FlexiDRIS Election, the amount of the dividend paid in cash.
6. Application to join the DRIS can be made at any time. However, to be reinvested, applications to join the DRIS need to have been received by the Scheme Administrator at least 15 days prior to a dividend being paid.
7. All costs and expenses incurred by the Scheme Administrator in administering the DRIS will be borne by the Company.
8. Each Applicant warrants to the Scheme Administrator that:
- i) during the continuance of his or her participation in the DRIS he or she will remain the sole beneficial owner of the Shares mandated to the DRIS free from encumbrances or security interests;
 - ii) all information set out in the DRIS application form is correct and to the extent any of the information changes he or she will notify the changes to the Scheme Administrator; and
 - iii) during the continuance of his or her participation in the DRIS he or she will comply with the provisions of condition 9 below.
9. The right to participate in the DRIS will not be available to any person who is a citizen, resident or national of, or has a registered address in, any jurisdiction outside the United Kingdom. It is the responsibility of any Applicant wishing to participate in the DRIS to be satisfied as to the full observance of the laws of the relevant jurisdiction(s) in connection therewith, including obtaining any governmental or other consents which may be required and observing any other formalities needing to be observed in any such jurisdiction(s). No such person receiving a copy of the DRIS documents may

treat them as offering such a right unless an offer could properly be made without such compliance.

10. The Applicant acknowledges that neither the Scheme Administrator, the Company nor the Manager are providing a discretionary management service. The Scheme Administrator, the Company and/or the Manager shall not be responsible for any loss or damage suffered by any Applicant as a result of their participation in the DRIS unless due to the negligence or default of the Scheme Administrator, the Company or the Manager (respectively), or its or their servants or agents.
11. The Applicant may at any time by notice to the Scheme Administrator terminate his or her participation in the DRIS and withdraw any monies held in the offer account on his or her behalf in relation thereto. If an Applicant shall at any time cease to hold any Shares in the Company, he or she shall be deemed to have served such a notice in respect of his or her participation in the DRIS. If such notice is served or deemed to have been served, the Scheme Administrator shall pay all of the monies held in the Offer Account on the Applicant's behalf to the Applicant at the address set out in the DRIS application form, subject to any deductions which the Scheme Administrator may be entitled or bound to make hereunder.
12. If an Applicant withdraws from the DRIS and a cash balance remains of less than £1, that balance will not be repaid, but will be donated to a recognised registered charity.
13. The Company and the Scheme Administrator shall be entitled, at any time and from time to time, to suspend the operation of the DRIS and/or to terminate the DRIS without notice to the Applicants and/or to refuse to reinvest dividends due on Shares held by a nominee. In the event of termination, the Scheme Administrator shall, subject to condition 12 above, pay to each Applicant all of the monies held in the Offer Account on his or her behalf.
14. All notices and instructions to be given to the Scheme Administrator shall be in writing and delivered or posted to The City Partnership (UK) Limited, The Mending Rooms, Park Valley Mills, Meltham Road, Huddersfield HD4 7BH.
15. The Scheme Administrator shall be entitled to amend the DRIS Terms and Conditions on giving one months' notice in writing to all participating Applicants. If such amendments have arisen as a result of any change in statutory or other regulatory requirements, notice of such amendment will not be given to Applicants unless in the Scheme Administrator's opinion the change materially affects the interests of Applicants. Amendments to the DRIS Terms and Conditions which are of a formal, minor or technical nature or made to correct a manifest error and which do not adversely affect the interests of Applicants may be effected without notice.
16. By completing and delivering the DRIS application form, the Applicant:
 - i) agrees to provide the Company with any information which it may request in connection with such application and to comply with legislation relating to venture capital trusts or other relevant legislation (as the same may be amended from time to time); and
 - ii) declares that a loan has not been made to the Applicant or any associate of the Applicant which would not have been made, or would not have been made on the same terms, but for the Applicant offering to subscribe for, or acquiring, Shares and that the Shares are being acquired for *bona fide* commercial purposes and not as part of a scheme or arrangement the main purpose of which, or one of the main purposes of which, is the avoidance of tax.
17. Currently, subscriptions by individuals aged 18 or over for eligible shares in venture capital trusts only attract tax reliefs if in any tax year such subscriptions to all venture capital trusts by such individuals do not exceed £200,000 (including subscriptions pursuant to DRIS). Applicants are responsible for ascertaining their own tax status and liabilities and neither the Scheme Administrator nor the Company can accept any liability in the event they do not receive any venture capital trust tax reliefs.

18. Since dividends on Shares acquired in excess of £200,000 per Applicant in any tax year will not be exempt from income tax in the same way as Shares acquired within this limit, the Applicant will generally be liable to tax on such dividends. Nevertheless, the whole of such dividends shall be invested unless the Scheme Administrator is notified to the contrary in writing at least 15 days before an investment day.
19. The Company shall not be required to issue Shares hereunder if the Directors so decide.
20. These DRIS Terms and Conditions shall be governed by, and construed in accordance with, English Law and each Applicant submits to the jurisdiction of the English Courts and agrees that nothing shall limit the right of the Company to bring any action, suit or proceeding arising out of, or in connection with, the DRIS in any other manner permitted by law or in any Court of competent jurisdiction.
21. The Company shall not be required to admit new members to the DRIS in circumstances where the proposed level of dividends to be paid by the Company would require the issue of Shares in breach of the Prospectus Regulation Rules.
22. All documents will be dispatched at the Shareholder's own risk.

Shareholders in any doubt about their tax position should consult their independent professional adviser.

Additional Notes

The Scheme Administrator and its agents (including any broker) may effect transactions notwithstanding that they have a direct or indirect material interest or a relationship of any description with another party which may involve a conflict with its duty to DRIS participants under the DRIS.

The Scheme Administrator is authorised to disclose any information regarding Shareholders or their participation in the DRIS to any relevant authority, or as required by such authority, whether by compulsion of law or not. The Scheme Administrator shall not be liable for any disclosure made in good faith provided that the Scheme Administrator believes that such disclosure has been made in accordance with the foregoing requirements.

Each of the provisions of the DRIS shall be severable and distinct from one another and if one or more of such provisions is invalid or unenforceable, the remaining provisions shall not in any way be affected.

The Scheme Administrator has procedures to help resolve all complaints from customers effectively. If an Applicant has any complaints about the service provided to him or her or wishes to receive a copy of the Scheme Administrator's complaints procedure, please write to the Scheme Administrator at the address set out in paragraph 14.

This service is a Company sponsored scheme which means that the Scheme Administrator charges the Company a fee which is representative to the costs of operating it. This arrangement means that DRIS participants are not charged an annual fee. If an Applicant would like more detail on this arrangement please write to the Scheme Administrator at the address set out in paragraph 14.

The Scheme Administrator will take reasonable care in operating the DRIS, and will be responsible to an Applicant for any losses or expenses (including loss of shares) suffered or incurred by them as a direct result of breach by the Scheme Administrator of these DRIS Terms and Conditions, negligence, wilful default or fraud. The Scheme Administrator does not accept liability for any indirect or consequential loss suffered by an Applicant or for any loss which does not arise as a result of its breach of these DRIS Terms and Conditions, negligence, wilful default or fraud.

The Scheme Administrator shall not be responsible for delays or failure to perform any of its obligations due to acts beyond its control. Such acts shall include, but not be limited to, acts of God, strikes, lockout, riots, acts

of war, terrorist acts, epidemics, governmental regulations superimposed after the fact, communication line failures, power failure, earthquakes or other disasters.

Any personal data obtained from an Applicant in providing this service will be held by the Scheme Administrator in accordance with the relevant legislation. The Scheme Administrator will only hold, use or otherwise process such personal data of an Applicant as is necessary to provide him or her with the service. The Applicant's details will only be disclosed in accordance with the principles set out in the Data Protection Act 1998:

- i) to any person if that person has legal or regulatory powers over the Scheme Administrator; and
- ii) to any other person or body in order to facilitate the operation of the DRIS.

An Applicant has a right to request to view the personal data that the Scheme Administrator holds on him or her.

All communications between the Scheme Administrator and an Applicant will be conducted in the English language.

These DRIS Terms and Conditions are governed by and shall be construed in accordance with the laws of England and Wales.