

BARONSMEAD

Baronsmead Venture Trust plc

and

Baronsmead Second Venture Trust plc

Prospectus

Offers for Subscription to raise up to £25 million in aggregate



THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the action you should take, you are recommended to seek your own financial advice immediately from an independent financial adviser who is authorised under the Financial Services and Markets Act 2000 (as amended) ("FSMA") if you are in the United Kingdom, or from another appropriately authorised independent financial adviser if you are in a territory outside the United Kingdom.

This document comprises a prospectus relating to Baronsmead Venture Trust plc and Baronsmead Second Venture Trust plc (the "Companies") prepared in accordance with the Prospectus Rules made under Part VI of FSMA. This document has been approved by the Financial Conduct Authority ("FCA") in accordance with Part VI of FSMA and has been filed with the FCA in accordance with Rule 3.2 of the Prospectus Rules.

The Directors of the Companies, whose names appear on page 21 of this document, and the Companies each accept responsibility for the information contained in this document. To the best of the knowledge of the Directors and the Companies (who have taken all reasonable care to ensure that such is the case), the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

BARONSMEAD VENTURE TRUST PLC

(a company incorporated in England and Wales with registered number 03504214)

and

BARONSMEAD SECOND VENTURE TRUST PLC

(a company incorporated in England and Wales with registered number 04115341)

Offers For Subscription to raise up to £25 million in aggregate

Sponsored by
Dickson Minto W.S.

Applications will be made to the UK Listing Authority and the London Stock Exchange for the New Shares to be admitted to the premium listing segment of the Official List and to trading on the London Stock Exchange's main market for listed securities. It is expected that such admissions will become effective in relation to the New Shares issued under the Offers, and dealings for normal settlement in such New Shares will commence on 8 February 2019, in relation to First Allotment, and 18 March 2019, in relation to the Second Allotment.

The distribution of this document and the offering of New Shares in jurisdictions other than the United Kingdom may be restricted by law or regulation and accordingly persons into whose possession this document comes are required to inform themselves about and observe any such restrictions. No action has been taken to permit the distribution of this document and the offering of New Shares in any jurisdiction outside the United Kingdom where such action is required to be taken. This document does not constitute, and may not be used for the purposes of, an offer to sell, or the solicitation of an offer to acquire or subscribe for, New Shares in any jurisdiction in which such offer or solicitation is unlawful or would impose any unfulfilled registration, qualification, publication or approval requirements on the Companies, the Sponsor, or the Investment Manager or to any person to whom it is unlawful to make such offer or solicitation. The offer and sale of the New Shares is not being made, directly or indirectly, in or into, or by the use of the mails, or by any means or instrumentality (including, without limitation, facsimile transmission, telex and telephone) of interstate or foreign commerce, or of any facility of a national securities exchange, of the United States, Canada, Australia, Japan, the Republic of South Africa or any other Restricted Jurisdiction. Accordingly, copies of this document are not being, and must not be, directly or indirectly, mailed or otherwise forwarded, distributed or sent in, into or from, or to any resident of, the United States, Canada, Australia, Japan, the Republic of South Africa or any other Restricted Jurisdiction and persons receiving this document (including custodians, nominees and trustees) must not mail or otherwise distribute or send it in, into or from such jurisdictions. The New Shares have not been, and will not be, registered under the US Securities Act or under any of the relevant securities laws of, or with any securities regulatory authority of, any state of the United States or of Canada, Australia, Japan or the Republic of South Africa. Accordingly, unless an exemption under such act or laws is applicable, the New Shares may not be offered, sold or delivered, directly or indirectly, in or into the United States, Canada, Australia, Japan or the Republic of South Africa or to, or for the account or benefit of, any resident of the United States, Canada, Australia, Japan or the Republic of South Africa. The Companies have not been and will not be registered under the US Investment Company Act and recipients of this document and investors will not be entitled to the benefits of that Act.

Dickson Minto W.S. which is authorised and regulated in the United Kingdom by the FCA, is the Sponsor to the Companies in relation to the Offers and is acting for the Companies and is not advising any other person or treating any other person as its client in relation to the Offers or the matters referred to in this document and will not be responsible to anyone other than the Companies for providing the protections afforded to its clients nor for providing advice in relation to the Offers or the matters referred to in this document.

Apart from the responsibilities and liabilities, if any, which may be imposed on Dickson Minto W.S. under FSMA or the regulatory regime established thereunder, Dickson Minto W.S. does not make any representation, express or implied, or accept any responsibility whatsoever for the contents of this document or for any statement made or purported to be made by it or on its behalf in connection with the Companies, the Investment Manager, the Ordinary Shares or the Offers. Accordingly Dickson Minto W.S., to the fullest extent permitted by law, disclaims all and any responsibility and liability whether arising in tort, contract or otherwise (save as referred to above) which it might otherwise have in respect of this document or any such statement.

Persons wishing to participate in the Offers should complete the Subscription Form attached to the back of this document or should go online and complete the Electronic Subscription Form by logging on to www.computershare.co.uk/baronsmeadvcts and following the instructions given. To be valid, Subscription Forms must be completed and returned, with a cheque(s) in respect of the relevant subscription amount, by post to Computershare Investor Services PLC at Corporate Actions 3, Bridgwater Road, Bristol BS99 6AR or by hand (during business hours only) to Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS13 8AE so as to be received as soon as possible but by 12.00 noon on 4 February 2019 to be included in the First Allotment and by no later than 12.00 noon on 13 March 2019 to be included in the Second Allotment. All online applications must be accompanied by an online payment for the full amount applied for.

Prospective investors should carefully consider all of the information in this document, in particular the sections headed 'Risk Factors' (on pages 14 to 16) and 'Forward looking statements' (on page 18), before making any application for New Shares.

8 January 2019

Contents

	<i>Page</i>
Summary	4
Risk Factors	14
Important Information	17
Expected Timetable and Offers Statistics	20
Directors, Investment Manager and Other Advisers	21
Part 1 – Letter from the Chairmen of the Companies	22
Part 2 – Information on the Companies	25
Part 3 – Directors, Investment Manager, Custodian Arrangements and Administration	29
Part 4 – The Offers	35
Part 5 – Financial Information (Including Portfolio Information)	39
Part 6 – Taxation	51
Part 7 – General Information	56
Part 8 – Terms and Conditions of Subscription under the Offers	78
Part 9 – Terms and Conditions of the Dividend Reinvestment Plan of the Companies	82
Part 10 – Definitions	105
Notes on how to complete the Subscription Form	111
Subscription Form for the Offers	115

Summary

Summaries are made up of disclosure requirements known as 'Elements'. These Elements are numbered in Sections A – E (A.1 – E.7). This summary contains all the Elements required to be included in a summary for the New Shares and the Companies. Some Elements are not required to be addressed which means there may be gaps in the numbering sequence of the Elements. Even though an Element may be required to be inserted into the summary because of the type of security and issuer, it is possible that no relevant information can be given regarding the Element. In this case a short description of the Element is included in the summary with the mention of 'not applicable'.

Section A – Introduction and warnings

Element	Disclosure
A.1	<p>Warning</p> <p>This summary should be read as an introduction to this document. Any decision to invest in the securities should be based on consideration of this document as a whole by the investor. Where a claim relating to the information contained in this document is brought before a court, the plaintiff investor might, under the national legislation of the EEA States, have to bear the costs of translating this document before the legal proceedings are initiated. Civil liability attaches to those persons who have tabled the summary, including any translation thereof, but only if the summary is misleading, inaccurate or inconsistent when read together with the other parts of this document or it does not provide, when read together with the other parts of this document, key information in order to aid investors when considering whether to invest in such securities.</p>
A.2	<p>Financial Intermediaries</p> <p>The Companies consent to the use of this document by Intermediaries and accept responsibility for the content of this document in connection with the subsequent resale or final placement of securities by Intermediaries in the United Kingdom. The offer period within which any subsequent resale or final placement of securities by Intermediaries can be made, and for which consent is given to Intermediaries to use this document, commences on the date of this document and closes at 12.00 noon on 13 March 2019 unless closed or extended prior to that date (any such earlier closure or extension will be announced through a Regulatory Information Service).</p> <p>Any Intermediary that uses this document must state on its website that it is using this document with the consent and conditions of the Companies. Each Intermediary is required to provide the terms and conditions of the Offers to any prospective investor who has expressed an interest in participating in the Offers. Information on the terms and conditions of any subsequent resale or final placement of securities by an Intermediary is to be provided at the time the Offers are introduced to an investor by the relevant Intermediary.</p>

Section B – Offer

Element	Disclosure
B.1	<p>Legal and commercial name</p> <p>Baronsmead Venture Trust plc ("BVT") and Baronsmead Second Venture Trust plc ("BSVT") (together, the "Companies").</p>
B.2	<p>Domicile and legal form</p> <p>Baronsmead Venture Trust plc was incorporated and registered in England and Wales on 29 January 1998 as a public company limited by shares under the Companies Act 1985 with registered number 03504214. Baronsmead Second Venture Trust plc was incorporated and registered in England and Wales on 22 November 2000 as a public company limited by shares under the Companies Act 1985 with registered number 04115341.</p> <p>The principal legislation under which the Companies operate is the Companies Act.</p>

B.5	<p>Group description Not applicable. The Companies are not part of a group.</p>																																																																
B.6	<p>Major shareholders As at close of business on 4 January 2019 (being the latest practicable date prior to the publication of this document), the Companies and the Directors were not aware of any person or persons who, directly or indirectly, jointly or severally, exercised or could exercise control over the Companies. There are no different voting rights for any Shareholder.</p>																																																																
B.7	<p>Key financial information <i>Baronsmead Venture Trust plc</i> Selected audited financial information relating to BVT which summarises the financial condition of BVT for the three financial years ended 30 September 2018 is set out in the following table:</p> <table> <thead> <tr> <th></th> <th>Audited financial results for the year ended 30 September 2016</th> <th>Audited financial results for the year ended 30 September 2017</th> <th>Audited financial results for the year ended 30 September 2018</th> </tr> </thead> <tbody> <tr> <td>Net asset value</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Net assets (£'000)</td> <td>150,558</td> <td>159,002</td> <td>175,475</td> </tr> <tr> <td>Net asset value per Ordinary Share (p)</td> <td>87.09</td> <td>91.90</td> <td>91.47</td> </tr> <tr> <td>Income</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Revenue return after expenses and taxation (£'000)</td> <td>475</td> <td>1,318</td> <td>3,351</td> </tr> <tr> <td>Revenue return per Ordinary Share (p)</td> <td>0.34</td> <td>0.76</td> <td>1.75</td> </tr> <tr> <td>Dividend per Ordinary Share (p)</td> <td>18.5</td> <td>6.5</td> <td>7.5</td> </tr> <tr> <td>Portfolio summary</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Shareholders' funds (£'000)</td> <td>150,558</td> <td>159,002</td> <td>175,475</td> </tr> <tr> <td>Ordinary Share price (p)</td> <td>82.38</td> <td>87.00</td> <td>86.75</td> </tr> </tbody> </table> <p>Save for the merger of BVT with Baronsmead VCT plc on 8 February 2016 increasing the net assets of BVT from approximately £80 million to approximately £170 million, during the three years to 30 September 2018 (being the end of the last financial period of BVT for which financial information has been published) or subsequent to 30 September 2018, there has been no significant change to BVT's financial condition or its operating results.</p> <p><i>Baronsmead Second Venture Trust plc</i> In August 2016, BSVT's accounting reference date was changed from 31 December to 30 September to bring it in line with BVT's accounting reference date. Selected audited financial information relating to BSVT which summarises the financial condition of BSVT for the four financial periods ended 30 September 2018 is set out in the following table:</p> <table> <thead> <tr> <th></th> <th>Audited financial results for the period from 1 January 2016 to 30 September 2016</th> <th>Audited financial results for the year ended 30 September 2017</th> <th>Audited financial results for the year ended 30 September 2018</th> </tr> <tr> <th></th> <th>Audited financial results for the year ended 31 December 2015</th> <th></th> <th></th> </tr> </thead> <tbody> <tr> <td>Net asset value</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Net assets (£'000)</td> <td>79,196</td> <td>140,908</td> <td>186,689</td> </tr> <tr> <td>Net asset value per Ordinary Share (p)</td> <td>106.46</td> <td>92.17</td> <td>94.60</td> </tr> </tbody> </table>		Audited financial results for the year ended 30 September 2016	Audited financial results for the year ended 30 September 2017	Audited financial results for the year ended 30 September 2018	Net asset value				Net assets (£'000)	150,558	159,002	175,475	Net asset value per Ordinary Share (p)	87.09	91.90	91.47	Income				Revenue return after expenses and taxation (£'000)	475	1,318	3,351	Revenue return per Ordinary Share (p)	0.34	0.76	1.75	Dividend per Ordinary Share (p)	18.5	6.5	7.5	Portfolio summary				Shareholders' funds (£'000)	150,558	159,002	175,475	Ordinary Share price (p)	82.38	87.00	86.75		Audited financial results for the period from 1 January 2016 to 30 September 2016	Audited financial results for the year ended 30 September 2017	Audited financial results for the year ended 30 September 2018		Audited financial results for the year ended 31 December 2015			Net asset value				Net assets (£'000)	79,196	140,908	186,689	Net asset value per Ordinary Share (p)	106.46	92.17	94.60
	Audited financial results for the year ended 30 September 2016	Audited financial results for the year ended 30 September 2017	Audited financial results for the year ended 30 September 2018																																																														
Net asset value																																																																	
Net assets (£'000)	150,558	159,002	175,475																																																														
Net asset value per Ordinary Share (p)	87.09	91.90	91.47																																																														
Income																																																																	
Revenue return after expenses and taxation (£'000)	475	1,318	3,351																																																														
Revenue return per Ordinary Share (p)	0.34	0.76	1.75																																																														
Dividend per Ordinary Share (p)	18.5	6.5	7.5																																																														
Portfolio summary																																																																	
Shareholders' funds (£'000)	150,558	159,002	175,475																																																														
Ordinary Share price (p)	82.38	87.00	86.75																																																														
	Audited financial results for the period from 1 January 2016 to 30 September 2016	Audited financial results for the year ended 30 September 2017	Audited financial results for the year ended 30 September 2018																																																														
	Audited financial results for the year ended 31 December 2015																																																																
Net asset value																																																																	
Net assets (£'000)	79,196	140,908	186,689																																																														
Net asset value per Ordinary Share (p)	106.46	92.17	94.60																																																														

		Audited financial results for the year ended 31 December 2015	Audited financial results for the period from 1 January 2016 to 30 September 2016	Audited financial results for the year ended 30 September 2017	Audited financial results for the year ended 30 September 2018
Income					
Revenue return after expenses and taxation (£'000)	675	(205)	1,195	3,524	
Revenue return per Ordinary Share (p)	0.90	(0.16)	0.63	1.63	
Dividend per Ordinary Share (p)	7.50	17.00	7.50	7.50	
Portfolio summary					
Shareholders' funds (£'000)	79,196	140,908	186,689	199,390	
Ordinary Share price (p)	101.00	87.13	89.50	87.75	
Save for the merger of BSVT with Baronsmead VCT 4 plc on 11 March 2016 increasing the net assets of BSVT from approximately £80 million to approximately £160 million and the subsequent merger with Baronsmead VCT 5 plc on 30 November 2016 increasing the net assets to approximately £180 million, during the four financial periods ended 30 September 2018 (being the end of the last financial period of BSVT for which financial information has been published) or subsequent to 30 September 2018, there has been no significant change to BSVT's financial condition or its operating results.					
B.8	<i>Key pro forma financial information</i> Not applicable. No pro forma financial information is included in this document.				
B.9	<i>Profit forecast</i> Not applicable. No profit forecast or estimate has been made or is made in this document.				
B.10	<i>Description of the nature of any qualifications in the audit report on the historical financial information</i> Not applicable. The audit reports on the historical financial information contained within, or incorporated by reference into, this document do not contain any qualifications.				
B.11	<i>Insufficient working capital</i> Not applicable. Each Company is of the opinion that the working capital available to that Company is sufficient for its present requirements, that is for at least the next 12 months from the date of this document.				
B.34	<i>Investment objective and policy</i> <i>Baronsmead Venture Trust</i> BVT is a tax efficient listed company which aims to achieve long-term investment returns for private investors, including tax-free dividends. BVT's investment policy is to invest primarily in a diverse portfolio of UK growth businesses, whether unquoted or traded on AIM, which are substantially based in the UK, although many of these investees may have some trade overseas. Investments are made selectively across a range of sectors in companies that have the potential to grow and enhance their value and which will diversify the portfolio. BVT will make investments in accordance with the prevailing VCT legislation which places restrictions, <i>inter alia</i> , on the type and age of investee companies as well as the maximum amount of investment that such investee companies may receive.				

Investment securities

BVT invests in a range of securities including, but not limited to, ordinary and preference shares, loan stocks, convertible securities, and permitted non-qualifying investments as well as cash. Unquoted investments are usually structured as a combination of ordinary shares and loan stocks or preference shares, while AIM-traded investments are primarily held in ordinary shares. No single investment may represent more than 15 per cent. (by VCT value) of BVT's total investments.

Liquidity

Pending investment in VCT qualifying investments, BVT's cash and liquid funds are held in permitted non-qualifying investments.

Investment style

Investments are selected in the expectation that the application of private equity disciplines including active management of the investments will enhance value and enable profits to be realised on the sale of investments.

Co-investment

BVT typically invests alongside BSVT in companies sourced by the Investment Manager.

The Investment Manager's members and staff invest in unquoted investments alongside BVT. This scheme is in line with current practice of private equity houses and its objective is to attract, recruit, retain and incentivise the Investment Manager's team and is made on terms which align the interests of shareholders and the Investment Manager.

Borrowing powers

Should it be required BVT's policy is to use borrowing for short term liquidity purposes only up to a maximum of 25 per cent. of BVT's gross assets, as permitted by BVT's articles of association.

No material change will be made to BVT's investment policy without the approval of BVT Shareholders by ordinary resolution at a general meeting.

Baronsmead Second Venture Trust

BSVT is a tax efficient listed company which aims to achieve long-term investment returns for private investors.

BSVT's investment policy is to invest primarily in a diverse portfolio of UK growth businesses, whether unquoted or traded on AIM, which are substantially based in the UK, although many of these investees may have some trade overseas.

Investments are made selectively across a range of sectors in companies that have the potential to grow and enhance their value and which will diversify the portfolio.

BSVT will make investments in accordance with the prevailing VCT legislation which places restrictions, *inter alia*, on the type and age of investee companies as well as the maximum amount of investment that such investee companies may receive.

Investment securities

BSVT invests in a range of securities including, but not limited to, ordinary and preference shares, loan stocks, convertible securities, and permitted non-qualifying investments as well as cash. Unquoted investments are usually structured as a combination of ordinary shares and loan stocks or preference shares, while AIM-traded investments are primarily held in ordinary shares. No single investment may represent more than 15 per cent. (by VCT value) of BSVT's total investments.

Liquidity

Pending investment in VCT qualifying investments, BSVT's cash and liquid funds are held in permitted non-qualifying investments.

	<p>Investment style</p> <p>Investments are selected in the expectation that the application of private equity disciplines including active management of the investments will enhance value and enable profits to be realised on the sale of investments.</p> <p>Co-investment</p> <p>BSVT typically invests alongside BVT in companies sourced by the Investment Manager. The Investment Manager's members and staff invest in unquoted investments alongside BSVT. This scheme is in line with current practice of private equity houses and its objective is to attract, recruit, retain and incentivise the Investment Manager's team and is made on terms which align the interests of shareholders and the Investment Manager.</p> <p>Borrowing powers</p> <p>Should it be required BSVT's policy is to use borrowing for short term liquidity purposes only up to a maximum of 25 per cent. of BSVT's gross assets, as permitted by BSVT's articles of association.</p> <p>No material change will be made to BSVT's investment policy without the approval of Shareholders by ordinary resolution at a general meeting.</p>
B.35	<p>Borrowing limits</p> <p>The Companies are permitted, in accordance with the terms of their Articles, to borrow for short term liquidity purposes up to a maximum of 25 per cent. of their respective gross assets.</p>
B.36	<p>Regulatory status</p> <p>The Companies are authorised and regulated by the FCA as small registered UK alternative investment fund managers. The Companies are also subject to, <i>inter alia</i>, the Companies Act, the Listing Rules, the Disclosure Guidance and Transparency Rules, the Market Abuse Regulation, the Prospectus Rules and the rules of the London Stock Exchange.</p>
B.37	<p>Typical investor</p> <p>The Directors of each of the Companies believe that the profile of a typical investor in the relevant Company is a client of a financial adviser or an individual retail investor aged 18 or over who is a UK tax payer and who is willing to invest for the long term in small, illiquid unquoted and quoted companies.</p>
B.38	<p>Investment of 20 per cent. or more of gross assets in a single underlying asset or investment company</p> <p>Not applicable. No investment in a single underlying asset or investment company will represent 20 per cent. or more of each Company's gross assets.</p>
B.39	<p>Investment of 40 per cent. or more of gross assets in another collective investment undertaking</p> <p>Not applicable. No investment in another collective investment undertaking will represent 40 per cent. or more of each Company's gross assets.</p>
B.40	<p>Applicant's service providers and maximum fees payable</p> <p><i>The Investment Manager</i></p> <p>Until recently Livingbridge VC LLP, acted as investment manager to the Companies. On 8 November 2018 it was announced that the fund and investment business of Livingbridge had been sold to a subsidiary of Gresham House plc. As part of this transaction the Companies consented to the novation of their existing investment management agreements to Gresham House Asset Management Limited with effect from 30 November 2018. No changes were made to the terms of the investment management agreement as a result of the novation and the core management, investment and operational teams involved with the Companies were all transferred as part of the sale. Accordingly, Gresham House Asset Management Limited now acts as investment manager for the Companies.</p>

The Investment Manager is a private limited company and was incorporated in England and Wales on 18 February 2015 with registered number 09447087. The Investment Manager operates under the Companies Act and is authorised and regulated by the FCA.

Under the investment management agreements between each of the Companies and the Investment Manager, the Investment Manager is responsible for the day-to-day management of the investment portfolios, subject to the overall control and supervision of the relevant Board. The Investment Manager manages the investments in accordance with the policies laid down by the Directors from time to time and in accordance with the investment restrictions referred to in the relevant agreement.

Baronsmead Venture Trust

The Investment Manager is entitled to a base fee of an amount equal to 2.0 per cent. per annum of the net assets of BVT.

The Investment Manager is also entitled to a performance fee. The performance fee will not be payable to the Investment Manager until the total return on shareholders' funds exceeds an annual threshold of the higher of 4.0 per cent. or base rate plus 2.0 per cent. calculated on a compound basis. To the extent that the total return exceeds the threshold over the relevant period then a performance fee of 10.0 per cent. of the excess will be paid to the Investment Manager. The amount of any performance fee which is paid in an accounting period shall be capped at 5.0 per cent. of shareholders' funds at the end of the relevant period.

The BVT Investment Management Agreement can be terminated by either party on 12 months' notice.

Baronsmead Second Venture Trust

The Investment Manager is entitled to a base fee of an amount equal to 2.5 per cent. per annum of the net assets of BSVT.

The Investment Manager is also entitled to a performance fee. The performance fee will not be payable to the Investment Manager until the total return on the net proceeds of the BSVT Shares exceeds an annual threshold of 8.0 per cent. (simple). To the extent that the total return exceeds the threshold over the relevant period then a performance fee of 10.0 per cent. of the excess will be paid to the Investment Manager. The amount of any performance fee which is paid in an accounting period shall be capped at 5.0 per cent. of shareholders' funds at the end of the relevant period.

The BSVT Investment Management Agreement can be terminated by either party on 12 months' notice.

Administration arrangements

Under each investment management agreement the Investment Manager is responsible for providing all secretarial, administrative and accounting services to each Company. The Investment Manager has appointed Link Alternative Fund Administrators Limited to provide these services to the Companies on its behalf. The Companies are responsible for paying the fee charged by Link to the Investment Manager in relation to the performance of these services, which is currently £149,000 per annum in relation to BVT and £169,000 per annum in relation to BSVT, both fees are excluding VAT. The Investment Manager shall consult with the relevant Board in relation to any increase in the fee charged by Link, which is considered to be material.

Auditors

KPMG LLP provides audit services to the Companies. The fees charged by the Auditors are computed, *inter alia*, on the time spent by the Auditors on the affairs of the relevant Company.

	<p><i>Registrar</i></p> <p>Computershare Investor Services PLC has been appointed as registrar to both Companies. The Registrar's duties include the maintenance of the relevant Company's register of Shareholders and the processing of any transfer of Ordinary Shares. The Companies have agreed a fixed fee in respect of the maintenance of its register with other <i>ad hoc</i> services charged in addition to this.</p>																																								
B.41	<p><i>Regulatory status of service providers</i></p> <p>The Investment Manager is authorised and regulated by the Financial Conduct Authority.</p>																																								
B.42	<p><i>Calculation of Net Asset Value</i></p> <p>The Net Asset Value of an Ordinary Share is calculated by the Investment Manager in accordance with each Company's accounting policies and is published monthly through a Regulatory Information Service. The calculation of the Net Asset Value per Ordinary Share will be suspended in circumstances where the underlying data necessary to value the investments of the relevant Company cannot readily, or without undue expenditure, be obtained. Details of any suspension in making such calculations will be announced through a Regulatory Information Service.</p>																																								
B.43	<p><i>Cross liability</i></p> <p>Not applicable. The Companies are not umbrella collective investment undertakings and as such there is no cross liability between classes or investment in another collective investment undertaking.</p>																																								
B.44	<p><i>No financial statements have been made up</i></p> <p>Not applicable. The Companies have commenced operations and historical financial information is set out in, or incorporated by reference into, this document.</p>																																								
B.45	<p><i>Portfolio</i></p> <p>The Companies invest in diversified portfolios of UK growth businesses, whether unquoted or traded on AIM.</p> <p><i>Baronsmead Venture Trust</i></p> <p>An unaudited summary of BVT's unquoted and quoted portfolio (representing at least 50 per cent. of its gross assets as at the date of this document using the quoted valuations as at 31 December 2018, the unquoted valuations as at 30 September 2018 and the estimated NAV values as at 31 December 2018) is set out below:</p> <table> <thead> <tr> <th></th> <th>Number of Holdings</th> <th>Cost £'000</th> <th>Market Value £'000</th> <th>% of NAV</th> </tr> </thead> <tbody> <tr> <td>Unquoted</td> <td>24</td> <td>27,131</td> <td>42,068</td> <td>27</td> </tr> <tr> <td>Quoted</td> <td>54</td> <td>39,886</td> <td>60,019</td> <td>38</td> </tr> <tr> <td>Investments held through Collective Investment Vehicles</td> <td>75</td> <td>9,550</td> <td>27,182</td> <td>17</td> </tr> </tbody> </table> <p><i>Baronsmead Second Venture Trust</i></p> <p>An unaudited summary of BSVT unquoted and quoted portfolio (representing at least 50 per cent. of its gross assets as at the date of this document using the quoted valuations as at 31 December 2018, the unquoted valuations as at 30 September 2018 and the estimated NAV values as at 31 December 2018) is set out below:</p> <table> <thead> <tr> <th></th> <th>Number of Holdings</th> <th>Cost £'000</th> <th>Market Value £'000</th> <th>% of NAV</th> </tr> </thead> <tbody> <tr> <td>Unquoted</td> <td>24</td> <td>32,070</td> <td>50,185</td> <td>28</td> </tr> <tr> <td>Quoted</td> <td>52</td> <td>53,220</td> <td>70,717</td> <td>40</td> </tr> <tr> <td>Investments held through Collective Investment Vehicles</td> <td>75</td> <td>8,689</td> <td>24,227</td> <td>13</td> </tr> </tbody> </table>		Number of Holdings	Cost £'000	Market Value £'000	% of NAV	Unquoted	24	27,131	42,068	27	Quoted	54	39,886	60,019	38	Investments held through Collective Investment Vehicles	75	9,550	27,182	17		Number of Holdings	Cost £'000	Market Value £'000	% of NAV	Unquoted	24	32,070	50,185	28	Quoted	52	53,220	70,717	40	Investments held through Collective Investment Vehicles	75	8,689	24,227	13
	Number of Holdings	Cost £'000	Market Value £'000	% of NAV																																					
Unquoted	24	27,131	42,068	27																																					
Quoted	54	39,886	60,019	38																																					
Investments held through Collective Investment Vehicles	75	9,550	27,182	17																																					
	Number of Holdings	Cost £'000	Market Value £'000	% of NAV																																					
Unquoted	24	32,070	50,185	28																																					
Quoted	52	53,220	70,717	40																																					
Investments held through Collective Investment Vehicles	75	8,689	24,227	13																																					

B.46	<p><i>Net Asset Value</i></p> <p>The unaudited Net Asset Value per BVT Share as at 30 November 2018 (being the last published NAV prior to the publication of this document) was 86.07 pence. The unaudited Net Asset Value per BSVT Share as at 30 November 2018 (being the last published NAV prior to the publication of this document) was 85.46 pence.</p>
------	--

Section C – Securities

Element	Disclosure
C.1	<p><i>Type and class of securities</i></p> <p>The BVT Shares have a nominal value of 10 pence each. The ISIN for the BVT Shares is GB0002631934 and the SEDOL number is 0263193. The ticker code for the BVT Shares is BVT. The BSVT Shares have a nominal value of 10 pence each. The ISIN for the BSVT Shares is GB0030028103 and the SEDOL number is 3002810. The ticker code for the BSVT Shares is BMD.</p>
C.2	<p><i>Currency</i></p> <p>The New Shares will be denominated in Sterling.</p>
C.3	<p><i>Number of securities in issue</i></p> <p>As at 4 January 2019 (being the latest practicable date prior to the publication of this document) the issued share capital of BVT comprised 206,285,223 fully paid BVT Shares (of which 16,035,107 BVT Shares were held in treasury) and the issued share capital of BSVT comprised 232,791,189 fully paid BSVT Shares (of which 17,983,614 BSVT Shares were held in treasury).</p>
C.4	<p><i>Description of the rights attaching to the securities</i></p> <p>The New Shares will rank <i>pari passu</i> in all respects with the existing Shares.</p> <ul style="list-style-type: none"> • Holders of the New Shares shall be entitled to receive all dividends and other distributions made, paid or declared by the relevant Company <i>pari passu</i> and equally with each other and with the holders of existing Ordinary Shares. For the avoidance of doubt investors who receive New Shares in the Second Allotment will not be entitled to receive the Final Dividend. • Each New Share carries the right to receive notice of and to attend and vote at any general meeting of the relevant Company. • On a winding up, the holders of New Shares are entitled to receive back their nominal value and will participate in the distribution of any surplus assets of the relevant Company <i>pro rata</i> with all other Ordinary Shares in the capital of the relevant Company. • Statutory pre-emption rights apply on any issue of New Shares for cash or the sale of any existing Ordinary Shares from treasury for cash unless disapproved in accordance with the Companies Act. • New Shares are not redeemable at the option of the relevant Company or the Shareholder.
C.5	<p><i>Restrictions on the rights attaching to the securities</i></p> <p>Not applicable. There are no restrictions on the free transferability of the BVT Shares or the BSVT Shares.</p>
C.6	<p><i>Admission</i></p> <p>Applications will be made to the UK Listing Authority and the London Stock Exchange for the New Shares to be admitted to the premium listing segment of the Official List and to trading on the Main Market. It is expected that such admissions will become effective in relation to the New Shares issued under the Offers, and dealings for normal settlement in such New Shares will commence, on 8 February 2019, in relation to the First Allotment, and 18 March 2019 in relation to the Second Allotment.</p>

C.7	<p><i>Dividend policy</i></p> <p>The Board of BVT aims to sustain a minimum annual dividend level at an average of 6.5 pence per BVT Share, mindful of the need to maintain Net Asset Value. The ability to meet these twin objectives depends significantly on the level and timing of profitable realisations and cannot be guaranteed. There will be variations in the amount of dividends paid year on year.</p> <p>The Board of BSVT has the objective to maintain a minimum annual dividend level of around 6.5 pence per BSVT Share if possible, but this depends primarily on the level of realisations achieved and cannot be guaranteed.</p>
-----	---

Section D – Risks

Element	Disclosure
D.1	<p><i>Key information on the key risks specific to the issuer</i></p> <ul style="list-style-type: none"> • Changes in economic conditions and other factors can substantially and adversely affect the value of investments and therefore either Company's performance and prospects. • The past performance of the Companies, and of investments managed by the Investment Manager, is not necessarily indicative of future performance. • There is no guarantee that the investment objectives will be achieved or provide the returns sought by the Companies or that suitable investment opportunities will be available. The success of the Companies will depend on the Investment Manager's ability to identify, acquire and realise investments in accordance with the investment policy and there can be no assurance that the Investment Manager will be able to do so. • Investment in private companies involves a higher degree of risk than investment in companies traded on the Main Market of the London Stock Exchange. Smaller companies often have limited product lines, markets or financial resources and may be dependent for their management on a smaller number of key individuals. In addition, the market for stock in smaller companies is often less liquid than that for stock in larger companies, bringing with it potential difficulties in acquiring, valuing and disposing of such stock. Full information for determining their value or the risks to which they are exposed may also not be available. • The investments may be difficult to realise. The valuation of the Portfolios and opportunities for realisation may also depend on market conditions. • Changes in legislation concerning VCTs may limit the number of Qualifying Investment opportunities, reduce the level of returns which would otherwise have been achievable or result in the Companies not being able to meet their investment objectives.
D.3	<p><i>Key information on the key risks specific to the securities</i></p> <ul style="list-style-type: none"> • The value of the New Shares depends on the performance of the underlying assets of the Companies. The market price of the New Shares may not fully reflect their underlying Net Asset Value. Trading in VCT shares is generally limited and shares in VCTs tend to be valued at a discount to their Net Asset Value and may be difficult to realise. As a result, Shareholders may be offered a price which is less than the full value of underlying assets. • It is likely that there will not be a liquid market in the New Shares (which may be partly due to up-front tax relief not being available for VCT shares bought in the market and as VCT shares generally trade at a discount to Net Asset Value) and Shareholders may have difficulty in selling their New Shares as a result. Shareholders may not be able to realise their investment at Net Asset Value or at all.

Section E – Offer

Element	Disclosure
E.1	<p><i>Net proceeds and costs of the Offers</i></p> <p>The Investment Manager will receive a fee of 2.75 per cent. of the gross proceeds of each Offer in respect of the services provided pursuant to the Offers. The Investment Manager will pay all costs associated with the Offers, on behalf of the Companies.</p> <p>Under the BVT Offer the BVT Directors are proposing to raise a maximum of £12 million, therefore if the BVT Offer is fully subscribed the net proceeds available to BVT for investment will be £11,670,000. Under the BSVT Offer the BSVT Directors are proposing to raise a maximum of £13 million, therefore if the BSVT Offer is fully subscribed the net proceeds available to BSVT for investment will be £12,642,500.</p>
E.2 A	<p><i>Reason for offer and use of proceeds</i></p> <p>The Companies are now seeking to raise further funds to allow them to take advantage of attractive investment opportunities over the short to medium term, in accordance with their investment policies.</p>
E.3	<p><i>Terms and conditions of the offer</i></p> <p>The number of New Shares to be allotted under the Offers will be determined by dividing the subscription amount by an Offer Price calculated on the basis of the following Pricing Formula.</p> <p>Latest published Net Asset Value of an existing Ordinary Share in the relevant Company at the time of allotment divided by 0.9725 (to allow for the costs of the Offer of 2.75 per cent. of the total amount raised under the relevant Offer) rounded up to the nearest 0.1 pence per New Share.</p> <p>Subscribers must subscribe a minimum of £3,000 in each elected Offer and thereafter in multiples of £1,000. All Subscriptions will be processed by the Receiving Agent on a “first come, first served” basis. Investors who receive New Shares issued in the First Allotment will be entitled to receive the Final Dividend, for the avoidance of doubt, investors who receive New Shares in the Second Allotment will not be entitled to receive the Final Dividend in relation to those New Shares issued.</p>
E.4	<p><i>Material interests</i></p> <p>Not applicable. No interest is material to the Offers.</p>
E.5	<p><i>Name of person selling securities</i></p> <p>Not applicable. No person or entity is offering to sell the securities as part of the Offers.</p>
E.6	<p><i>Dilution</i></p> <p>Existing Shareholders are not obliged to participate in the Offers. However, those Shareholders who do not participate in the Offers will suffer a dilution of the percentage of the issued share capital that their current holding represents based on the actual number of New Shares issued.</p> <p>Assuming the BVT Offer is fully subscribed at a BVT Offer Price of 88.6 pence (being the BVT Illustrative Offer Price), the maximum number of BVT Shares to be issued under the BVT Offer would be 13,544,018. If the maximum number of BVT Shares to be issued under the BVT Offer are issued, a BVT Shareholder who does not participate in the BVT Offer will suffer dilution of 6.6 per cent. to their existing holdings in BVT.</p> <p>Assuming the BSVT Offer is fully subscribed at an Offer Price of 87.9 pence (being the BSVT Illustrative Offer Price), the maximum number of BSVT Shares to be issued under the BSVT Offer would be 14,789,534. If the maximum number of BSVT Shares to be issued under the BSVT Offer are issued, a BSVT Shareholder who does not participate in the BSVT Offer will suffer dilution of 6.4 per cent. to their existing holdings in BSVT.</p>
E.7	<p><i>Expenses charged to the investor</i></p> <p>Not applicable. There are no direct costs charged to the investor.</p>

Risk Factors

The risk factors set out below are those which are considered by the Directors to be material as at the date of this document but are not the only risks relating to the Companies and the Shares. Additional risks and uncertainties relating to the Companies that are not currently known to the Directors or that the Directors do not currently consider to be material may also have a material adverse effect on the Companies. Before investing, potential investors should consult their stockbroker, bank manager, solicitor, accountant or other independent financial adviser authorised under the Financial Services and Markets Act 2000 if they are in the United Kingdom or, in the case of overseas investors, another appropriately authorised financial adviser.

Any holding of Shares is subject to a number of risks. Prior to acquiring any New Shares, potential investors should consider carefully the factors and risks associated with an investment in the New Shares and the investment objectives of the relevant Company.

Potential investors should consider the following risk factors in relation to the Companies and the Shares.

The Portfolios

In order to comply with VCT legislation, the Companies invest in unquoted and AIM-traded companies. Investment in unquoted and AIM-traded companies by its nature, may involve a higher degree of risk than investment in companies traded on the Main Market of the London Stock Exchange. In particular, smaller companies often have limited product lines, markets or financial resources and may be dependent for their management on a smaller number of key individuals. In addition, the market for stock in smaller companies is often less liquid than that for stock in larger companies, bringing with it potential difficulties in acquiring, valuing and disposing of such stock. Full information for determining the value of smaller or unquoted companies or the risks to which they are exposed may also not be available.

The investments may be difficult to realise. In the short to medium term the returns to Shareholders will be determined by the existing Portfolios of the Companies, which largely consist of investments made prior to the VCT rules being amended by the Finance Act 2018. The consequence of these amendments is that VCTs are now required to invest in earlier stage companies. Over time, as the Portfolios are brought in to line with the amended VCT rules, Shareholder returns and dividends payable by the Companies may take longer to generate and the levels of those returns may be more volatile due to the nature of investing in earlier stage companies.

The fact that a share is traded on AIM does not guarantee its liquidity. The spread between the buying and selling price of such shares may be wide and thus the price used for valuation may not be achievable. The valuation of either portfolio and opportunities for realisation may also depend on stock market conditions.

Changes in legislation concerning VCTs and in particular, changes in relation to qualifying holdings and qualifying trades, may limit the number of Qualifying Investment opportunities, reduce the level of returns which would otherwise have been achievable or result in the Companies not being able to meet their objectives, may delay the investment of any proceeds raised by the Companies in future fund raisings and may reduce the levels of returns to investors.

Changes to governmental, economic, fiscal, monetary or political policy

Any change of governmental, economic, fiscal, monetary or political policy, in particular any changes to taxation, tax reliefs and changes to the VCT rules, could materially affect, directly or indirectly, the operation and/or the performance of the Companies (and the portfolio companies in which they invest), the value of and returns from Shares and/or the ability for the Companies to achieve or maintain VCT status.

Loss of tax reliefs

The information, including references to tax rules, contained in this document is based on existing legislation. The tax rules or their interpretation in relation to an investment in the Companies and/or the rates of tax, or other statutory provisions to which the Companies are subject, may change during

the life of the Companies and such changes could be retrospective. While it is the intention of the Directors that the Companies will be managed so as to continue to qualify as VCTs, there can be no guarantee that this status will be maintained. A failure to meet the qualifying requirements could result in the loss of tax reliefs previously obtained, resulting in adverse tax consequences for investors, including a requirement to repay the income tax relief obtained, and could also cause the relevant Company to lose its exemption from corporation tax on capital gains.

State aid

As a result of the tax status of VCTs, investments by VCTs in underlying portfolio companies are regarded as State aided investments. Where the European Commission believes that State aid has been provided which is unlawful, in particular if it is not in accordance with the Risk Finance Guidelines, they may require that the UK government recovers that State aid. Such recovery may be from the investee company, the VCT or the VCT's investors.

European Union referendum

The Companies could face potential uncertainty as a result of the UK Government triggering Article 50 of the Treaty of the European Union on 29 March 2017. The exit, anticipation of the exit or the terms of the exit could create uncertainty, which may have a material effect on the total shareholder returns, the Net Asset Values and the price of the Ordinary Shares favourably or unfavourably. In addition, the extent to which State aid rules will apply, or continue to apply, to VCTs in the future is uncertain.

Investment objective

The investment objective of both Companies is to achieve long-term investment returns for private investors. There can be no guarantee that the investment objective of either Company will be met. Meeting its objective is a target but the existence of such an objective should not be considered as an assurance or guarantee that it will be met (as this will depend on the performance of and returns generated by portfolio companies). If either Company does not meet its investment objective the returns made to its Shareholders may go down. The value of an investment in the Companies may go down as well as up and investors may not get back the full value of their investment.

Economic environment

The profitability of the businesses of the portfolio companies could be impacted by business conditions and adverse economic conditions. Factors such as unemployment levels, the levels and volatility of equity markets, consumer confidence, interest rates and inflation could significantly affect the market for products or services of portfolio companies. The economic climate in the UK and the uncertainty over the manner in which the UK may leave the European Union may adversely affect the prospects for both existing portfolio companies and any new investments.

The Shares may trade at a discount to Net Asset Value

At any given point in time, the price for a Share which a Shareholder could achieve on the stock market may be significantly less than the Net Asset Value or the price paid by the Shareholder to acquire that Share. The Shares may trade at a discount to their Net Asset Value for a variety of reasons, including as a consequence of general market conditions, concerns regarding the general liquidity or marketability of the Shares or the actual or expected performance of the Companies.

Liquidity

The Companies are closed-ended investment companies. Shareholders will have no right to have their Shares redeemed or repurchased by the relevant Company at any time. Shareholders wishing to realise their investment will be required to dispose of their Shares on the stock market. Accordingly, the ability of Shareholders to realise the Net Asset Value of, or any value in respect of, their Shares is dependent on the existence of a liquid market in the Shares and the market price of such Shares.

Although the existing Ordinary Shares issued by the Companies have been (and it is anticipated that the New Shares will be) admitted to the premium segment of the Official List of the UK Listing Authority and traded on the Main Market, there may not be a liquid market for the Ordinary Shares as there is a limited secondary market for VCT shares (primarily because initial VCT income tax relief is only available to individuals subscribing for newly issued shares) and investors may find it difficult to realise their investments.

Share buybacks

From time to time the Companies may buyback their own Shares through the market. Subject to the likely impact on Shareholders in the relevant Company, the funding requirements of that Company and the market conditions at the time, each of the Companies seeks to maintain a mid share price discount of approximately 5 per cent. to Net Asset Value where possible. However, it should be noted that this discount may widen during periods of market volatility. Any share buyback will be subject to applicable legislation and VCT regulations and the availability of sufficient reserves and cash in the relevant Company.

Restrictions in relation to payment of dividends

There is no certainty that any dividends will be paid. A reduction of income from the relevant Company's portfolio would adversely affect the ability of that Company to pay dividends on the Ordinary Shares. Such a reduction could arise, for example, from lower dividends paid by investee companies or difficulties realising gains on portfolio investments.

Any change in the tax treatment of dividends paid by the relevant Company may reduce the dividends paid to the holders of the Ordinary Shares.

Investment Manager

The Companies each have a board of non-executive Directors and have no employees and are dependent on the skills of the Investment Manager to manage their investments. If the Investment Manager ceases to act as investment manager or if key personnel cease to be employed by the Investment Manager or be involved in the management of the Portfolios, there is no assurance that suitable replacements will be found. If this occurs there may be an adverse effect on the performance of the Companies and the value of the Shares.

Important Information

General

No person has been authorised to give any information or make any representations in connection with the Offers other than the information contained in, or incorporated by reference into, this document and, if given or made, such information or representations must not be relied on as having been authorised by or on behalf of the Companies, the Investment Manager, the Sponsor or any of their respective affiliates, officers, directors, members, employees or agents.

Without prejudice to the obligations of the Companies under applicable law and regulations, neither the delivery of this document nor any subscription for or purchase of New Shares made pursuant to the Offers shall, under any circumstances, create any implication that there has been no change in the business or affairs of the Companies since the date of this document or that the information contained in this document, including any forward looking statements, is correct as at any time subsequent to the date of this document.

Prospective investors should be aware that although the Companies have similar investment objectives and policies, the same Investment Manager and similar portfolios they are two separate companies with independent Boards, separate dividend policies and their own management fee arrangements. Prospective investors should consider all of these factors before subscribing for New Shares in either or both of the Companies.

Prospective investors should carefully consider all of the information contained in, or incorporated by reference into, this document before making any application for New Shares and should rely only on that information when considering an investment in the Companies. However, prospective investors should not treat the contents of this document or any subsequent communication from the Companies, the Investment Manager, the Sponsor or any of their respective affiliates, officers, directors, members, employees or agents as advice relating to legal, financial, taxation, accounting, regulatory, investment or any other related matters. Prospective investors should inform themselves as to:

- the legal requirements within their own countries for the purchase, holding, transfer or other disposal of New Shares;
- any foreign exchange restrictions applicable to the purchase, holding, transfer or other disposal of New Shares which they might encounter; and
- the income and other tax consequences that may apply in their own countries as a result of the purchase, holding, transfer or other disposal of New Shares.

Prospective investors must rely on their own advisers as to legal, financial, taxation, accounting, regulatory, investment or any other related matters concerning the Companies and an investment in the New Shares.

Apart from the responsibilities and liabilities, if any, which may be imposed on the Sponsor under FSMA or the regulatory regime established thereunder, the Sponsor makes no representation, express or implied, or accepts any responsibility whatsoever for the contents of this document or for any statement made or purported to be made by it or on its behalf in connection with the Companies, the Investment Manager, the Ordinary Shares or the Offers. Accordingly, the Sponsor, to the fullest extent permitted by law, disclaims all and any responsibility and liability whether arising in tort, contract or otherwise (save as referred to above) which it might otherwise have in respect of this document or any such statement.

All Shareholders are entitled to the benefit of, and are bound by and are deemed to have notice of, the provisions of the Memorandum of Association and the Articles which prospective investors should review. A summary of the Articles is contained in paragraph 3 of Part 7 of this document.

Data protection

The information that an investor provides to the Companies or their agents in relation to a subscription for or purchase of New Shares or subsequently, by whatever means, which relates to the investor (if the investor is an individual) or a third party individual ("personal data") will be held and processed by

the Companies (and any third party, functionary or agent in the United Kingdom to whom the Companies may delegate certain administrative or other functions in relation to the Companies, including the Registrar) in compliance with the relevant data protection legislation and regulatory requirements of the United Kingdom.

Each prospective investor acknowledges that personal data provided to the Companies by prospective investors will be held and processed in compliance with the relevant Company's privacy policy. Please refer to the relevant Company's website for a copy of the privacy policy. Investors will be notified that an updated privacy policy has been published on the relevant Company's website via a RIS announcement.

Investors and/or other applicants are responsible for informing and obtaining any required consent of any third party individual to whom the personal data relates to the disclosure and use of such data in accordance with these provisions.

Presentation of information

Market, economic and industry data

Market, economic and industry data used throughout this document is sourced from various industry and other independent sources. The Companies and the Directors confirm that such data has been accurately reproduced and, so far as they are aware and are able to ascertain from information published from such sources, no facts have been omitted which would render the reproduced information inaccurate or misleading.

Currency presentation

All references in this document to "£", "Sterling" or "pence" are to the lawful currency of the United Kingdom.

Law and practice

Statements made in this document are based on the law and practice in force in England and Wales as at the date of this document and are subject to changes therein.

Forward looking statements

This document includes forward looking statements concerning the Companies that are based on the current expectations of the relevant Board and are naturally subject to uncertainty and changes in circumstances. Forward looking statements include, without limitation, statements containing the words "believes", "intends", "expects", "anticipates", "targets", "estimates" or their negative or other similar expressions.

Such forward looking statements involve risks, uncertainties and other factors which may cause the actual results, financial condition, performance or achievement of the Companies, or industry results, to be materially different from future results, financial condition, performance or achievements expressed or implied by such forward looking statements. Given these risks and uncertainties, prospective investors should not place undue reliance on such forward looking statements as a prediction of actual results.

Such forward looking statements speak only as at the date of this document. Subject to its legal and regulatory obligations, each Company expressly disclaims any obligation to update or revise any forward looking statement contained in this document to reflect any change in expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based. Information in this document will be updated as required under the Prospectus Rules, the Listing Rules and/or the Disclosure Guidance and Transparency Rules.

Nothing in the preceding three paragraphs seeks to limit or qualify in any way the working capital statements in relation to each of the Companies in Part 5 of this document.

Selling restrictions

The distribution of this document and the offering of New Shares in jurisdictions other than the United Kingdom may be restricted by law or regulation and accordingly persons into whose possession this document comes are required to inform themselves about and observe any such restrictions. No action has been taken to permit the distribution of this document and the offering of New Shares in any jurisdiction outside the United Kingdom where such action is required to be taken.

This document does not constitute, and may not be used for the purposes of, an offer to sell, or the solicitation of an offer to acquire or subscribe for, New Shares in any jurisdiction in which such offer or solicitation is unlawful or would impose any unfulfilled registration, qualification, publication or approval requirements on the relevant Company, the Sponsor, or the Investment Manager or to any person to whom it is unlawful to make such offer or solicitation. If you receive a copy of this document in any territory other than the United Kingdom, you may not treat it as constituting an invitation or offer to you. It is your responsibility, if you are outside the United Kingdom, to satisfy yourself that you have fully observed the laws of any relevant territory in connection with your receipt of this document and/or New Shares, including obtaining any requisite governmental or other consents, observing any other formalities requiring to be observed in such territory and paying any issue, transfer or other taxes required to be paid in such territory.

Without limiting the above, the New Shares have not been, and will not be, registered under the US Securities Act or under any of the relevant securities laws of, or with any securities regulatory authority of, any state of the United States or of Canada, Australia, Japan or the Republic of South Africa. Accordingly, unless an exemption under such act or laws is applicable, the New Shares may not be offered, sold or delivered, directly or indirectly, in or into the United States, Canada, Australia, Japan or the Republic of South Africa or to, or for the account or benefit of, any resident of the United States, Canada, Australia, Japan or the Republic of South Africa. The Companies have not been and will not be registered under the US Investment Company Act and recipients of this document and investors will not be entitled to the benefits of that Act.

Latest practicable date

In this document, where the context requires, references to 4 January 2019 should be treated as being references to the latest practicable date prior to the publication of this document.

Expected Timetable

	2019
Offers open	9 January
Latest time and date for receipt of Subscription Forms in order for New Shares to be allotted in the First Allotment	12.00 noon on 4 February
First Allotment	7 February
Latest time and date for receipt of Subscription Forms in order for New Shares to be allotted in the Second Allotment	12.00 noon on 13 March
Offers close	12.00 noon on 13 March
Second Allotment	15 March
Dealings in New Shares commence	Business Day after the relevant allotment
Definitive share certificates despatched	within ten Business Days of the relevant allotments

Notes:

1. Each Board may close the relevant Offer earlier than the date stated above if it is fully subscribed by an earlier date or may extend such Offer. Each Board further reserves the right to accept Subscription Forms and to allot and arrange for the listing of New Shares in respect of Subscriptions received on or prior to the closing date of the relevant Offer as the Board sees fit, which may not be on the dates stated above.
2. The times and dates set out in the expected timetable above and mentioned throughout this document may be adjusted by the Companies, in which event details of the new times and/or dates will be notified, as required, to the UKLA and the London Stock Exchange and, where appropriate, to Shareholders and an announcement will be made through a Regulatory Information Service.
3. All references to times in this document are to London time, unless otherwise stated.

Offers Statistics

Number of New Shares	The number of New Shares to be allotted in the Offers will be determined by the Offer Price as set out below
Offer Price	Latest published Net Asset Value of an existing Ordinary Share in the relevant Company at the time of allotment divided by 0.9725 (to allow for the costs of the Offer of 2.75 per cent. of the total amount raised under the relevant Offer) rounded up to the nearest 0.1 pence per New Share
Minimum subscription under each Offer	£3,000
Costs of each Offer	2.75 per cent.
Expected net proceeds of the BVT Offer	£11,670,000
Expected net proceeds of the BSVT Offer	£12,642,500

Directors, Investment Manager and Other Advisers

BVT Directors

Peter Lawrence (*Chairman*)
Les Gabb
Valerie Marshall
Susannah Nicklin

BSVT Directors

John Davies (*Chairman*)
Anthony Townsend
Ian Orrock
Malcolm Groat

all non-executive and of:

5 New Street Square
London EC4 3TW

Investment Manager and Secretary

Gresham House Asset Management Limited
5 New Street Square
London EC4A 3TW

Solicitors and Sponsor

Dickson Minto W.S.
Broadgate Tower
20 Primrose Street
London EC2A 2EW

Auditors

KPMG LLP
Saltire Court
20 Castle Terrace
Edinburgh EH1 2EG

VCT status adviser

PricewaterhouseCoopers LLP
Cornwall Court
19 Cornwall Street
Birmingham B3 2DT

Registrar and Receiving Agent

Computershare Investor Services PLC
The Pavilions
Bridgwater Road
Bristol BS13 8AE

Promoter

RAM Capital Partners LLP
4 Staple Inn
London WC1V 7QH

Part 1 – Letter from the Chairmen of the Companies

8 January 2019

Dear Investors

Introduction

We are delighted to be offering Existing Shareholders and new investors an opportunity to invest in both Baronsmead Venture Trust plc and Baronsmead Second Venture Trust plc.

The Companies published a prospectus on 4 October 2017, under which the Companies raised approximately £44 million in aggregate (after costs). Following this fundraising the cash reserves of each of the Companies were approximately 23 per cent. of total net asset value. The Companies have invested approximately £20 million in new and follow-on investments since 30 September 2017. The Companies are now seeking to raise further funds to allow them to take advantage of attractive investment opportunities over the short to medium term, in accordance with their investment policies.

Change of Investment Manager

Until recently Livingbridge VC LLP acted as investment manager to the Companies. On 8 November 2018 it was announced that the fund and investment management business of Livingbridge had been sold to a subsidiary of Gresham House plc. The core management, investment and operational teams at Livingbridge involved with the Companies were all transferred as part of the sale. In addition, the two partners at Livingbridge who had responsibility for the management of the Companies, Sheenagh Egan and Andrew Garside, have agreed to continue as consultants to Gresham House for a period of at least three years. The Boards and the Investment Manager are confident that these arrangements will ensure the continuity in service and support provided to the Companies. Following the completion of an extensive due diligence process, the Boards are confident that the move to Gresham House will benefit both the Companies and Shareholders as it will provide additional resources to the management team enabling them to maintain and develop the VCT business and specifically focus on deployment of capital under the amended VCT rules, as well as managing the existing diverse portfolio.

Gresham House plc is an AIM-traded specialist alternative asset manager providing funds, direct investments and tailored investment solutions, including co-investment across a range of highly differentiated alternative investment strategies. Its expertise includes strategic public and private equity (private assets), forestry, renewable energy, housing and infrastructure. Through a combination of acquisitions and organic growth, the team has significantly grown the Gresham House plc business, with assets under management now exceeding £2.1 billion, providing a strong and scalable platform from which to grow. In particular the Boards were impressed by the investment philosophy and culture within Gresham House – adopting a private equity approach to public and private investing, believing it was a very good fit with the investing style of the existing management team. The Directors were also encouraged by Gresham House's extensive public and private equity experience and the intention to grow its non VCT private equity funds in the future as they see this as complimentary and supportive to the investment capability of the management team.

As part of this transaction the Companies consented to the novation of their existing investment management agreements to Gresham House Asset Management Limited with effect from 30 November 2018. No changes were made to the terms of the investment management agreements as a result of the novation. Accordingly, Gresham House Asset Management Limited now acts as investment manager for the Companies.

Anthony Townsend, who was the Chairman of BSVT, is also Non-Executive Chairman of Gresham House plc. Accordingly, Anthony Townsend took no part in the decision to appoint Gresham House and following completion of the transaction he stepped down as Chairman of BSVT. From 30 November 2018 the role of Chairman was taken up by John Davies. Anthony Townsend remains a non-executive director of BSVT.

Offers for subscription

The Companies are seeking to raise £25 million in aggregate under the Offers (being up to £12 million by BVT and £13 million by BSVT). Unlike in previous offers, trail commission will not be paid to "execution only" financial intermediaries in relation to the Offers. The Investment Manager wishes to pass this cost saving on to investors and has chosen to reduce the costs of the Offers from 3.0 per cent. to 2.75 per cent. of the total amount raised under each Offer. All Subscriptions will be processed on a "first come, first served" basis by the Receiving Agent and there will be no exclusive period for Existing Shareholders. Investors can subscribe for New Shares by completing the Subscription Form at the end of this document or, for the first time, online by logging on to www.computershare.co.uk/baronsmeadvcts and completing an Electronic Subscription Form.

The number of New Shares to be allotted under the Offers will be determined by dividing the subscription amount by an Offer Price calculated on the basis of the following pricing formula:

Latest published Net Asset Value of an existing Ordinary Share in the relevant Company at the time of allotment divided by 0.9725 (to allow for the costs of the Offer of 2.75 per cent. of the total amount raised under the relevant Offer) rounded up to the nearest 0.1 pence per New Share.

The First Allotment of New Shares under the Offers will take place on 7 February 2019 and a Second Allotment will take place on 15 March 2019. Subscription Forms (whether paper or electronic) must be received by the Receiving Agent by 12.00 noon on 4 February 2019 to be included in the First Allotment and by no later than 12.00 noon on 13 March 2019 to be included in the Second Allotment. The Offers will close at 12 noon on 13 March 2019, unless either or both Boards decide to extend the Offer in relation to the relevant Company or the Offers are fully subscribed before this time. Electronic Subscription Forms can only be used in connection with Subscriptions for £50,000 or less. Investors who wish to subscribe for £50,000 in each of the Offers would be required to complete two separate Electronic Subscription Forms.

Investors who receive New Shares issued in the First Allotment will be entitled to receive the Final Dividend. Investors who receive New Shares in the Second Allotment will not be entitled to receive the Final Dividend in relation to those New Shares issued. The Offer Price in relation to the Second Allotment will be based on the NAV of each Company as at 28 February 2019. This NAV will reflect the payment of the Final Dividend.

The Directors and their connected persons have committed to investing £193,000 in aggregate in the Offers.

Subscribers can elect to invest in either or both of the Offers. The minimum subscription under each of the Offers is £3,000 and thereafter in multiples of £1,000 per elected Offer. There is no maximum investment. However, potential investors should be aware that tax relief is only available on a maximum of £200,000 in each tax year. Potential investors should consult their professional or financial advisers before deciding whether and, if so, how much they should invest under the Offers.

Further details of the Offers are set out in Part 4 of this document.

Performance track records

A summary of the performance track records of the Companies since launch is set out below:

Company	Launch date	NAV* £m	Average annual dividends paid and declared per Share since launch [†] (p)	Average annual dividends paid per Share over the past 5 years [†]
BVT	April 1998	164.3	7.5	10.3
BSVT	January 2001	184.2	7.6	11.3

* As at 30 November 2018.

† Includes final dividend to be paid on 8 March 2019, subject to shareholder approval.

The NAV total return over recent years for the Companies and since launch is set out below:

Period to 30 November 2018	NAV total return per Share (p)				
	1 year	3 years	5 years	10 years	Since launch
BVT	100.3	110.3	134.1	232.1	398.6
BSVT	97.4	107.0	126.4	209.8	306.8

The past performance of the Companies is not a guide to their future performance. The data in the tables above relates partly to periods prior to November 2015 when the UK Government amended the VCT rules to restrict the types of investments that VCTs could make.

Investment objectives and policies

Both Companies invest primarily in a diverse portfolio of UK growth businesses, whether unquoted or traded on AIM. Investments are made selectively across a range of sectors in companies that have the potential to grow and enhance their value. Full details of the investment policies are set out in Part 2 of this document and details of the existing Portfolios are contained in Part 5.

Dividend policies

The Board of BVT aims to sustain a minimum annual dividend level at an average of 6.5 pence per BVT Share, mindful of the need to maintain net asset value. The ability to meet these twin objectives depends significantly on the level and timing of profitable realisations and cannot be guaranteed. There will be variations in the amount of dividends paid year on year.

The Board of BSVT has the objective to maintain a minimum annual dividend level of around 6.5 pence per BSVT Share if possible, but this depends primarily on the level of realisations achieved and cannot be guaranteed.

Action to be taken

Further details of the Offers are set out in Part 4 of this document. Should you wish to participate in the Offers and subscribe for New Shares in either Company you should read Part 4, together with the full Terms and Conditions of the Offers set out in Part 8 of this document. The Subscription Form which accompanies this document should be completed and returned as soon as possible to the Receiving Agent, Computershare Investor Services PLC at Corporate Action 3, Bridgwater Road, Bristol BS99 6AR or by hand (during business hours only) to Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS13 8AE.

Investors can also subscribe for New Shares online by logging on to www.computershare.co.uk/baronsmeadvcts and completing an Electronic Subscription Form. Electronic Subscription Forms can only be used in connection with Subscriptions for £50,000 or less. Investors who wish to subscribe for £50,000 in each of the Offers would be required to complete two separate Electronic Subscription Forms.

We would like to thank Existing Shareholders for their continued support of the Companies, and very much look forward to welcoming participation from Existing Shareholders and new investors in the Companies.

Yours faithfully

**Peter Lawrence (Chairman of Baronsmead Venture Trust) &
John Davies (Chairman of Baronsmead Second Venture Trust)**

Part 2 – Information on the Companies

Investment objectives and policies

Baronsmead Venture Trust

BVT is a tax efficient listed company which aims to achieve long-term investment returns for private investors, including tax-free dividends.

BVT's investment policy is to invest primarily in a diverse portfolio of UK growth businesses, whether unquoted or traded on AIM, which are substantially based in the UK, although many of these investees may have some trade overseas.

Investments are made selectively across a range of sectors in companies that have the potential to grow and enhance their value and which will diversify the portfolio.

BVT will make investments in accordance with the prevailing VCT legislation which places restrictions, *inter alia*, on the type and age of investee companies as well as the maximum amount of investment that such investee companies may receive.

Investment securities

BVT invests in a range of securities including, but not limited to, ordinary and preference shares, loan stocks, convertible securities, and permitted non-qualifying investments as well as cash. Unquoted investments are usually structured as a combination of ordinary shares and loan stocks or preference shares, while AIM-traded investments are primarily held in ordinary shares. No single investment may represent more than 15 per cent. (by VCT value) of BVT's total investments.

Liquidity

Pending investment in VCT qualifying investments, the BVT's cash and liquid funds are held in permitted non-qualifying investments.

Investment style

Investments are selected in the expectation that the application of private equity disciplines including active management of the investments will enhance value and enable profits to be realised on the sale of investments.

Co-investment

BVT typically invests alongside BSVT in companies sourced by the Investment Manager.

The Investment Manager's members and staff invest in unquoted investments alongside BVT. This scheme is in line with current practice of private equity houses and its objective is to attract, recruit, retain and incentivise the Investment Manager's team and is made on terms which align the interests of shareholders and the Investment Manager.

Borrowing powers

Should it be required BVT's policy is to use borrowing for short term liquidity purposes only up to a maximum of 25 per cent. of BVT's gross assets, as permitted by BVT's articles of association.

Any material change in the investment policy will require the approval of Shareholders at a general meeting. In the event of a breach of BVT's investment policy, the BVT Directors will announce through a Regulatory Information Service the actions which will be taken to rectify the breach.

Baronsmead Second Venture Trust

BSVT is a tax efficient listed company which aims to achieve long-term investment returns for private investors.

BSVT's investment policy is to invest primarily in a diverse portfolio of UK growth businesses, whether unquoted or traded on AIM, which are substantially based in the UK, although many of these investees may have some trade overseas.

Investments are made selectively across a range of sectors in companies that have the potential to grow and enhance their value and which will diversify the portfolio.

BSVT will make investments in accordance with the prevailing VCT legislation which places restrictions, *inter alia*, on the type and age of investee companies as well as the maximum amount of investment that such investee companies may receive.

Investment securities

BSVT invests in a range of securities including, but not limited to, ordinary and preference shares, loan stocks, convertible securities, and permitted non-qualifying investments as well as cash. Unquoted investments are usually structured as a combination of ordinary shares and loan stocks or preference shares, while AIM-traded investments are primarily held in ordinary shares. No single investment may represent more than 15 per cent. (by VCT value) of BSVT's total investments.

Liquidity

Pending investment in VCT qualifying investments, BSVT's cash and liquid funds are held in permitted non-qualifying investments.

Investment style

Investments are selected in the expectation that the application of private equity disciplines including active management of the investments will enhance value and enable profits to be realised on the sale of investments.

Co-investment

BSVT typically invests alongside BVT in companies sourced by the Investment Manager.

The Investment Manager's members and staff invest in unquoted investments alongside BSVT. This scheme is in line with current practice of private equity houses and its objective is to attract, recruit, retain and incentivise the Investment Manager's team and is made on terms which align the interests of shareholders and the Investment Manager.

Borrowing powers

Should it be required BSVT's policy is to use borrowing for short term liquidity purposes only up to a maximum of 25 per cent. of BSVT's gross assets, as permitted by BSVT's articles of association.

Any material change in the investment policy will require the approval of Shareholders at a general meeting. In the event of a breach of BSVT's investment policy, the BSVT Directors will announce through a Regulatory Information Service the actions which will be taken to rectify the breach.

Investment outlook

Despite volatility in the markets resulting from the uncertainty surrounding the UK's exit from the European Union and decreasing consumer confidence, the majority of investee companies continue to perform well, providing good returns. The team at the Investment Manager are continuing to adapt their deal origination process following the recent changes to the VCT rules and are continuing to identify attractive investment opportunities which comply with the amended rules.

Under the amended VCT rules the Companies are required to invest in earlier stage companies. Due to the nature of investments in such investee companies Shareholder returns may take longer to generate and the level of those returns may be more volatile in the future.

Co-investment

The Companies aim to invest in unquoted and AIM-traded companies and have historically invested alongside each other and other funds managed by Livingbridge. It is intended that the Companies will continue to co-invest alongside each other and to hold investments where the two Companies previously co-invested with funds managed by Livingbridge. However, no new investments will be made alongside funds that continue to be managed by Livingbridge.

In order to incentivise employees the staff of the Investment Manager will invest in unquoted investments alongside the Companies through an incentive scheme. The rules that govern this incentive scheme will reflect the rules of the incentive scheme that the Companies previously entered into with Livingbridge.

Dividends

Baronsmead Venture Trust

The Board of BVT aims to sustain a minimum annual dividend level at an average of 6.5 pence per BVT Share, mindful of the need to maintain Net Asset Value. The ability to meet these twin objectives depends significantly on the level and timing of profitable realisations and cannot be guaranteed. There will be variations in the amount of dividends paid year on year.

Baronsmead Second Venture Trust

The Board of BSVT has the objective to maintain a minimum annual dividend level of around 6.5 pence per BSVT Share if possible, but this depends primarily on the level of realisations achieved and cannot be guaranteed.

Both Boards have sought to maintain a regular flow of dividends to Shareholders over time, as illustrated in the table below. They have done so through the retention of some of the profits realised from the sale of investments for the payment of future dividends, where it has been possible and appropriate to do so. The Boards intend to continue this strategy in the future where appropriate, and at the sole discretion of each Board, should it consider it to be in the best interests of Shareholders and subject to the legal and regulatory requirements at the time. There is no certainty that any dividends will be paid in the future.

Dividends paid and/or declared in the previous five financial years (pence per Share)					
	2014	2015	2016	2017	Average
BVT	12.5	6.5	18.5	6.5	7.5
BSVT	17.0	7.5	17.0	7.5	7.5

The ability of either Company to meet the objective of its dividend policy cannot be guaranteed and depends primarily on the level and timing of profitable realisations of its investments. As a result, there may be variations in the amounts and timing of dividends paid year on year. The value of the investment in, and the dividend stream from, a company can rise and fall. The data in the table above relates partly to periods prior to November 2015 when the UK Government amended the VCT rules to restrict the types of investments that VCTs could make.

Share buyback policy

From time to time the Companies may buyback their own Shares through the market. Subject to the likely impact on Shareholders in the relevant Company, the funding requirements of that Company and the market conditions at the time, each of the Companies seeks to maintain a mid share price discount of approximately 5 per cent. to net asset value where possible. However, it should be noted that this discount may widen during periods of market volatility. Any share buyback will be subject to applicable legislation and VCT regulations and the availability of sufficient reserves and cash in the relevant Company.

Shareholder communications

The Directors are committed to a policy of regular and open communication with Shareholders and this is expressed not only in the statutory accounts but also through quarterly updates, annual general meetings and *ad hoc* Shareholder surveys.

Annual running costs

Annual running costs, including the Investment Manager's fees, Directors' fees, professional fees and the costs incurred by the Companies in the ordinary course of business (but excluding any performance fees payable to the Investment Manager and irrecoverable VAT), are capped at 3.5 per cent. of the

relevant Company's net assets, any excess being met by the Investment Manager by way of reduction in future management fees. Further details of the fees paid to the Investment Manager are set out in Part 3 of this document.

Capital structure

The Companies each have one class of share in issue, Ordinary Shares. The Ordinary Shares are listed on the premium segment of the Official List and traded on the Main Market. As at 4 January 2019 (the latest practicable date prior to the publication of this document), there were 190,250,116 BVT Shares in issue (excluding Shares held in treasury) and 214,807,575 BSVT Shares in issue (excluding Shares held in treasury).

New Shares issued pursuant to the Offers will rank equally in all respects with the existing Ordinary Shares.

The ISIN for the BVT Shares is GB0002631934, the SEDOL number is 0263193 and the LEI code for BVT is 213800VQ1PQHOJXDDQ88. The ISIN for the BSVT Shares is GB0030028103, the SEDOL number is 3002810 and the LEI Code for BSVT is 2138008D3WUMF6TW8C28.

Further details of the rights attaching to the Ordinary Shares are set out in paragraph 3 of Part 7 of this document.

Accounts and auditors

The accounting reference date for the Companies is 30 September and annual accounts are usually dispatched in November each year with half yearly accounts for the six month period to 31 March being dispatched in May each year. The auditor of the Companies is KPMG LLP.

Publication of NAV

The NAV of an Ordinary Share is calculated by the Investment Manager in accordance with the relevant Company's accounting policies. The NAV of an Ordinary Share will be calculated at least on a monthly basis and published via a Regulatory Information Service. The most recent unaudited NAV and share price of an Ordinary Share are available free on the website of the London Stock Exchange. The calculation of the NAV of an Ordinary Share will be suspended only in circumstances where the underlying data necessary to value the investments of the Companies cannot readily, or without undue expenditure, be obtained. Details of any suspension in making such calculations will be announced through a Regulatory Information Service.

Advising ordinary retail investors

The Companies currently conduct their affairs so that the Shares can be recommended by financial intermediaries to ordinary retail investors in accordance with the FCA's rules in relation to non-mainstream investment products and intend to continue to do so for the foreseeable future. The FCA's restrictions which apply to non-mainstream investment products do not apply to any of the Shares because they are shares in a VCT which, for the purposes of the FCA rules relating to non-mainstream investment products, are excluded securities and may be promoted to ordinary retail investors without restriction.

VCT status

Each Board has managed and intend to continue to manage the affairs of their respective Company in order that they comply with the legislation applicable to VCTs. In this regard, the Companies have retained PricewaterhouseCoopers LLP to advise on their VCT status. The Companies have continued to conduct their affairs so as to comply with section 274 of the Tax Act for their current financial years and will continue to do so for subsequent financial periods. However, there can be no guarantee that their VCT status will be maintained and investors' attention is drawn to Part 6 of this document.

Part 3 – Directors, Investment Manager, Custodian Arrangements and Administration

BVT Directors

The BVT Board currently comprises four Directors, all of whom are non-executive and independent of the Investment Manager. The BVT Directors are responsible for the determination of BVT's investment policy and the overall supervision of BVT. The BVT Directors are as follows:

Peter Lawrence was appointed to the BVT Board on 8 February 2016 following the merger of Baronsmead VCT plc and BVT. Peter joined the board of Baronsmead VCT plc in November 1999, and became Chairman in 2009. Peter was also a prior Chairman of Baronsmead VCT 5 plc before retiring in 2010. Peter is currently chairman of ECO Animal Health Group plc, an AIM-traded company which he founded in 1972. Peter is also the chairman of Amati AIM VCT plc and of Anpario plc, which is traded on AIM. Peter is also a Director of Algatechnologies Limited, which is a private equity backed company.

Les Gabb was appointed to the BVT Board on 8 February 2016 following the merger with Baronsmead VCT plc where he served as a director from May 2014. He studied biochemistry at Oxford University and subsequently qualified as a Chartered Accountant at KPMG in 1987. For 10 years, Les was the managing director of the London subsidiary of the Bank of Bermuda with responsibility for the finance function of the Bank's European group. Since 2000 Les has been Finance Partner at Advent Venture Partners and currently holds a similar role at the recently formed Felix Capital Partners. Les is an Associate of the Institute of Taxation, and a previous member of the BVCA Legal and Technical committee and the EVCA Venture Capital Council.

Valerie Marshall was appointed to the BVT Board on 8 February 2016 following the merger with Baronsmead VCT plc where she served as a director from November 2009. Previously, she was corporate finance director at stockbrokers Greig Middleton & Co Ltd, and formerly invested in growing companies with both 3i plc and the Scottish Development Agency. She has also been chair of the Council of the University of Kent and deputy chair of the Committee of University Chairs. She was also treasurer and trustee of the British Science Association, established by Royal Charter.

Valerie is CEO of Stratagem Corporate Finance and Strategy Ltd and is a director of Marshall Capital Limited. She is also a non-executive director of Town and Country Housing Group and an investment committee member of the Angel Co-Investment Fund.

Susannah Nicklin joined the BVT Board on 21 February 2018. Susannah is an investment and financial services professional with 20 years of experience in executive roles at Goldman Sachs and Alliance Bernstein in the US, Australia and the UK. She has also worked in the social impact private equity sector with Bridges Ventures, the Global Impact Investing Network and Impact Ventures UK. Susannah was previously a director of Baronsmead VCT plc.

Susannah is a non-executive director and senior independent director at Pantheon International Plc and City of London Investment Group plc, and a non-executive director of The North American Income Trust plc and Amati AIM VCT plc.

BSVT Directors

The BSVT Board currently comprises four Directors, all of whom are non-executive and independent of the Investment Manager. The BSVT are responsible for the determination of BSVT's investment policy and the overall supervision of BSVT. The BSVT Directors are as follows:

John Davies was appointed to the BSVT Board following the merger of BSVT and Baronsmead VCT 5 plc on 30 November 2016. Prior to the merger, he served as a director of Baronsmead VCT 5 from February 2006. He was a Director of BlackRock Smaller Companies Trust plc until his retirement in July 2011. He was Managing Director of 3i Asset Management Ltd (1985 – 2002), responsible for the management of three investment trusts and the group's quoted portfolio. He is also a director of Gardens Pensions Trustees Ltd, a corporate trustee of the 3i Group Pension Scheme and is a member of the investment committee of the scheme.

Anthony Townsend joined the BSVT Board in August 2009. He has over 40 years' experience in financial services. He was previously a director of Rea Brothers Group plc, a non-executive director of Worldwide Healthcare Trust plc and was chairman of the Association of Investment Companies. He is chairman of Gresham House plc, BMO Global Smaller Companies plc (formally F&C Global Smaller Companies plc), and Finsbury Growth & Income Trust plc, and a non-executive director of Hansa Capital Ltd.

Malcolm Groat was appointed to the Board following the merger of BSVT and Baronsmead VCT 4 plc on 11 March 2016. Prior to the merger, he served as a director of Baronsmead VCT 4 plc from April 2014. He is a fellow of the Institute of Directors, the Institute of Chartered Accountants in England and Wales and the Royal Society for the Encouragement of Arts, Manufactures and Commerce. During his career, Malcolm has worked as finance director for global businesses in engineering, construction and financial services. Malcolm currently holds directorships with a number of ventures and small listed companies and at the established unlisted business Corps Security.

Ian Orrock joined the BSVT Board in October 2010. He has wide experience having founded, developed and sold a number of businesses particularly focussing on the international media, technology and telecoms sectors ("TMT") and has worked at board level in quoted global organisations. He was also a non-executive director of Henderson Private Equity Investment Trust plc. He is currently a director of a number of TMT businesses including Arkessa Limited, Iotic-Labs Ltd and Silchester Limited.

Investment management arrangements

On 8 November 2018 it was announced that the fund and investment business of Livingbridge had been sold to a subsidiary of Gresham House plc. Prior to this the Companies were managed by Livingbridge VC LLP. Livingbridge and its related predecessor businesses had managed the Baronsmead VCTs since the incorporation of Baronsmead VCT plc in 1995.

As part of this transaction the Companies consented to the novation of their existing investment management agreements from Livingbridge to Gresham House Asset Management Limited with effect from 30 November 2018. No changes were made to the terms of the investment management agreements as a result of the novation. Accordingly, Gresham House Asset Management Limited now acts as investment manager for the Companies. The sixteen employees who transferred from Livingbridge to the Investment Manager are led by a senior team of five people who had an average tenure of twelve years at Livingbridge working with the Baronsmead VCTs. Andrew Garside and Sheenagh Egan, two partners at Livingbridge who worked with the Companies, will continue as consultants to the Investment Manager for up to three years to provide continuity and support. In addition, an agreement has been put in place between Livingbridge and the Investment Manager to enable a smooth transition over a three-year period including passing on insight, best practice and networks for the future benefit of the Companies and the Shareholders.

Gresham House Plc is an AIM-traded specialist alternative asset manager with over £2.1 billion assets under management, offering funds, direct investment and tailored investment solutions including co-investment, across five highly differentiated alternative investment strategies; Public Equity, Private Assets, Forestry, New Energy, Housing and Infrastructure.

Their stated vision is to build an 'Asset to Covet' – a business that employees are proud to work for, clients want to invest with and that shareholders want to own. It is a business with an entrepreneurial culture in which individual flair and thinking is encouraged.

The Investment Manager aims to bring capital and strategic support to small, early stage growth businesses that have ambitious management teams, scalable business models and the potential for market leadership. The Investment Manager applies a private equity investment philosophy to public and private equity investing, taking an active role where it can in helping the portfolio companies to grow through organic development and/or acquisition, providing expertise from within its own team and helping to source external support when required.

Details of the senior members of the team responsible for the Companies are set out below:

Ken Wotton joined Gresham House in November 2018, having previously spent 11 years with Livingbridge leading the Equity Funds investment team managing AIM and other listed investments on behalf of the Baronsmead VCTs, LF Gresham House UK Micro Cap Fund (formerly named LF Livingbridge UK Micro Cap Fund), and LF Gresham House UK Multi Cap Income Fund (formerly named LF Livingbridge UK Multi Cap Income Fund). He had previously spent two years at Evolution Securities where he worked in equity research, specialising in the telecoms and technology sectors, focusing on smaller companies with significant experience of AIM market fund raisings. Prior to that, he spent five years in the equity research department of Commerzbank Securities where he focused on the pan-European telecoms sector. Ken qualified as a chartered accountant with KPMG in London.

Steve Cordiner joined Gresham House in November 2018 having been at Livingbridge since 2010. Steve has led the VCT unquoted investment team investing on behalf of Baronsmead VCTs since that date. Notable investments include Happy Days Nurseries, Carousel Logistics and Symphony Ventures, along with successful realisations such as Kingsbridge. Steve is a qualified Chartered Accountant and prior to joining Livingbridge he spent five years advising Corporate and Private Equity clients on a range of corporate finance and due diligence matters.

Bevan Duncan joined Gresham House in November 2018 having previously been at Livingbridge since 2005. Bevan has overall responsibility for all portfolio management activities for the Baronsmead VCTs. He also directly manages portfolio investments and has been an active board member of several Baronsmead investee companies including MLS, Eque2, Key Travel and Pho. He qualified as a Chartered Accountant at KPMG in New Zealand, where he provided consultancy services to fast growing small businesses.

Heather Duncan joined Gresham House in November 2018 having previously been at Livingbridge since 2002. Heather qualified as a Chartered Management Accountant while working in the Livingbridge fund management department on both the institutional and VCT funds. Following this Heather moved to analysing new investments, then client management on both the VCT and institutional side of the business. Since 2016 Heather has led the client relations and distribution team for the Baronsmead VCTs, LF Gresham House UK Micro Cap Fund (formerly named LF Livingbridge UK Micro Cap Fund) and LF Gresham House UK Multi Cap Income Fund (formerly named LF Livingbridge UK Multi Cap Income Fund).

Tania Hayes joined Gresham House in November 2018 having been at Livingbridge for 13 years. Tania has worked on the Baronsmead VCTs since she joined, progressing from administration assistant to Finance Manager in 2011 and qualified as a Chartered Management Accountant in 2012 while working for Livingbridge. Previously she had worked at a Chartered Accountancy practice in New Zealand for eight years where she commenced her accounting training.

Tony Dalwood became CEO of Gresham House in December 2014 and brought in a new management team that has transformed the company from an investment trust into an AIM listed specialist asset management group. With over 20 years in the industry, Tony is an experienced investor and has also advised numerous public and private equity businesses. He started his career at Phillips & Drew Fund Management (later UBS Global Asset Management), one of the UK's most prominent value investment firms with £60 billion in assets at its peak. He was a member of the UK Equity Investment Committee with responsibility for managing over £1.5 billion of UK equities. In 2002 Tony founded and became CIO of SVG Investment Managers and CEO of SVG Advisers (formerly Schroder Ventures (London) Limited), the global private equity funds business and specialist alternatives manager, before launching Strategic Equity Capital plc, a London listed Investment Trust in 2005.

Andrew Hampshire joined Gresham House at the start of 2017. Prior to Gresham House Andrew was an Investment Director at mid-market private equity firm LDC, leading strategic and operational growth programmes in the underlying investment companies and working with portfolio company boards. Andrew was also responsible for leading integrations and carve-outs within portfolio businesses. Prior to LDC, Andrew held various senior operational management positions within Lloyds Banking Group and started his career with his own software development business. Andrew holds an MBA from the University of Warwick.

Sheenagh Egan joined Livingbridge in 1997. She is the chief operating officer of Livingbridge and was jointly responsible for the overall management of the Baronsmead VCTs prior to the change of investment manager in November 2018. Before joining Livingbridge, her experience encompassed both corporate finance, advising on private equity transactions, and corporate recovery. She trained as a chartered accountant with Deloitte, and has also worked for PricewaterhouseCoopers.

Andrew Garside joined Livingbridge as a Partner in new investments in 2005 and prior to November 2018 was jointly responsible for the overall management of the Baronsmead VCTs. Notable investments include the successful realisations of Inspired Thinking Group and Nexus. He has extensive private equity experience having previously worked on growth investments at 3i plc for 15 years (1989 to 2004), latterly as the Director of a large regional office for 3i.

Both Andrew and Sheenagh are committed to continuing to work with the Boards and Gresham House in order to support the transition from Livingbridge and ensure continuity.

Custodian arrangements

JPMorgan Chase Bank has been appointed as the custodian of the assets of the Companies which are traded on a recognised exchange. JPMorgan Chase Bank has its registered office 1111 Polaris Parkway, Columbus, Ohio 43240, United States and its principal place of business in the UK is 25 Bank Street, Canary Wharf, London E14 5JP. Its telephone number is 0212 270 6000. The Custodian is authorised by the PRA and regulated by the FCA and PRA.

Ipes holds the share certificates in relation to the unquoted investments. Ipes has its registered office at 1 Royal Plaza Avenue, St Peter Port, Guernsey GY1 2HL. Its telephone number is 01481 713843.

Management and administration

Baronsmead Venture Trust plc

Under the BVT Investment Management Agreement, the Investment Manager receives a fee of 2.0 per cent. per annum of the net assets of BVT. The Investment Manager is responsible for providing all secretarial, administrative and accounting services to BVT. The Investment Manager has appointed Link to provide these services to BVT on its behalf. BVT is responsible for paying the fee charged by Link in relation to the performance of these services to the Investment Manager, which is currently £149,000 per annum, excluding VAT. The Investment Manager shall consult with the BVT Board in relation to any increase in the fee charged by Link, which is considered to be material.

Under the BVT Investment Management Agreement the Investment Manager is also entitled to receive a performance related fee. No performance fee is payable to the Investment Manager until the total return on shareholders' funds exceeds an annual threshold of the higher of 4.0 per cent. or base rate plus 2.0 per cent. calculated on a compound basis. To the extent that the total return exceeds the threshold over the relevant period then a performance fee of 10.0 per cent. of the excess will be paid to the Investment Manager. The amount of any performance fee which is paid in an accounting period shall be capped at 5.0 per cent. of shareholders' funds for that period.

A performance fee of £548,000 is payable from BVT to Livingbridge in relation to the 12 month period to 30 September 2018.

Baronsmead Second Venture Trust plc

Under the BSVT Investment Management Agreement, the Investment Manager receives a fee of 2.5 per cent per annum of the net assets of BSVT. The Investment Manager is responsible for providing all secretarial, administrative and accounting services to BSVT. The Investment Manager has appointed Link to provide these services to BSVT on its behalf. BSVT is responsible for paying the fee charged by Link in relation to the performance of these services to the Investment Manager, which is currently £169,000 per annum, excluding VAT. The Investment Manager shall consult with the BSVT Board in relation to any increase in the fee charged by Link, which is considered to be material.

Under the BSVT Investment Management Agreement the Investment Manager is also entitled to receive a performance related fee. A performance fee is payable to the Investment Manager when the total return on net proceeds of the BSVT Shares exceeds 8.0 per cent. per annum (simple). To the extent

that the total return exceeds the threshold over the relevant period then a performance fee of 10.0 per cent. of the excess will be paid to the Investment Manager. The amount of any performance fee which is paid in an accounting period shall be capped at 5.0 per cent. of shareholders' funds for that period.

BSVT did not pay a performance fee in relation to the 12 month period to 30 September 2018.

Annual running costs are capped at 3.5 per cent of the net assets of each Company (excluding any performance fee payable to the Investment Manager and irrecoverable VAT), any excess being refunded by the Investment Manager by way of an adjustment to its management fee.

Management incentivisation and retention

The Boards wish the Investment Manager to maintain the quality of its investment teams in the VCT and private equity market place. As a result, Livingbridge introduced an incentive scheme in November 2004 to help attract, recruit, retain and incentivise staff. The Investment Manager has agreed to continue this scheme on the same terms.

The rules that govern the incentive scheme have recently been updated to accommodate the increasing number of equity only/low geared investments being made due to the changes to the VCT rules introduced by the Finance Act 2018. For such investments, the existing method whereby the coinvestment scheme participants acquire a 12 per cent. equity stake in each investee company would be onerously expensive and has been replaced with an alternative approach. For investments that are all equity or predominately equity, the participants now acquire a 0.75 per cent. equity stake at the outset as well as an option over a further 12 per cent. of equity which will only be exercised when the investment is sold. The option exercise price has a built-in hurdle rate of 8 per cent. to ensure that the option only has value if the Companies achieve a good return on their investment. The economic impact of this approach is equivalent to the original method, still used for the more traditional higher leverage investments, of obtaining a 12 per cent. equity stake at the outset and, therefore, there is no substantive change in the overall result for the Companies.

Other fees received by the Investment Manager

In addition to the fees described above, which are paid by the Companies, the Investment Manager's group receives advisory fees in connection with new investments which are paid by the relevant investee company. Where expenses have been incurred and the investment does not proceed, the Investment Manager's group pays any abort fees. The Investment Manager's group also receives monitoring fees from unquoted portfolio companies. Details of these fees are disclosed each year in the annual report and accounts for each Company.

Both the management and performance fees set out above (the management fee taking priority) are reduced by an amount equal to any fee received by the Investment Manager's group in respect of investments made by the Companies in the Collective Investment Vehicles.

Conflicts of interest

The Investment Manager may be involved in other financial, investment or professional activities that may on occasion give rise to conflicts of interest with the Companies. In particular, it currently does, and may continue to, provide investment management, investment advice or other services in relation to a number of other funds or accounts that may have similar investment objectives and/or policies to that of the Companies and may receive *ad valorem* and/or performance-related fees for doing so. As a result, the Investment Manager may have conflicts of interest in allocating investments among the Companies and other clients and in effecting transactions between the Companies and other clients. The Investment Manager may give advice or take action with respect to such other clients that differs from the advice given or actions taken with respect to the Companies.

The Boards have noted that the Investment Manager has other clients and have satisfied themselves that the Investment Manager has procedures in place to address potential conflicts of interest.

The Investment Manager has regard to its obligations under the BVT Investment Management Agreement and the BSVT Investment Management Agreement or otherwise to act in the best interests of each of the Companies, so far as is practicable having regard to its obligations to the other Company and its other clients, when potential conflicts of interest arise. In the event of a conflict of interest

arising, the Investment Manager will ensure that it is resolved fairly and in accordance with the COB Rules. The COB Rules require the Investment Manager to ensure fair treatment of all its clients. The COB Rules also require that when an investment is made it should be allocated fairly amongst all of its clients for whom the investment is appropriate. In particular, the Investment Manager uses its reasonable efforts to ensure that each Company has the opportunity to participate in potential investments identified by the Investment Manager which fall within the investment objectives and policies of the Companies, on the best terms reasonably obtainable at the relevant time with the aim of ensuring that the principle of best execution is attained in accordance with the COB Rules.

Part 4 – The Offers

The Offers

The Companies are seeking to raise £25 million in aggregate under the Offers. The net proceeds of each Company's Offer will be added to its liquid resources available for investment so as to put each Company into a position to take advantage of attractive investment opportunities over the short to medium term, in accordance with their respective investment policies. The Offers are not being underwritten.

The Directors of each of the Companies believe that the profile of a typical investor in the relevant Company is a client of a financial adviser or an individual retail investor aged 18 or over who is a UK tax payer and who is willing to invest for the long term in small, illiquid unquoted and quoted companies.

Unlike in previous offers, trail commission will not be paid to "execution only" financial intermediaries in relation to the Offer. The Investment Manager wishes to pass this cost saving on to investors and has chosen to reduce the costs of the Offers from 3.0 per cent. to 2.75 per cent. of the total amount raised under each Offer. All Subscriptions will be processed on a "first come, first served" basis by the Receiving Agent and there will be no exclusive period for Existing Shareholders. Investors can subscribe for New Shares by completing the Subscription Form at the end of this document or, for the first time, online by logging on to www.computershare.co.uk/baronsmeadvcts and completing an Electronic Subscription Form.

Investors who receive New Shares issued in the First Allotment will be entitled to receive the Final Dividend. Investors who receive New Shares in the Second Allotment will not be entitled to receive the Final Dividend in relation to those New Shares issued. The Offer Price in relation to the Second Allotment will be based on the NAV of each Company as at 28 February 2019. This NAV will reflect the payment of the Final Dividend.

Terms of the Offers

Under the BVT Offer the BVT Directors are proposing to raise £12 million (before costs). Under the BSVT Offer the BSVT Directors are proposing to raise £13 million (before costs). Subscribers can elect to invest in either or both of the Offers. Subscribers must subscribe a minimum of £3,000 per elected Offer and thereafter in multiples of £1,000 per elected Offer.

The First Allotment of New Shares under the Offers will take place on 7 February 2019 and a Second Allotment will take place on 15 March 2019. Subscription Forms (whether paper or electronic) must be received by the Receiving Agent by 12.00 noon on 4 February 2019 to be included in the First Allotment and by no later than 12.00 noon on 13 March 2019 to be included in the Second Allotment. The Offers will close at 12 noon on 13 March 2019, unless either or both Boards decide to extend the Offer in relation to the relevant Company or the Offers are fully subscribed before this time. If the Offers are fully subscribed after the First Allotment, the Second Allotment will not take place. Electronic Subscription Forms can only be used in connection with Subscriptions for £50,000 or less. Investors who wish to subscribe for £50,000 in each of the Offers would be required to complete two separate Electronic Subscription Forms.

The New Shares will rank *pari passu* with existing Shares. Investors who receive New Shares issued in the First Allotment will be entitled to receive the Final Dividend, for the avoidance of doubt, investors who receive New Shares in the Second Allotment will not be entitled to receive the Final Dividend in relation to those New Shares issued. There is no maximum amount for which a Subscriber may subscribe under the Offers. However, a Subscriber may wish to consider the annual VCT allowance of £200,000 per Qualifying Investor, as detailed in Part 6 of this document, and the acquisition of other shares in VCTs that they may have made prior to subscribing to the Offers during the current tax year.

Pricing Formula

The number of New Shares to be allotted under the Offers will be determined by dividing the subscription amount by an Offer Price calculated on the basis of the following Pricing Formula:

Latest published Net Asset Value of an existing Ordinary Share in the relevant Company at the time of allotment divided by 0.9725 (to allow for the costs of the Offer of 2.75 per cent. of the total amount raised under the relevant Offer) rounded up to the nearest 0.1 pence per New Share.

The number of New Shares to be issued under the Offers will be rounded down to the nearest whole number (fractions of New Shares will not be allotted). No direct costs of the Offers will be charged to investors. If there is a surplus of funds from an investor's subscription amount, the balance will be returned (without interest) in the form of a cheque made payable to the Subscriber (or Nominee if applicable) sent to the address shown on the Subscription Form (or Nominee Subscription Form) (save where the amount is less than £2.00, in which case it will be retained by the relevant Company). Share and tax certificates will be sent to the Subscriber (or Nominee if applicable) at the address shown on the Subscription Form (or Nominee Subscription Form).

The Net Asset Values of the Companies are expected to be announced in respect of the anticipated allotments in accordance with the following table:

Allotment	Date of NAV	Expected Date of Announcement	Expected Date of Allotments
First Allotment	31 January 2019	6 February 2019	7 February 2019
Second Allotment	28 February 2019	11 March 2019	15 March 2019

It is expected that the Final Dividend will be paid on 8 March 2019 to Shareholders on the relevant Company's register at 8 February 2019.

For illustrative purposes, assuming the BVT Offer is fully subscribed and the New BVT Shares are issued at the BVT Illustrative Offer Price of 88.6 pence, set out below, the number of New BVT Shares that will be issued under the BVT Offer is 13,544,018 New BVT Shares (although the actual number of New BVT Shares that will be issued will depend on the BVT Offer Price which could be higher or lower than the BVT Illustrative Offer Price).

Likewise, for illustrative purposes, assuming the BSVT Offer is fully subscribed and the New BSVT Shares are issued at the BSVT Illustrative Offer Price of 87.9 pence, set out below, the number of New Shares that will be issued under the BSVT Offer is 14,789,534 New BSVT Shares (although the actual number of New BSVT Shares that will be issued will depend on the BSVT Offer Price which could be higher or lower than the BSVT Illustrative Offer Price).

The Boards may close their respective Offers earlier than 13 March 2019 if the Offers are fully subscribed or may extend such Offers. The Boards further reserve the right to accept a Subscription and to allot and arrange the listing of New Shares in respect of Subscriptions received on or prior to the closing date of the Offers as the Boards see fit, which may not be on the dates stated above.

Illustrative Offer Prices

An illustration of the application of the Pricing Formula based on the most recently published NAV per existing Share for each Company as at 30 November 2018, is set out below.

	Unaudited NAV per Share as at 30 November 2018	Illustrative Offer Price per New Share*
BVT	86.07 pence	88.6 pence
BSVT	85.46 pence	87.9 pence

* The Illustrative Offer Prices shown above are for illustrative purposes only as the NAV per Share may be different for the purposes of calculating the actual Offer Prices applicable for each allotment of New Shares under the Offers (which may be higher or lower than in the example above).

Listing and dealing

New Shares issued pursuant to each Offer will be issued in registered form and may be held either in certificated form or settled through CREST. It is expected that definitive certificates in respect of New Shares will, where requested, be despatched by post within 10 Business Days of the allotment of the relevant New Shares. Temporary documents of title will not be issued. Pending despatch of such certificates, transfers will be certified against the Register. Dealings in New Shares issued under each Offer are expected to commence on the Business Day following the allotment of the relevant New Shares. The Offers cannot be revoked after dealings in the relevant New Shares have commenced.

The ISIN for the New BVT Shares is GB0002631934 and the SEDOL number is 0263193. The ISIN for the New BSVT Shares is GB0030028103 and the SEDOL number is 3002810.

Costs of the Offers

The Investment Manager will, in respect of services provided pursuant to the Offers, receive a fee of 2.75 per cent. of the gross proceeds of each Offer. Out of this fee, the Investment Manager will pay all costs associated with the Offers, on behalf of the Companies. The Investment Manager will be responsible for any costs associated with the Offers in excess of this fee. Therefore, if the BVT Offer is fully subscribed the net proceeds available for investment by BVT will be £11,670,000 and if the BSVT Offer is fully subscribed the net proceeds available for investment by BSVT will be £12,642,500.

Dilution

Existing Shareholders are not obliged to participate in the Offers. However, those Shareholders who do not participate in the Offers will suffer a dilution of the percentage of the issued share capital that their current holding represents based on the actual number of New Shares issued.

Assuming the BVT Offer is fully subscribed at a BVT Offer Price of 88.6 pence (being the BVT Illustrative Offer Price), the maximum number of BVT Shares to be issued under the BVT Offer would be 13,544,018. If the maximum number of BVT Shares to be issued under the BVT Offer are issued, a BVT Shareholder who does not participate in the BVT Offer will suffer dilution of 6.6 per cent. to their existing holdings in BVT.

Assuming the BSVT Offer is fully subscribed at an Offer Price of 87.9 pence (being the BSVT Illustrative Offer Price), the maximum number of New BSVT Shares to be issued under the BSVT Offer would be 14,789,534. If the maximum number of BSVT Shares to be issued under the BSVT Offer are issued, a BSVT Shareholder who does not participate in the BSVT Offer will suffer dilution of 6.4 per cent. to their existing holdings in BSVT.

Directors' subscriptions

The Directors and their connected persons intend to subscribe £193,000, in aggregate, for New Shares under the Offers.

Application procedure

A Subscription Form for use in connection with the Offers is attached to the end of this document. Investors can also subscribe for New Shares online by logging on to www.computershare.co.uk/baronsmeadvcts and completing an Electronic Subscription Form. Electronic Subscription Forms can only be used in connection with Subscriptions for £50,000 or less. Investors who wish to subscribe for £50,000 in each of the Offers would be required to complete two separate Electronic Subscription Forms. Existing Shareholders applying online should ensure that they insert their unique ten digit Shareholder Reference Number. Failure to do so may result in a new shareholding being created within the share register.

If the subscription for New Shares in the Company of your choice cannot be fulfilled, your subscription will be fulfilled through the issue of New Shares in the other Company (subject to availability). Both the Subscription Form and the Electronic Subscription Form provide an option for investors to indicate that they do not wish for this to happen.

Subscribers are advised to read the notes on how to complete the Subscription Form on pages 111 to 114 of this document.

Subscription Forms accompanied by a post-dated cheque will not be accepted. The Companies may, in its absolute discretion, reject Subscriptions if cheques do not clear on first presentation. Acknowledgement of the receipt of Subscriptions will be sent electronically to the Subscriber's email address to be included in his or her Subscription Form. All online Subscriptions must be accompanied by an online payment for the full amount applied for. Online payments must be made using a debit card only. Credit card payments will not be accepted. Subscriptions may not be revoked, save in respect of Electronic Subscription Forms which may be revoked on or before 29 January 2019 in relation to the First Allotment and on or before 13 March 2019 in relation to the Second Allotment.

Following the introduction of the 2014 Finance Act investments in a VCT can now be made through a Nominee. If you would like to apply for New Shares as a Nominee please contact Computershare on 0800 923 1533 for a separate Nominee Subscription Form.

The terms and conditions of Subscription for the New Shares under the Offers are set out in at Part 8 of this document. By signing the Subscription Form or submitting the Electronic Subscription Form, Subscribers will be declaring that they have read the terms and conditions of Subscription and agree to be bound by them.

The Companies consent to the use of this document by Intermediaries and accept responsibility for the content of the Prospectus in connection with the subsequent resale or final placement of securities by Intermediaries in the United Kingdom. The offer period within which subsequent resale or final placement of securities by Intermediaries can be made, and for which consent is given to Intermediaries to use this document commences on the date of this document and closes at 12 noon on 13 March 2019 unless closed or extended prior to that date (any such earlier closure or extension will be announced through a Regulatory Information Services).

Any Intermediary that uses this document must state on its website that it is using this document with the consent and conditions of the Companies. Each Intermediary is required to provide the terms and conditions of the Offers to any prospective investor who has expressed an interest in participating in the Offers. **Information on the terms and conditions of any subsequent resale or final placement of securities by an Intermediary is to be provided at the time the Offers are introduced to an investor by the relevant Intermediary.**

Part 5 – Financial Information (Including Portfolio Information)

Baronsmead Venture Trust

1. Introduction

BVT has produced annual statutory accounts for the three financial periods ended 30 September 2018. BVT's auditors, KPMG LLP of Saltire Court, 20 Castle Terrace, Edinburgh EH1 2EG have reported on these statutory accounts without qualification and without statements under sections 495 to 497 of the Companies Act. The annual reports were prepared under UK Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

The annual reports referred to above were also prepared in accordance with the fair value rules of the Companies Act and the Statement of Recommended Practice 'Financial Statements of Investment Trust Companies and Venture Capital Trusts'. The annual reports contain a description of BVT's financial condition, changes in financial condition and results of operations for each relevant financial year and are being incorporated by reference and can be accessed at the following website: www.baronsmeadvcts.co.uk.

Where these documents make reference to other documents, such other documents are not incorporated into and do not form part of the Prospectus. Those parts of the annual statutory accounts referred to above which are not being incorporated into this document by reference are either not relevant for investors or are covered elsewhere in the Prospectus.

2. Historical financial information

Historical financial information relating to BVT on the matters referred to below is included in the published annual report and audited accounts of BVT for the three years ended 30 September 2016, 2017 and 2018 as set out in the table below and is incorporated by reference into this document. The non-incorporated parts of these annual reports of BVT are either not relevant to investors or covered elsewhere in this document.

Nature of Information	Accounts for the year ended 30 September 2016	Accounts for the year ended 30 September 2017	Accounts for the year ended 30 September 2018
	Page No.	Page No.	Page No.
Financial Headlines	2	2	2
Independent auditor's report	38	38	39
Income statement	41	44	45
Statement of changes in equity	42	45	46
Balance sheet	43	46	47
Statement of cash flows	44	47	48
Notes to the financial statements	45	48	49

3. Selected financial information

The information in this paragraph 3 has been extracted directly from the financial information referred to in paragraph 2 of this Part 5. Selected historical financial information relating to BVT which summarises the financial condition of BVT for the three financial periods ended 30 September 2018 is set out in the following table:

Nature of Information	Audited financial results for the year ended 30 September 2016	Audited financial results for the year ended 30 September 2017	Audited financial results for the year ended 30 September 2018
Net asset value			
Net assets (£'000)	150,558	159,002	175,475
Net asset value per Ordinary Share (p)	87.09	91.90	91.47
Income			
Revenue return after taxation (£'000)	475	1,318	3,351
Revenue return per Ordinary Share (p)	0.34	0.76	1.75
Dividend per Ordinary Share (p)	18.5	6.5	7.5
Portfolio summary			
Shareholders' funds (£'000)	150,558	159,002	175,475
Ordinary Share price (p)	82.38	87.00	86.75

4. Operational and financial review

A description of changes in the performance of BVT, both capital and revenue, and changes to BVT's portfolio of investments is set out in the sections headed "Performance Summary", "Chairman's Statement", "Manager's Review" and "Full Investment Portfolio" in the published statutory accounts for the periods stated as follows and are incorporated by reference into this document:

Nature of Information	Audited financial results for the year ended 30 September 2016 Page No.	Audited financial results for the year ended 30 September 2017 Page No.	Audited financial results for the year ended 30 September 2018 Page No.
Performance Summary	3	3	3
Chairman's Statement	4	4	4
Manager's Review	7	7	7
Full Investment Portfolio	61	63	66

5. Significant change

Since 30 September 2018 (being the end of the last financial period of BVT for which financial information has been published) there has been no significant change in the financial or trading position of BVT.

6. Capitalisation and indebtedness

The following table shows the capitalisation and indebtedness of BVT (distinguishing between guaranteed and unguaranteed, secured and unsecured indebtedness) as at 4 January 2019.

	As at 4 January 2019 £'000
Total current debt	—
Guaranteed	—
Secured	—
Unguaranteed/unsecured	—
Total non-current debt	—
Guaranteed	—
Secured	—
Unguaranteed/unsecured	—
Shareholders' equity	—
Share capital	20,628
Other reserves	143,690
Total debt and Shareholders' equity	164,318

The information in the table above is unaudited financial information of BVT as at 4 January 2019, extracted from internal accounting records. There has been no material change to the capitalisation of BVT since 30 September 2018 (being the last date in respect of which financial information for BVT has been published).

The following table shows BVT's net indebtedness at 4 January 2019.

	£'000
A. Cash	2,471
B. Cash equivalent	27,660
C. Trading Securities	87,201
D. Liquidity (A+B+C)	117,332
E. Current financial receivable	144
F. Current bank debt	—
G. Current portion of non-current debt	—
H. Other current financial debt	—
I. Current financial debt (F + G + H)	—
J. Net current financial indebtedness (I - E - D)	117,189
K. Non-current bank loans	—
L. Bonds issued	—
M. Other non-current loans	—
N. Non-current financial indebtedness (K + L + M)	—
O. Net financial indebtedness (J + N)	117,189

The information in the table above is unaudited financial information of BVT and has been extracted from internal accounting records as at 4 January 2019 and has not been reported on by an accountant.

7. Working capital

BVT is of the opinion that the working capital available to BVT is sufficient for its present requirements (that is, for at least the next 12 months from the date of this document).

8. Net Asset Value

The unaudited NAV per BVT Share as at 30 November 2018 (being the latest date in respect of which BVT has published its NAV per BVT Share) was 86.07 pence.

9. Analysis of BVT's investment portfolio

BVT directly invests in 24 unquoted investments and 54 AIM-traded investments. As at 31 December 2018 (being the date of the latest valuations of the quoted investments in BVT's portfolio) the aggregate valuation of BVT's portfolio was £129.3 million (based on unquoted valuations as at 30 September 2018). In addition, BVT had cash and liquidity fund investments of approximately £30.1 million. As at 30 November 2018, the unaudited NAV per BVT Share was 86.07 pence.

An unaudited summary of BVT's unquoted and quoted portfolio (representing at least 50 per cent. of its gross assets as at the date of this document (the values of the quoted valuations as at 31 December 2018, the unquoted valuations as at 30 September 2018 and the estimated NAV values as at 31 December 2018) is set out below:

	Cost £'000	Market Value £'000	% of NAV
Unquoted	27,131	42,068	27
Quoted	39,886	60,019	38
Investments held through Collective Investment Vehicles	9,550	27,182	17

The following tables show the distribution of BVT's portfolio by sector, asset class and time investments held as at the date of this document (the values of the quoted valuations as at 31 December 2018, the unquoted valuations as at 30 September 2018 and the estimated NAV values as at 31 December 2018, the latest dates for which valuations have been produced):

By sector	% by value
Business Services	31
Consumer Markets	14
Healthcare and Education	18
Technology, Media and Telecommunications	37

By asset class	% by value
Unquoted – loan stock	15
Unquoted – equity	12
AIM listed and Collective Investment Vehicles	55
Net liquid assets	18

By time investments held	% by value
Less than 1 year	7
Between 1 and 3 years	6
Between 3 and 5 years	18
Greater than 5 years	69

The table below shows BVT's portfolio as at the date of this document (the values of the quoted valuations as at 31 December 2018, the unquoted valuations as at 30 September 2018 and the estimated NAV values as at 31 December 2018, the latest date for which valuations have been produced):

Company	Sector	Location	Book cost £'000	Valuation £'000
Unquoted investments				
Happy Days Consultancy Ltd	Healthcare and Education	Cornwall	3,420	5,084
Carousel Logistics Ltd	Business Services	Sittingbourne	1,910	4,851
Create Health Ltd	Healthcare and Education	London	556	4,682
Pho Holdings Ltd	Consumer Markets	London	1,982	4,134
Glide Ltd	Technology, Media and Telecommunications	Somerset	2,500	3,750
Armstrong Craven Ltd	Business Services	Manchester	1,346	3,337
Ten10 Group Ltd	Business Services	West Sussex	1,908	2,761
Kirona Ltd	Technology, Media and Telecommunications	Cheshire	1,065	2,575
CMME Group Ltd	Consumer Markets	Hampshire	1,911	1,943
CR7 Services Ltd	Technology, Media and Telecommunications	Kent	1,887	1,887
Custom Materials Ltd	Consumer Markets	London	816	862
Upper Street Events Ltd	Consumer Markets	London	1,906	858
SilkFred Ltd	Consumer Markets	London	675	708
Cisiv Ltd	Consumer Markets	London	700	700
RockFish Group Limited	Consumer Markets	Devon	700	700
SecureCloud+ Ltd	Technology, Media and Telecommunications	Berkshire	700	700
Tribe Ltd	Technology, Media and Telecommunications	London	699	699
Pointr Ltd	Technology, Media and Telecommunications	London	466	466
Equipsme (Holdings) Ltd	Business Services	London	373	373
Your Welcome Ltd	Technology, Media and Telecommunications	London	327	327
Labrador Ltd	Technology, Media and Telecommunications	London	233	233
Munnypot Ltd	Technology, Media and Telecommunications	West Sussex	223	223
Key Travel Ltd	Business Services	London	208	215
InterQuest Group plc	Business Services	London	620	0
Total unquoted investments			27,131	42,068
Quoted investments				
Staffline Group plc	Business Services	Nottinghamshire	174	8,316
Ideagen plc	Technology, Media and Telecommunications	Nottinghamshire	1,350	6,119
Bioventix plc	Healthcare and Education	Surrey	454	5,192
Cerillion plc	Technology, Media and Telecommunications	London	1,800	3,150
Netcall plc	Technology, Media and Telecommunications	Hertfordshire	1,738	2,971
Inspired Energy plc	Business Services	Lancashire	574	2,810
Dods (Group) plc	Technology, Media and Telecommunications	London	2,022	2,452
Sanderson Group plc	Technology, Media and Telecommunications	Coventry	1,176	1,975
Everyman Media Group plc	Consumer Markets	London	782	1,905
IDOX plc	Technology, Media and Telecommunications	London	614	1,764
Synnovia plc	Business Services	London	1,586	1,751
Driver Group plc	Business Services	Rossendale	1,126	1,528
LoopUp Group plc	Technology, Media and Telecommunications	London	504	1,411
Anpario plc	Healthcare and Education	Nottinghamshire	304	1,364

Company	Sector	Location	Book cost £'000	Valuation £'000
Quoted investments (continued)				
CentralNic Group plc	Technology, Media and Telecommunications	London	918	1,201
Eden Research plc	Business Services	Gloucestershire	900	1,054
Vianet Group plc	Business Services	Glasgow	1,292	1,046
CloudCall Group plc	Technology, Media and Telecommunications	Leicestershire	1,275	1,040
Wey Education plc	Healthcare and Education	London	428	947
Access Intelligence plc	Business Services	London	586	820
SysGroup plc	Technology, Media and Telecommunications	Liverpool	1,292	767
Property Franchise Group plc	Consumer Markets	Bournemouth	686	755
Beeks Financial Cloud Group plc	Technology, Media and Telecommunications	Renfrewshire	337	722
Begbies Traynor Group plc	Business Services	Manchester	433	716
Castleton Technology plc	Technology, Media and Telecommunications	Cambridge	202	710
Rosslyn Data Technologies plc	Technology, Media and Telecommunications	London	431	670
The Panoply Holdings plc	Technology, Media and Telecommunications	London	585	632
Gama Aviation plc	Business Services	Oxford	776	547
Belvoir Lettings plc	Consumer Markets	Lincolnshire	752	540
IXICO plc	Healthcare and Education	London	675	530
KRM22 plc	Technology, Media and Telecommunications	London	450	468
Scholium Group plc	Consumer Markets	London	900	387
Brady plc	Technology, Media and Telecommunications	Cambridge	352	381
STM Group plc	Business Services	Gibraltar	322	364
Synectics plc	Business Services	London	518	362
Fusion Antibodies plc	Healthcare and Education	Belfast	450	285
Tasty plc	Consumer Markets	London	1,188	281
Science In Sport plc	Consumer Markets	London	288	258
I-nexus Global plc	Technology, Media and Telecommunications	West Midlands	563	249
Fulcrum Utility Services Ltd	Business Services	Nottingham	102	204
Collagen Solutions plc	Healthcare and Education	London	337	189
Gresham House plc	Business Services	London	112	178
PCI-PAL plc	Technology, Media and Telecommunications	London	405	162
TLA Worldwide plc	Business Services	London	1,466	145
Paragon Entertainment Ltd	Consumer Markets	London	516	128
MXC Capital Ltd	Business Services	Guernsey	226	114
Zoo Digital Group plc	Technology, Media and Telecommunications	Sheffield	788	104
One Media iP Group plc	Technology, Media and Telecommunications	Buckinghamshire	226	98
Venn Life Sciences Holdings plc	Healthcare and Education	London	1,224	94
Mi-Pay Group plc	Business Services	Surrey	800	54
Totally plc	Healthcare and Education	London	70	53
Adept4 plc	Technology, Media and Telecommunications	Cheshire	438	27
APC Technology Group plc	Business Services	Surrey	1,864	14
AorTech International plc	Healthcare and Education	London	509	14
Total quoted investments			39,886	60,019
LF Gresham House UK Micro Cap Fund			7,050	24,685
LF Gresham House UK Multi Cap Income Fund			2,500	2,498
Total			76,567	129,269

Baronsmead Second Venture Trust

1. Introduction

BSVT has produced annual statutory accounts for the four financial periods ended 30 September 2018. BSVT's auditors, KPMG LLP of Saltire Court, 20 Castle Terrace, Edinburgh EH1 2EG, have reported on these statutory accounts without qualification and without statements under sections 495 to 497 of the Companies Act. The annual reports were prepared under UK Accounting Standards, including FRS 102. The Financial Reporting Standard applicable in the UK and Republic of Ireland.

The annual reports referred to above were also prepared in accordance with the fair value rules of the Companies Act and the Statement of Recommended Practice 'Financial Statements of Investment Trust Companies and Venture Capital Trusts'. The annual reports contain a description of BSVT's financial condition, changes in financial condition and results of operations for each relevant financial year and are being incorporated by reference and can be accessed at the following website: www.baronsmeadvcts.co.uk.

Where these documents make reference to other documents, such other documents are not incorporated into and do not form part of the Prospectus. Those parts of the annual statutory accounts referred to above which are not being incorporated into this document by reference are either not relevant for investors or are covered elsewhere in the Prospectus.

2. Historical financial information

Historical financial information relating to BSVT on the matters referred to below is included in the published annual report and audited accounts of BSVT for the four financial periods ended 30 September 2018 as set out in the table below and is incorporated by reference into this document. The non-incorporated parts of these annual reports of BSVT are either not relevant to investors or covered elsewhere in this document.

Nature of Information	Accounts for the period from 1 January 2016 to 30 September 2016				Accounts for the year ended 30 September 2018	
	Accounts for the year ended 31 December 2015	Accounts for the period from 1 January 2016 to 30 September 2016		Accounts for the year ended 30 September 2017		
		Page No.	Page No.			
Financial Headlines	2	2	2	2	2	
Independent auditor's report	39	37	39	39	38	
Income statement	42	40	45	45	44	
Statement of changes in equity	43	41	46	46	45	
Balance sheet	44	42	47	47	46	
Statement of cash flows	45	43	48	48	47	
Notes to the financial statements	46	44	49	49	48	

3. Selected financial information

The information in this paragraph 3 has been extracted directly from the financial information referred to in the above paragraph 2 of this Part 5. Selected historical financial information relating to BSVT which summarises the financial condition of BSVT for the four financial periods ended 30 September 2018 is set out in the following table:

Nature of Information	Audited financial results for the period from 1 January 2016 to 30 September 2016		Audited financial results for the year ended 30 September 2017		Audited financial results for the year ended 30 September 2018	
	Audited financial results for the year ended 31 December 2015	2015	Audited financial results for the year ended 30 September 2017	2017	Audited financial results for the year ended 30 September 2018	2018
Net asset value						
Net assets (£'000)	79,196		140,908		186,689	
Net asset value per Ordinary Share (p)	106.46		92.17		94.60	
Income						
Revenue return after taxation (£'000)	675		(205)		1,195	
Revenue return per Ordinary Share (p)	0.90		(0.16)		0.63	
Dividend per Ordinary Share (p)	7.50		17.00		7.50	
Portfolio summary						
Shareholders' funds (£'000)	79,196		140,908		186,689	
Ordinary Share price (p)	101.00		87.13		89.50	

4. Operational and financial review

A description of changes in the performance of BSVT, both capital and revenue, and changes to BSVT's portfolio of investments is set out in the sections headed "Performance Summary", "Chairman's Statement", "Manager's Review" and "Full Investment Portfolio" in the published statutory accounts and half-yearly reports of BSVT for the periods stated as follows and are incorporated by reference into this document:

Nature of Information	Audited financial results for the period from 1 January 2016 to 30 September 2016		Audited financial results for the year ended 30 September 2017		Audited financial results for the year ended 30 September 2018	
	Audited financial results for the year ended 31 December 2015	2015	Audited financial results for the year ended 30 September 2017	2017	Audited financial results for the year ended 30 September 2018	2018
	Page No.	Page No.	Page No.	Page No.	Page No.	Page No.
Performance Summary	3		3		3	
Chairman's Statement	4		4		4	
Manager's Review	7		7		7	
Full Investment Portfolio	63		60		65	

5. Significant change

Since 30 September 2018 (being the end of the last financial period of BSVT for which financial information has been published) there has been no significant change in the financial or trading position of BSVT.

6. Capitalisation and indebtedness

The following table shows the capitalisation and indebtedness of BSVT (distinguishing between guaranteed and unguaranteed, secured and unsecured indebtedness) as at 4 January 2019.

	As at 4 January 2019 £'000
Total current debt	
Guaranteed	—
Secured	—
Unguaranteed/unsecured	—
Total non-current debt	—
Guaranteed	—
Secured	—
Unguaranteed/unsecured	—
Shareholders' equity	—
Share capital	23,279
Other reserves	160,908
Total debt and Shareholders' equity	184,187

The information in the table above is unaudited financial information of BSVT as at 4 January 2019, extracted from internal accounting records. There has been no material change to the capitalisation of BSVT since 30 September 2018 (being the last date in respect of which financial information BSVT has been published).

The following table shows BSVT's net indebtedness at 4 January 2019.

	£'000
A. Cash	3,294
B. Cash equivalent	28,790
C. Trading Securities	94,944
D. Liquidity (A+B+C)	127,028
E. Current financial receivable	185
F. Current bank debt	—
G. Current portion of non-current debt	—
H. Other current financial debt	—
I. Current financial debt (F + G + H)	—
J. Net current financial indebtedness (I - E - D)	126,843
K. Non-current bank loans	—
L. Bonds issued	—
M. Other non-current loans	—
N. Non-current financial indebtedness (K + L + M)	—
O. Net financial indebtedness (J + N)	126,843

The information in the table above is unaudited financial information of BSVT and has been extracted from internal accounting records as at 4 January 2019 and has not been reported on by an accountant.

7. Working capital

BSVT is of the opinion that the working capital available to BSVT is sufficient for its present requirements (that is, for at least the next 12 months from the date of this document).

8. Net Asset Value

The unaudited NAV per BSVT Share as at 30 November 2018 (being the latest date in respect of which BSVT has published its NAV per BSVT Share) was 85.46 pence.

9. Analysis of BSVT's investment portfolio

BSVT directly invests in 24 unquoted investments and 52 AIM-traded investments. As at 31 December 2018 (being the date of the latest valuations of the quoted investments in BSVT's portfolio) the aggregate valuation of BSVT's portfolio was £145.1 million (based on unquoted valuations as at 30 September 2018). In addition BSVT had cash and liquidity fund investments of approximately £32.1 million. As at 30 November 2018, the unaudited NAV per BSVT Share was 85.46 pence.

An unaudited summary of BSVT's unquoted and quoted portfolio (representing at least 50 per cent. of its gross assets as at the date of this document (the values of the quoted valuations as at 31 December 2018, the unquoted valuations as at 30 September 2018 and the estimated NAV values as at 31 December 2018)) is set out below:

	Cost £'000	Market Value £'000	% of NAV
Unquoted	32,070	50,185	28
Quoted	53,220	70,717	40
Collective Investment Vehicles	8,689	24,227	13

The following tables show the distribution of BSVT's portfolio by sector, asset class and time investments held as at the date of this document (the values of the quoted valuations as at 31 December 2018, the unquoted valuations as at 30 September 2018 and the estimated NAV values as at 31 December 2018, the latest date for which valuations have been produced):

By sector	% by value
Business Services	27
Consumer Markets	14
Healthcare and Education	20
Technology, Media and Telecommunications	39

By asset class	% by value
Unquoted – loan stock	16
Unquoted – equity	12
AIM listed and collective investment vehicles	53
Net current assets (principally cash)	19

By time investments held	% by value
Less than 1 year	7
Between 1 and 3 years	6
Between 3 and 5 years	19
Greater than 5 years	68

The table below shows BSVT's portfolio as at the date of this document (the values of the quoted valuations as at 31 December 2018, the unquoted valuations as at 30 September 2018 and the estimated NAV values as at 31 December 2018, the latest date for which valuations have been produced):

Company	Sector	Location	Book cost £'000	Valuation £'000
Unquoted investments				
Happy Days Consultancy Ltd	Healthcare and Education	Cornwall	4,180	6,214
Carousel Logistics Ltd	Business Services	Sittingbourne	2,336	5,929
Create Health Ltd	Healthcare and Education	London	680	5,722
Pho Holdings Ltd	Consumer Markets	London	2,422	5,052
Armstrong Craven Ltd	Business Services	Manchester	1,645	4,079
Glide Ltd	Technology, Media and Telecommunications	Somerset	2,500	3,750
Ten10 Group Ltd	Business Services	West Sussex	2,331	3,375
Kirona Ltd	Technology, Media and Telecommunications	Cheshire	1,302	3,147
CMME Group Ltd	Consumer Markets	Hampshire	2,335	2,375
CR7 Services Ltd	Technology, Media and Telecommunications	Kent	2,306	2,306
Custom Materials Ltd	Consumer Markets	London	997	1,054
Upper Street Events Ltd	Consumer Markets	London	2,330	1,048
SilkFred Ltd	Consumer Markets	London	825	865
Cisiv Ltd	Consumer Markets	London	789	789
RockFish Group Limited	Consumer Markets	Devon	789	789
SecureCloud+ Ltd	Technology, Media and Telecommunications	Berkshire	789	789
Tribe Ltd	Technology, Media and Telecommunications	London	788	788
Pointr Ltd	Technology, Media and Telecommunications	London	526	526
Equipsme (Holdings) Ltd	Business Services	London	421	421
Your Welcome Ltd	Technology, Media and Telecommunications	London	368	368
Munnypot Ltd	Technology, Media and Telecommunications	West Sussex	273	273
Key Travel Ltd	Business Services	London	255	263
Labrador Ltd	Technology, Media and Telecommunications	London	263	263
InterQuest Group plc	Business Services	London	620	0
Total unquoted investments			32,070	50,185
Quoted investments				
Ideagen plc	Technology, Media and Telecommunications	Nottinghamshire	1,650	7,479
Bioventix plc	Healthcare and Education	Surrey	555	6,346
Netcall plc	Technology, Media and Telecommunications	Hertfordshire	2,616	4,438
Inspired Energy plc	Business Services	Lancashire	861	4,215
Cerillion plc	Technology, Media and Telecommunications	London	2,200	3,850
Dods (Group) plc	Technology, Media and Telecommunications	London	3,268	3,701
IDOX plc	Technology, Media and Telecommunications	London	1,028	3,038
Anpario plc	Healthcare and Education	Nottinghamshire	662	2,972
Synnovia plc	Business Services	London	2,539	2,800
Everyman Media Group plc	Consumer Markets	London	956	2,329
Sanderson Group plc	Technology, Media and Telecommunications	Coventry	1,324	2,217
Driver Group plc	Business Services	Rossendale	1,529	2,053
LoopUp Group plc	Technology, Media and Telecommunications	London	616	1,725
Vianet Group plc	Business Services	Glasgow	2,092	1,675

Company	Sector	Location	Book cost £'000	Valuation £'000
Quoted investments (continued)				
Fulcrum Utility Services Ltd	Business Services	Nottingham	438	1,661
CentralNic Group plc	Technology, Media and Telecommunications	London	1,122	1,468
Eden Research plc	Business Services	Gloucestershire	1,100	1,288
CloudCall Group plc	Technology, Media and Telecommunications	Leicestershire	1,557	1,271
Wey Education plc	Healthcare and Education	London	523	1,157
Access Intelligence plc	Business Services	London	716	1,002
SysGroup plc	Technology, Media and Telecommunications	Liverpool	1,579	937
Property Franchise Group plc	Consumer Markets	Bournemouth	838	922
Beeks Financial Cloud Group plc	Technology, Media and Telecommunications	Renfrewshire	413	883
Castleton Technology plc	Technology, Media and Telecommunications	Cambridge	247	868
Rosslyn Data Technologies plc	Technology, Media and Telecommunications	London	527	819
Begbies Traynor Group plc	Business Services	Manchester	545	782
STM Group plc	Business Services	Gibraltar	755	779
The Panoply Holdings plc	Technology, Media and Telecommunications	London	660	713
Gama Aviation plc	Business Services	Oxford	1,004	712
Brady plc	Technology, Media and Telecommunications	Cambridge	653	707
Belvoir Lettings plc	Consumer Markets	Lincolnshire	919	660
IXICO plc	Healthcare and Education	London	825	648
KRM22 plc	Technology, Media and Telecommunications	London	550	572
Tasty plc	Consumer Markets	London	2,033	526
Scholium Group plc	Consumer Markets	London	1,100	473
Fusion Antibodies plc	Healthcare and Education	Belfast	550	349
Synectics plc	Business Services	London	481	336
Science In Sport plc	Consumer Markets	London	352	315
I-nexus Global plc	Technology, Media and Telecommunications	West Midlands	688	305
Collagen Solutions plc	Healthcare and Education	London	412	231
Gresham House plc	Business Services	London	137	218
Paragon Entertainment Ltd	Consumer Markets	London	1,045	212
TLA Worldwide plc	Business Services	London	2,136	212
PCI-PAL plc	Technology, Media and Telecommunications	London	495	198
MXC Capital Ltd	Business Services	Guernsey	276	140
One Media iP Group plc	Technology, Media and Telecommunications	Buckinghamshire	276	119
Venn Life Sciences Holdings plc	Healthcare and Education	London	1,496	115
Zoo Digital Group plc	Technology, Media and Telecommunications	Sheffield	817	108
Totally plc	Healthcare and Education	London	86	65
Mi-Pay Group plc	Business Services	Surrey	800	54
Adept4 plc	Technology, Media and Telecommunications	Cheshire	535	33
APC Technology Group plc	Business Services	Surrey	2,638	21
Total quoted investments			53,220	70,717
LF Gresham House UK Micro Cap Fund			6,189	21,559
LF Gresham House UK Multi Cap Income Fund			2,500	2,668
Total			93,979	145,129

Part 6 – Taxation

Tax position of investors

1. Tax reliefs

The following is only a summary of the current law concerning the tax position of individual Qualifying Investors in VCTs. Potential investors are recommended to consult a duly authorised independent financial adviser as to the taxation consequences of an investment in a VCT. The tax rules or their interpretation in relation to an investment in the Companies and/or rates of tax may change during the life of the Companies and can be retrospective.

The tax reliefs set out below are those currently available to individuals aged 18 or over who subscribe for New Shares under the Offers and will be dependent on personal circumstances. Whilst there is no specific limit on the amount of an individual's acquisition of shares in a VCT, tax reliefs will only be given to the extent that the total of an individual's subscriptions or other acquisitions of shares in VCTs in any tax year does not exceed £200,000. Qualifying Investors who intend to invest more than £200,000 in VCTs in any one tax year should consult their professional advisers.

1.1. Income tax

1.1.1. *Relief from income tax on investment*

A Qualifying Investor subscribing for New Shares will be entitled to claim income tax relief on amounts subscribed up to a maximum of £200,000 invested in VCTs in any tax year.

The relief is given at the rate of 30 per cent. on the amount subscribed regardless of whether the Qualifying Investor is a higher rate, additional rate or basic rate tax payer, provided that the relief is limited to the amount which reduces the Qualifying Investor's income tax liability to nil. Investments to be used as security for or financed by loans may not qualify for relief, depending on the circumstances.

1.1.2. *Dividend relief*

A Qualifying Investor, who acquires shares in VCTs in any tax year having a value of up to a maximum of £200,000, will not be liable to income tax on dividends paid on those shares and there is no withholding tax thereon.

1.1.3. *Purchases in the market*

A Qualifying Investor who purchases existing shares in the market will be entitled to claim dividend relief (as described in paragraph 1.1.2 above) but not relief from income tax on investment (as described in paragraph 1.1.1 above).

1.1.4. *Withdrawal of relief*

Relief from income tax on a subscription for VCT shares (including New Shares) will be withdrawn if the VCT shares are disposed of (other than between spouses or on death) within five years of issue or if the VCT loses its approval within this period as detailed below.

Dividend relief ceases to be available once the Qualifying Investor ceases to be beneficially entitled to the dividend or if the VCT loses its approval within this period as detailed below.

1.1.5. *Linked sales*

If an investor subscribes for shares in a VCT within 6 months before or after selling any shares in that same VCT, or if there is a contractual link between the subscription and the disposal, the tax reliefs in relation to that subscription will apply only to the amount invested less the amount for which the shares are sold.

1.2. Capital gains tax

1.2.1. Relief from capital gains tax on disposal of VCT shares

Except where VCT shares that were issued after 5 April 2014 and within three years of the issue are bought by the VCT directly from the shareholder, a disposal by a Qualifying Investor of VCT shares will give rise to neither a chargeable gain nor an allowable loss for the purposes of UK capital gains tax. The relief is limited to the disposal of VCT shares acquired within the limit of £200,000 for any tax year.

1.2.2. Purchases in the market

An individual purchaser of existing shares in the market will be entitled to claim relief from capital gains tax on disposal (as described in paragraph 1.2.1 above).

1.3. Loss of VCT approval

For a company to be fully approved as a VCT it must meet the various requirements for full approval as set out below.

If a company which has been granted approval as a VCT subsequently fails to comply with the conditions for approval, approval as a VCT may be withdrawn. In these circumstances, relief from income tax on the initial investment is repayable unless loss of approval occurs more than five years after the issue of the relevant VCT shares. In addition, relief ceases to be available on any dividend paid in respect of profits or gains in any accounting period ending when VCT status has been lost and any gains on the VCT shares up to the date from which loss of VCT status is treated as taking effect will be exempt, but gains thereafter will be taxable.

2. Illustration of effect of tax relief for Qualifying Investors

The table below has been prepared for illustrative purposes only and does not form part of the summary of the tax reliefs contained in this section. The table shows how the initial tax reliefs available can reduce the effective cost of an investment of £10,000 in a VCT by a Qualifying Investor subscribing for VCT shares to only £7,000:

	Effective cost	Tax relief
Investors unable to claim any tax reliefs	£10,000	Nil
Qualifying Investor able to claim full 30% income tax relief	£7,000	£3,000

Income tax relief is only available if the shares are held for the minimum holding period of five years. The limit for obtaining income tax relief on investments in VCTs is £200,000 in each tax year.

3. Obtaining tax reliefs

The Companies will provide to each Qualifying Investor a certificate which the Qualifying Investor may use to claim income tax relief, either by obtaining from HMRC an adjustment to his tax coding under the PAYE system or by waiting until the end of the tax year and using his tax return to claim relief.

Tax position of the Companies

The Companies have to satisfy a number of tests to qualify as VCTs. A summary of these tests is set out below.

1. Qualification as a VCT

To qualify as a VCT, a company must be approved as such by HMRC. To obtain such approval it must:

- not be a close company;
- have each class of its ordinary share capital listed on a regulated market;
- derive its income wholly or mainly from shares or securities;
- have at least 70 per cent. by VCT Value of its investments in shares or securities in Qualifying Investments (increasing to 80 per cent. for accounting periods beginning after 31 March 2019), of

which 70 per cent. must be in eligible shares for investments made after 5 April 2018 or investments made prior to 6 April 2018 from funds raised by the VCT after 5 April 2011;

- (e) have at least 10 per cent. by VCT Value of each Qualifying Investment in eligible shares;
- (f) not have more than 15 per cent. by VCT Value of its investments in a single company or group (other than a VCT or a company which would, if its shares were listed, qualify as a VCT);
- (g) not retain more than 15 per cent. of its income derived from shares and securities in any accounting period;
- (h) not make an investment in a company which causes that company to receive more than £5 million of Risk Finance State Aid investment (including from VCTs) in the 12 months ending on the date of this investment;
- (i) not make an investment in a company which causes that company to receive more than £12 million (£20 million in the case of a “knowledge intensive” company”) of Risk Finance State Aid investment (including from VCTs) in its lifetime;
- (j) not make an investment in a company whose first commercial sale was more than 7 years prior to the VCT investment (10 years in the case of a “knowledge intensive” company”), unless the company had obtained Risk Finance State Aid investment before that point in time or the investment is significant in relation to the investee company’s turnover; and
- (k) the VCT must not make a non-Qualifying Investment other than those specified in section 274 of the Tax Act.

Conditions (h) to (j) above do not apply to investments in shares and securities listed on a recognised stock exchange or to certain money market securities.

In addition to condition (d) above, a new requirement has been introduced for funds raised in accounting periods commencing on or after 6 April 2018 meaning that a VCT must invest 30 per cent. of the funds raised in Qualifying Investments within 12 months of the end of the accounting period in which the funds were raised.

The approved status of a VCT may also be affected where an investee company uses any of the VCT’s investment to acquire another company or trade in the 5 years after the VCT’s investment.

The term “eligible shares” means shares which carry no preferential rights to assets on a winding up and no rights to be redeemed, although they may have certain preferential rights to dividends. For funds raised before 6 April 2011, ‘eligible shares’ are shares which do not carry any rights to be redeemed or a preferential right to dividends or to assets on a winding-up.

2. Qualifying Investments

A Qualifying Investment consists of shares or securities first issued to the VCT (and held by it ever since) by a company satisfying the conditions set out in Chapter 4 of Part 6 of the Tax Act.

The conditions are detailed, but include the following:

- (a) the investee company must be a Qualifying Company, have gross assets not exceeding £15 million immediately before and £16 million immediately after the investment;
- (b) investee companies receiving VCT investments have to have fewer than 250 full-time (or full-time equivalent) employees (500 in the case of a “knowledge intensive” company”);
- (c) apply the money raised for the purposes of a qualifying trade within a certain time period;
- (d) the investee company cannot be controlled by another company and at the time of investment does not obtain more than £5 million of Risk Finance State Aid investment (£10 million in the case of a “knowledge intensive company”) in the 12 month period ending on the date of the investment by the VCT;

- (e) at the time of investment the investee company has not obtained more than £12 million (£20 million in the case of a "knowledge intensive company") of Risk Finance State Aid investment in its lifetime;
- (f) the first commercial sale of the company was not more than seven years (ten years in the case of a "knowledge intensive company") prior to the first VCT or EIS investment unless the company had obtained Risk Finance State Aid investment before that point in time or the investment is significant in relation to the investee company's turnover;
- (g) the money raised from the VCT investments must be for the company's organic growth and development or, where the company is a parent, the group's; and
- (g) for investments made after 15 March 2018 the investment must comply with the Risk to Capital condition which is a principles based rule. There are two parts to the condition which must be met as follows:
 - the company in which the investment is made must have objectives to grow and develop over the long term; and
 - the investment must carry a significant risk that the investor will lose more capital than they gain as a return (including any tax relief).

The investee company's status as a qualifying investment may also be affected where it uses any of the investment from a VCT to acquire another company or trade in the 5 years after the VCT's investment.

3. Qualifying Companies

A Qualifying Company must be unquoted (for VCT purposes this includes companies whose shares are traded on AIM) and must carry on a qualifying trade. For this purpose certain activities are excluded (such as dealing in land or shares or providing financial services). The qualifying trade must either be carried on by, or be intended to be carried on by, the Qualifying Company or by a qualifying 90 per cent. subsidiary at the time of the issue of shares or securities to the VCT (and at all times thereafter).

A Qualifying Company must have a permanent establishment in the UK, but a Qualifying Company need not be UK resident. A company intending to carry on a qualifying trade must begin to trade within two years of the issue of shares or securities to the VCT and continue it thereafter.

A Qualifying Company cannot be controlled by another company and may have no subsidiaries other than qualifying subsidiaries which must, in most cases, be at least 51 per cent. owned.

From 6 April 2012 there is a 'disqualifying purpose' test under which an investment will not be a Qualifying Investment if the investee company has been set up for the purpose of accessing tax reliefs or is in substance a financing business, although the Board currently anticipates that these measures are unlikely to affect the Companies.

4. Approval as a VCT

A VCT must be approved at all times by HMRC. Approval has effect from the time specified in the approval letter issued by HMRC.

A VCT cannot be approved unless the tests detailed above are met throughout the most recent complete accounting period of the VCT and HMRC is satisfied that they will be met in relation to the accounting period of the VCT which is current when the application is made. However, where a VCT raises further funds, VCTs are given grace periods to invest those funds before such further funds become subject to the tests.

The Companies have each received approval as a VCT from HMRC.

5. Withdrawal of approval

Approval of a VCT may be withdrawn by HMRC if the various tests set out above are not satisfied. The exemption from corporation tax on capital gains will not apply to any gain realised after the point at which VCT status is lost.

The Finance Act 2014 restricts the ability of a VCT to return capital to its investors. If a VCT makes a payment to its shareholders in relation to shares issued on or after 6 April 2014, which amounts to a repayment of share capital (including the payment of a dividend or a distribution), other than for the purpose of redeeming or repurchasing such shares, before the end of the third accounting period following the accounting period in which the shares were issued, the VCT status will be withdrawn.

Withdrawal of approval generally has effect from the time when notice is given to the VCT but, in relation to capital gains of the VCT only, can be backdated to not earlier than the first day of the accounting period commencing immediately after the last accounting period of the VCT in which all of the tests were satisfied.

6. State Aid

As a result of the tax status of VCTs, investments by VCTs in underlying portfolio companies are regarded as State aid. Where the European Commission believe that State aid has been provided which is unlawful, in particular if it is not in accordance with the Risk Finance Guidelines, they may require that the UK government recovers that State aid, such recovery may be from the investee company, the VCT or the VCT's investors.

The VCT regime as it currently stands has been approved as consistent with State aid rules by the European Commission. However, from 1 January to 18 November 2015 there was no State aid approval in place for the VCT regime. There is therefore a risk that VCT relief may be withdrawn for investments made between those dates.

The VCTs have updated their investment policy to ensure it is consistent with current legislation and HMRC guidance, which has received EU State aid approval. The Board and the Investment Manager will continue to monitor the situation in relation to investments made in the relevant period and will update Shareholders if required.

Part 7 – General Information

1. Incorporation and general

- 1.1. BVT was incorporated and registered in England and Wales on 29 January 1998 as a public company limited by shares with registered number 03504214. BVT operates under the Companies Act (and the regulations from time to time made thereunder). Its registered office and principal place of business is at 5 New Street Square, London EC4A 3TW (telephone number 020 3837 6270). Save for its compliance with the Companies Act (and the regulations from time to time made thereunder), the Listing Rules, the Disclosure Guidance and Transparency Rules and the Prospectus Rules, BVT is not an authorised or regulated entity. The objects of BVT are unrestricted.
- 1.2. BSVT was incorporated and registered in England and Wales on 22 November 2000 as a public company limited by shares with registered number 04115341. BSVT operates under the Companies Act (and the regulations from time to time made thereunder). Its registered office and principal place of business is at 5 New Street Square, London EC4A 3TW (telephone number 020 3837 6270). Save for its compliance with the Companies Act (and the regulations from time to time made thereunder), the Listing Rules, the Disclosure Guidance and Transparency Rules and the Prospectus Rules, BSVT is not an authorised or regulated entity. The objects of BSVT are unrestricted.
- 1.3. The Companies have each been granted approval as a VCT under section 274 of the Tax Act and the respective Directors have managed and intend to manage the affairs of BVT and BSVT respectively in such a manner so as to comply with section 274 of the Tax Act.
- 1.4. The Companies are both registered as a small UK registered Alternative Investment Fund under the Alternative Investment Fund Managers Directive.
- 1.5. Applications will be made to the UK Listing Authority for all of the New Shares to be admitted to the Official List with a Premium Listing and to the London Stock Exchange for such Shares to be admitted to trading on the Main Market. It is expected that Admission will become effective and dealings in the New Shares issued pursuant to the Offers will commence on 8 February 2019, in relation to the First Allotment, and 18 March 2019, in relation to the Second Allotment.
- 1.6. The Investment Manager was incorporated and registered in England and Wales on 18 February 2015 as a private limited company with registered number 09447087. The Investment Manager operates under the Companies Act and the regulations from time to time made thereunder. Its registered office and principal place of business is at 5 New Street Square, London EC4A 3TW (telephone number 020 3837 6270). The Investment Manager is authorised and regulated by the FCA.
- 1.7. JPMorgan Chase Bank was registered in England and Wales on 1 January 1993 as an overseas company with registered number FC004891. Its registered office is at 1111 Polaris Parkway, Columbus, Ohio 43240, United States and its principal place of business in the UK is 25 Bank Street, Canary Wharf, London E14 5JP (telephone number 020 7777 2000). JPMorgan Chase Bank is authorised by the PRA and regulated by the FCA and PRA with firm reference number 124491.
- 1.8. Ipes was incorporated and registered in Guernsey on 9 January 1998 with registered number 33475. Its registered office is at 1 Royal Plaza, Royal Avenue, St Peter Port, Guernsey GY1 2HL (telephone number is 01481 713843).

2. Share capital and indebtedness

- 2.1. The issued share capital of each of the Companies (all of which is, and will be, fully paid in respect of both Companies) as at the date of this document and immediately following completion of the Offers (assuming the maximum number of New Shares available under the Offers (in relation to BVT and BSVT respectively) are issued) is and will be:

	Number of Ordinary Shares	Nominal value of each Share
As at the date of this document		
BVT Shares	206,285,223	10 pence
BSVT Shares	232,791,189	10 pence
Immediately following the Offers*		
BVT Shares	219,829,241	10 pence
BSVT Shares	247,580,723	10 pence

***Note:** The above table assumes that 13,544,018 New BVT Shares are issued pursuant to the BVT Offer and 14,789,534 New BSVT Shares are issued pursuant to the BSVT Offer.

As at the date of this document, BVT held 16,035,107 BVT Shares in treasury and BSVT held 17,983,614 BSVT Shares in treasury.

2.2. The following changes have occurred in the share capital of BVT between 1 October 2015 and 30 September 2018 (being the period covered by the historical financial information incorporated by reference into this document).

- 2.2.1 On 11 February 2016, a total of 79,425,134 Ordinary Shares of 10 pence each were issued at a price of 99.68 pence per Share pursuant to BVT's participation in the scheme of reconstruction and winding up of Baronsmead VCT plc and a total of 9,727,419 Ordinary Shares of 10 pence each were issued at a price of 102.80 pence per Share pursuant to an offer for subscription.
- 2.2.2 On 30 March 2016, BVT purchased a total of 1,780,000 Ordinary Shares of 10 pence each at a price of 94.125 pence per Share to be held in treasury.
- 2.2.3 On 1 June 2016, a total of 850,000 Ordinary Shares of 10 pence each were sold by BVT from the Shares held in treasury at a price of 91.375 pence per Share.
- 2.2.4 On 29 June 2016, BVT purchased a total of 260,000 Ordinary Shares of 10 pence each at a price of 91.25 pence per Share to be held in treasury.
- 2.2.5 On 29 September 2016, a total of 1,900,000 Ordinary Shares of 10 pence each were sold by BVT from the Shares held in treasury at a price of 82.5 pence per Share.
- 2.2.6 On 8 December 2016, a total of 750,000 Ordinary Shares of 10 pence each were sold by BVT from the shares held in treasury at a price of 82.0 pence per Share.
- 2.2.7 On 28 March 2017, a total of 500,000 Ordinary Shares of 10 pence each were sold by BVT from the shares held in treasury at a price of 83.625 pence per Share.
- 2.2.8 On 24 May 2017, BVT purchased a total of 330,000 Ordinary Shares of 10 pence each at a price of 85.25 pence per Share to be held in treasury.
- 2.2.9 On 29 June 2017 BVT purchased a total of 510,000 Ordinary Shares of 10 pence each at a price of 86.75 pence per Share to be held in treasury.
- 2.2.10 On 27 September 2017, BVT purchased a total of 260,000 Ordinary Shares of 10 pence each at a price of 86.75 pence per Share to be held in treasury.
- 2.2.11 On 31 October 2017, a total of 19,228,312 Ordinary Shares of 10 pence each were issued at a price of 94.8 pence per Share pursuant to an Offer for Subscription.
- 2.2.12 On 14 November 2017, a total of 2,932,226 Ordinary Shares of 10 pence each were issued at a price of 94.5 pence per Share pursuant to an Offer for Subscription
- 2.2.13 On 21 November 2017, BVT purchased a total of 500,000 Ordinary Shares of 10 pence each at a price of 87 pence per Share to be held in treasury.
- 2.2.14 On 20 December 2017, BVT purchased a total of 500,000 Ordinary Shares of 10 pence each at a price of 87.5 pence per Share to be held in treasury.

- 2.2.15 On 28 March 2018, BVT purchased a total of 775,000 Ordinary Shares of 10 pence each at a price of 84.25 pence per Share to be held in treasury.
- 2.2.16 On 29 May 2018, BVT purchased a total of 475,000 Ordinary Shares of 10 pence each at a price of 85.5 pence per Share to be held in treasury.
- 2.2.17 On 28 June 2018, BVT purchased a total of 630,000 Ordinary Shares of 10 pence each at a price of 87.5 pence per Share to be held in treasury.
- 2.2.18 On 27 September 2018, BVT purchased a total of 455,000 Ordinary Shares of 10 pence each at a price of 86.75 pence per Share to be held in treasury.
- 2.3. The following changes have occurred in the share capital of BSVT between 1 January 2015 and 30 September 2018 (being the period covered by the historical financial information incorporated by reference into this document).
 - 2.3.1 On 27 March 2015, BSVT purchased a total of 330,000 Ordinary Shares of 10 pence each at a price of 96.75 pence per Share to be held in treasury.
 - 2.3.2 On 29 June 2015, BSVT purchased a total of 735,000 Ordinary Shares of 10 pence each at a price of 99.0 pence per Share to be held in treasury.
 - 2.3.3 On 16 September 2015, BSVT sold a total of 140,000 Ordinary Shares of 10 pence each at a price of 100.0 pence per Share from the Shares held in treasury.
 - 2.3.4 On 16 March 2016, a total of 68,003,674 Ordinary Shares of 10 pence each were issued at a price of 103.94 pence per Share pursuant to BSVT's participation in the scheme of reconstruction and winding up of Baronsmead VCT 4 plc and a total of 9,328,156 Ordinary Shares of 10 pence each were issued at a price of 107.2 pence per Share pursuant to an offer for subscription.
 - 2.3.5 On 30 March 2016, BSVT purchased a total of 970,000 Ordinary Shares of 10 pence each at a price of 98.625 pence per Share to be held in treasury.
 - 2.3.6 On 1 June 2016, BSVT sold a total of 950,000 Ordinary Shares of 10 pence each at a price of 96.5 pence per Share from the Shares held in treasury.
 - 2.3.7 On 29 June 2016, BSVT purchased a total of 285,000 Ordinary Shares of 10 pence each at a price of 96.875 pence per Share to be held in treasury.
 - 2.3.8 On 29 September 2016, BSVT sold a total of 1,450,000 Ordinary Shares of 10 pence each at a price of 87 pence per Share from the Shares held in treasury.
 - 2.3.9 On 2 December 2016, a total of 47,077,911 Ordinary Shares of 10 pence each were issued at a price of 90.67 pence per share pursuant to BSVT's participation in the scheme of reconstruction and winding up of Baronsmead VCT 5 plc.
 - 2.3.10 On 14 December 2016, BSVT purchased a total of 395,000 Ordinary Shares of 10 pence each at a price of 86.25 pence per Share to be held in treasury.
 - 2.3.11 On 24 May 2017, BSVT purchased a total of 720,000 Ordinary Shares of 10 pence each at a price of 88.25 pence per Share to be held in treasury.
 - 2.3.12 On 29 June 2017, BSVT purchased a total of 689,000 Ordinary Shares of 10 pence each at a price of 89.125 pence per Share to be held in treasury.
 - 2.3.13 On 27 September 2017, BSVT purchased a total of 800,000 Ordinary Shares of 10 pence each at a price of 89.00 pence per Share to be held in treasury.
 - 2.3.14 On 31 October 2017, a total of 13,797,365 Ordinary Shares of 10 pence each were issued and allotted by BSVT at a price of 97.60 pence per Share pursuant to an offer for subscription.

- 2.3.15 On 21 November 2017, a total of 7,350,154 Ordinary Shares of 10 pence each were issued and allotted by BSVT at a price of 97.10 pence per Share pursuant to an offer for subscription.
- 2.3.16 On 21 November 2017, BSVT purchased a total of 695,000 Ordinary Shares of 10 pence each at a price of 89.45 pence per Share to be held in treasury.
- 2.3.17 On 24 November 2017, a total of 445,745 Ordinary Shares of 10 pence each were issued and allotted by BSVT at a price of 97.10 pence per Share pursuant to an offer for subscription.
- 2.3.18 On 20 December 2017, BSVT purchased a total of 1,350,000 Ordinary Shares of 10 pence each at a price of 90.25 pence per Share to be held in treasury.
- 2.3.19 On 22 December 2017, a total of 2,160,004 Ordinary Shares of 10 pence each were issued and allotted by BSVT at a price of 98.10 pence per Share pursuant to an offer for subscription.
- 2.3.20 On 30 January 2018, a total of 400,000 Ordinary Shares of 10 pence each were sold by BSVT from the shares held in treasury at a price of 86.75 pence per Share.
- 2.3.21 On 28 March 2018, BSVT purchased a total of 1,200,000 Ordinary Shares of 10 pence each at a price of 85.75 pence per Share to be held in treasury.
- 2.3.22 On 29 May 2018, BSVT purchased a total of 700,000 Ordinary Shares of 10 pence each at a price of 87.00 pence per Share to be held in treasury.
- 2.3.23 On 28 June 2018, BSVT purchased a total of 300,000 Ordinary Shares of 10 pence each at a price of 89.25 pence per Share to be held in treasury.
- 2.3.24 On 30 August 2018, BSVT purchased a total of 250,000 Ordinary Shares of 10 pence each at a price of 87.25 pence per Share to be held in treasury.
- 2.3.25 On 27 September 2018, BSVT purchased a total of 510,000 Ordinary Shares of 10 pence each at a price of 87.50 pence per Share to be held in treasury.

2.4. As at 1 October 2015, BVT had in issue 83,008,313 Ordinary Shares and, as at 30 September 2018, BVT had in issue 191,846,404 Ordinary Shares (excluding treasury shares). Since 1 October 2018 and up to 4 January 2019, being the latest practicable date before publication of this document, BVT has purchased a total of 1,596,288 Ordinary Shares of 10 pence each to be held in treasury. As at 1 January 2015, BSVT had in issue 75,318,966 Ordinary Shares and, as at 30 September 2018, BSVT had in issue 216,492,975 Ordinary Shares (excluding treasury shares). Since 1 October 2018 and up to 4 January 2019, being the latest practicable date before publication of this document, BSVT has purchased a total of 1,685,400 Ordinary Shares of 10 pence each to be held in treasury.

2.5. No share or loan capital of the Companies is under option or has been agreed, conditionally or unconditionally, to be put under option.

2.6. At the annual general meeting of BVT held on 21 February 2018, *inter alia*;

- 2.6.1. the BVT Directors were, in substitution for all subsisting authorities to the extent unused, generally and unconditionally authorised in accordance with section 551 of the Companies Act to allot shares in BVT up to an aggregate nominal amount of £9,759,070 (such authority to expire on the fifth anniversary following the passing of the resolution);
- 2.6.2. the BVT Directors were, in substitution for all subsisting authorities to the extent unused, generally and unconditionally empowered pursuant to sections 570 and 573 of the Companies Act to allot equity securities (as defined in section 560 of the Companies Act) for cash, pursuant (save in relation to a transfer of equity shares out of treasury) to the authority referred to in paragraph 2.6.1 above, as if section 561 of the Companies Act did not apply to any such allotment (such authority to expire on the expiry of fifteen months following the passing of the resolution or, if earlier, the conclusion of BVT next annual general meeting); and

2.6.3. BVT was authorised, generally and unconditionally, in accordance with section 701 of the Companies Act to make market purchases (within the meeting of section 693(4) of the Companies Act) of no more than 29,257,692 Ordinary Shares in aggregate or, if lower, up to 14.99 per cent. of the issued Ordinary Shares (such authority to expire on the expiry of fifteen months following the passing of the resolution or, if earlier, the conclusion of BVT's next annual general meeting).

2.7. At the annual general meeting of the BSVT held on 30 January 2018, *inter alia*;

2.7.1. the BSVT Directors were, in substitution for all subsisting authorities to the extent unused, generally and unconditionally authorised in accordance with section 551 of the Companies Act to allot shares in BSVT up to an aggregate nominal amount of £10,924,611 (such authority to expire on the fifth anniversary following the passing of the resolution);

2.7.2. the BSVT Directors were, in substitution for all subsisting authorities to the extent unused, generally and unconditionally empowered pursuant to sections 570 and 573 of the Companies Act to allot equity securities (as defined in section 560 of the Companies Act) for cash, pursuant (save in relation to a transfer of equity shares out of treasury) to the authority referred to in paragraph 2.7.1 above, as if section 561 of the Companies Act did not apply to any such allotment (such authority to expire on the expiry of fifteen months following the passing of the resolution or, if earlier, the conclusion of BSVT's next annual general meeting); and

2.7.3. BSVT was authorised, generally and unconditionally, in accordance with section 701 of the Companies Act to make market purchases (within the meeting of section 693(4) of the Companies Act) of no more than 32,751,984 Ordinary Shares in aggregate or, if lower, up to 14.99 per cent. of the issued Ordinary Shares (such authority to expire on the expiry of fifteen months following the passing of the resolution or, if earlier, the conclusion of BSVT's next annual general meeting).

2.8. The disapplication of statutory pre-emption rights in the terms provided under the special resolutions noted at paragraphs 2.6.2 and 2.7.2 of this Part 7 has given the Companies the flexibility to resell Ordinary Shares which they may purchase and hold in treasury for cash without first being required to offer such Ordinary Shares to BVT Shareholders or BSVT Shareholders respectively in proportion to their existing holdings.

2.9. The provisions of section 561 of the Companies Act, which confer on Shareholders certain rights of pre-emption in respect of the allotment of equity securities which are to be paid up in cash, apply except as referred to in paragraphs 2.6.1, 2.6.2, 2.7.1 and 2.7.2 of this Part 7.

2.10. It is intended that the authorities set out in paragraphs 2.6 and 2.7 will be renewed at the annual general meetings of BVT and BSVT to be held on 27 February 2019 and 28 February 2019 respectively.

2.11. Panmure Gordon & Co acts as market maker in respect of the BVT Shares and the BSVT Shares.

3. Summary of the Articles of the Companies

The Articles of BVT were adopted on 14 December 2009 and the Articles of BSVT were adopted on 18 May 2010 by way of special resolution and both contain, *inter alia*, provisions as summarised below.

For the purposes of paragraph 3 of this Part 7, "Company" shall be read to mean BVT or BSVT respectively.

3.1. Voting rights

Subject to the provisions of the Companies Act or any special terms as to voting on which any shares may have been issued, or may for the time being be held, and to any suspension or abrogation of voting rights pursuant to the Articles, on a show of hands every member who is present in person or by proxy at any general meeting of the Company shall have one vote and on a poll every member who is present in person or who (being a corporation) is present by a representative or by proxy shall have one vote for every share of which he is the holder.

3.2. Offer of Shares

Subject to the provisions of the Companies Act and the Articles and to any relevant authority of the Company in general meeting required by the Companies Act, unissued shares shall be at the disposal of the Board and they may allot, grant options over, offer or otherwise deal with or dispose of them or rights to subscribe for or convert any security into shares to such persons at such time and on such terms as the Board may decide, provided that no share may be issued at a discount to its nominal value. The Board may also issue redeemable shares on such terms as provided in the Articles.

3.3. Transfer of shares

Subject to such of the restrictions of the Articles and Companies Act as may be applicable, any member may transfer all or any of his shares by an instrument of transfer in the usual form or in any other form that the Board may approve. Such instrument shall be signed for or on behalf of the transferor and (in the case of a partly paid share) the transferee.

The Board may, in its absolute discretion, refuse to register any transfer of a share unless (i) it is in respect of a share which is fully paid up, (ii) it is in respect of only one class of shares, (iii) it is in favour of a single transferee or not more than four joint transferees, (iv) it is duly stamped (if so required) and (v) it is delivered for registration to the registered office of the Company or such other place as the Board may reasonably require to prove the title of the transferor and the due execution of the transfer by him or, if the transfer is executed by some other person on his behalf, the authority of that person to do so.

3.4. Variation of rights

Where the Company's share capital is divided into different classes of shares, the rights attached to any shares or class of shares may be varied or abrogated in such manner (if any) as may be provided by such rights or, in the absence of any such provision, either with the written consent of the holders of not less than three-quarters in nominal value of the issued shares of that class, or with the sanction of an extraordinary resolution passed at a separate general meeting of the holders of shares of that class of shares. The quorum for such a class meeting is two persons holding or representing by proxy at least one third of the nominal amount of the issued shares of that class.

3.5. Alteration of capital

The Company may from time to time in general meeting, by ordinary resolution, increase its share capital by such sums to be divided into shares of such amount as the resolution prescribes, consolidate and divide all or any of its share capital into shares of larger nominal amounts than its existing shares, cancel any shares which at the date of the passing of the resolution have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled, and sub-divide its shares, or any of them into shares of a smaller amount and may by such resolution determine that, as between the shares resulting from such sub-division, one or more of the shares may, as compared with the others, have any such preferred or deferred or other special rights or be subject to any such restrictions as the Company has power to attach to unissued or new shares.

3.6. Dividends and distributions

The Company may, subject to the provisions of the Companies Act and the Articles, by ordinary resolution from time to time declare dividends to be paid to members not exceeding the amount recommended by the Board. Subject to the provisions of the Companies Act, in so far as, in the Board's opinion, the Company's profits justify such payments, the Board may pay interim dividends on any class of shares including those carrying a fixed dividend. The Board may, if authorised by an ordinary resolution of the Company, offer shareholders in respect of any dividend the right to receive shares instead of cash. The Board may withhold dividends payable (with no obligation to pay interest thereon) on shares after there has been a failure to provide the Company with information concerning interests in those shares required to be provided under the Articles or the Companies Act until such failure has been remedied. Any dividend unclaimed after a period of 12 years from the date such dividend is payable shall, if the Board resolves, be forfeited and shall revert to the Company.

3.7. Distribution of realised capital profits

At any time when the Company has given notice in the prescribed form (which has not been revoked) to the Registrar of Companies of its intention to carry on business as an investment company (a “**Relevant Period**”), distribution of the Company’s capital profits (within the meaning of section 833(2)(c) of the Companies Act) shall be prohibited except to the extent that the requirements for investment company status under section 833 of the Companies Act do not require a company to prohibit the distribution of its capital profits in its memorandum or articles of association. The Board shall establish a reserve to be called the capital reserve. During a Relevant Period, all surpluses arising from the realisation or revaluation of investments and all other monies realised on or derived from the realisation, repayment of or other dealing with any capital asset in excess of the book value thereof and all other monies which are considered by the Board to be in the nature of accretion to capital shall be credited to the capital reserve. Subject to the Companies Act, the Board may determine whether any amount received by the Company is to be dealt with as income or capital or partly one way and partly the other. During a Relevant Period, any loss realised on the realisation or repayment of or other dealing with any investments or other capital assets and, subject to the Companies Act, any expense or liability (or provision thereof) which the Board considers to relate to a capital item or which the Board otherwise considers appropriate to be debited to the capital reserve shall be carried to the debit of the capital reserve. During a Relevant Period, all sums carried and standing to the credit of the capital reserve may be applied for any of the purposes to which the sums standing to any revenue reserve are applicable except and provided that, notwithstanding any other provision of the Articles, no part of the capital reserve or any other money in the nature of accretion to capital shall be transferred to the revenue reserves of the Company or be regarded or treated as profits of the Company available for distribution (as defined by section 829 of the Companies Act), except to the extent that the requirements for investment company status under section 833 of the Companies Act do not require a company to prohibit the distribution of its capital profits in its memorandum or articles of association, or be applied in paying dividends on any shares in the Company. In periods other than a Relevant Period, any amount standing to the credit of the capital reserve may be transferred to the revenue reserves of the Company or be regarded or treated as profits of the Company available for distribution (as defined by section 829 of the Companies Act) or applied in paying dividends on any shares in the Company.

3.8. Duration and winding up

The Board shall procure that, at the annual general meeting of the Company falling after the fifth anniversary of the then latest allotment of shares and every third annual general meeting thereafter, an ordinary resolution will be proposed to the effect that the Company shall continue in being as a VCT. If, at any such meeting, such resolution is not passed the Board shall, within nine months of such meeting, convene an extraordinary general meeting to propose a special resolution for the re-organisation or re-construction of the Company and (if such resolution is not passed) a special resolution to wind up the Company voluntarily. In the case of the special resolution relating to voluntary winding up only, any member may demand a poll and each holder of shares present in person or by proxy and who votes in favour of the special resolution shall have such number of votes in respect of each share held by him (including fractions of a vote) that the aggregate number of votes cast in favour of the resolution is four times the aggregate number of shares in respect of which votes are cast against the resolution and each holder of shares who votes against the resolution shall have one vote for each share held by him.

If the Company shall be wound up, the liquidator may, with the authority of an extraordinary resolution and subject to any sanction, divide among the members in specie or in kind the whole or Part of the assets of the Company and may determine how such a division shall be carried out as between the members or different classes of members. The liquidator may, with the like authority, vest the whole or any Part of the assets in trustees upon such trusts for the benefit of members as the liquidator with the like authority shall think fit and the liquidation of the Company may be closed and the Company dissolved, but no member shall be compelled to accept any assets in respect of which there is a liability.

3.9. Directors

- 3.9.1. Unless otherwise determined by ordinary resolution of the Company, the Directors (disregarding alternate directors) shall not be less than two and not more than ten in number.
- 3.9.2. The Company may by ordinary resolution appoint a person who is willing to be a Director. The Board may appoint any person who is willing to act as a Director. The Board may appoint one or more of its body to hold any employment or executive office and may revoke or terminate such appointment, without prejudice to any claim for damages for breach of contract between the Director and the Company.
- 3.9.3. A Director shall not be required to hold any shares in the Company.
- 3.9.4. The Company may by ordinary resolution remove any Director before the expiration of his period of office.
- 3.9.5. The business and affairs of the Company shall be managed by the Board, which may exercise all such powers of the Company, subject nevertheless to the provisions of the Companies Act and the Articles and to any directions given by the Company in general meeting by special resolution.
- 3.9.6. Subject to the provisions of the Articles, at every annual general meeting one third of the Directors who are subject to retirement by rotation or, if their number is not a multiple of three, then the number nearest to but not exceeding one third, shall retire from office. If there are fewer than three Directors who are subject to retirement by rotation, one Director will retire.

3.10. Authorisation of interests of Directors

- 3.10.1. Subject to the provisions of the Companies Act and of the Articles, a Director, notwithstanding his office:
 - (a) may enter into or otherwise be interested in any contract, arrangement, transaction or proposal with the Company or in which the Company is otherwise interested, either in regard to his tenure of any office or place of profit or as vendor, purchaser or otherwise;
 - (b) may hold any other office or place of profit under the Company (except that of auditor or of auditor of a subsidiary of the Company) in conjunction with the office of director and may act by himself or through his firm in a professional capacity for the Company, and in any such case on such terms as to remuneration and otherwise as the Board may arrange, either in addition to or in lieu of any remuneration provided for by any other Article;
 - (c) may be a Director or other officer, or employed by, or a party to any transaction or arrangement with, or otherwise interested in, any company promoted by the Company or in which the Company is otherwise interested or as regards which the Company has any powers of appointment; and
 - (d) shall not be liable to account to the Company for any profit, remuneration or other benefit realised by any such office, employment, contract, arrangement, transaction or proposal and no such contract, arrangement, transaction or proposal shall be avoided on the grounds of any such interest or benefit.
- 3.10.2. A Director who, to his knowledge, is in any way (directly or indirectly) interested in any contract, arrangement, transaction or proposal with the Company, shall declare the nature of his interest at the meeting of the Board at which the question of entering into the contract, arrangement, transaction or proposal is first considered, if he knows his interest then exists or, in any other case, at the first meeting of the Board after he knows that he is or has become so interested.

3.10.3. Save as provided in the Articles, a Director shall not vote on, or be counted in the quorum in relation to, any resolution of the Board or of a committee of the Board concerning any contract, arrangement, transaction or any proposal whatsoever to which the Company is or is to be a party and in which he is, to his knowledge, alone or together with any person connected with him, materially interested, unless the resolution concerns any of the following matters:

- (a) the giving to him of any guarantee, security or indemnity in respect of money lent or obligations incurred by him or by any other person at the request of or for the benefit of the Company or any of its subsidiaries;
- (b) a debt or obligation of the Company or any of its subsidiaries for which he himself has assumed responsibility in whole or in part, either alone or jointly with others, under a guarantee or indemnity or by the giving of security;
- (c) any proposal concerning an offer of shares, debentures or other securities of the Company or any of its subsidiaries in which offer he is or may be entitled to participate as a holder of securities or in the underwriting or sub-underwriting of which he is to participate;
- (d) any contract, arrangement, transaction or proposal to which the Company is or is to be a party concerning any other body corporate (a "**relevant company**") in which he (together with persons connected with him), directly or indirectly (and whether as an officer or shareholder, creditor or otherwise), does not hold or have a beneficial interest in 1.0 per cent. or more of either a relevant company or an intermediate company (as defined in the Articles) (any such interest being deemed for the purposes of this Article to be a material interest in all circumstances);
- (e) any contract, arrangement, transaction or proposal relating to an arrangement for the benefit of the employees of the Company or its subsidiaries which does not award him any privilege or benefit not generally awarded to the employees to which such arrangement relates, and concerning the adoption, modification or operation of a pension, superannuation or similar scheme or retirement, death or disability benefits scheme or employees' share scheme under which he may benefit and which either has been approved by or is subject to and conditional on approval by, HMRC for taxation purposes or relates to both employees and Directors of the Company (or any of its subsidiaries) and does not accord to any Director as such any privilege or advantage not accorded to the employees to which such scheme or fund relates; or
- (f) any contract, arrangement, transaction or proposal concerning the purchase and/or maintenance of any insurance policy for the benefit of Directors or for the benefit of persons including Directors pursuant to the Articles.

3.10.4. A Director shall not vote or be counted in the quorum on any resolution of the Board or committee of the Board concerning his own appointment (including fixing or varying the terms of his appointment or its termination) as the holder of any office or place of profit with the Company or any company in which the Company is interested. Where proposals are under consideration concerning the appointment (including fixing or varying the terms of appointment or its termination) of two or more Directors to offices or places of profit with the Company or any company in which the Company is interested, such proposals may be divided and a separate resolution considered in relation to each Director. In such case each of the Directors concerned (if not otherwise debarred from voting under these Articles) shall be entitled to vote (and be counted in the quorum) in respect of each resolution except that concerning his own appointment.

3.10.5. Subject to the provisions of the Companies Act and the Articles:

- (a) the Board shall have the power to purchase and maintain insurance at the expense of the Company for, or for the benefit of any persons who are or were at any time Directors, officers or employees of the Company, including insurance against any liability incurred by such persons in relation to or in connection with their duties, powers or offices in relation to the Company; and

(b) every Director, alternate director, secretary and other officer of the Company shall be entitled to be indemnified by the Company against all costs, charges, losses, damages and liabilities incurred by him in connection with his duties or the exercise of his powers.

3.11. Borrowing powers

The Board may exercise all powers of the Company to borrow money and to mortgage or charge all or any Part of its undertaking, property and assets (present and future) and uncalled capital and, subject to the provisions of the Companies Act, to create and issue debentures, other loan stock and other securities, whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party. Such powers are however limited so that the aggregate principal amount outstanding in respect of monies borrowed by the Company shall not, without the previous sanction of an ordinary resolution of the Company, exceed an amount equal to 25 per cent. of the value of its gross assets.

3.12. General meetings

Annual general meetings shall be called by not less than 21 clear days notice in writing. Any other general meeting shall be called by not less than 14 clear days notice in writing.

3.13. Uncertificated Shares

Uncertificated Shares may be transferred by means of a relevant system. The Board may refuse to register a transfer of uncertificated Shares in such circumstances as may be permitted or required by the regulations relating thereto and the relevant system.

4. Directors' and others' interests

Baronsmead Venture Trust

4.1. The aggregate financial remuneration paid, and benefits in kind granted, to the BVT Directors by BVT for the last completed financial period of BVT to 30 September 2018 was £105,079. The BVT Directors who served BVT during the financial period to 30 September 2018 received the said aggregate remuneration in the form of the following fees:

Name	Financial period to 30 September 2018
Peter Lawrence	£28,000
Les Gabb	£26,000
Valerie Marshall	£25,000
Susannah Nicklin*	£15,310
Christina McComb**	£10,769

* Susannah Nicklin was appointed to the BVT Board with effect from the conclusion of the annual general meeting of BVT held on 21 February 2018.

** Christina McComb retired from the BVT Board with immediate effect on 5 December 2017.

It is estimated that the aggregate remuneration to be paid and benefits in kind granted to the BVT Directors by BVT for the current financial period will not exceed £108,625, the said estimated aggregate remuneration to be paid in the form set out in the table below. None of the BVT Directors are eligible for bonuses, pensions, retirement or other similar benefits or share options.

Name	Year ending 30 September 2019
Peter Lawrence	£28,675
Les Gabb	£26,650
Valerie Marshall	£26,650
Susannah Nicklin	£26,650

4.2. Each of Peter Lawrence, Les Gabb and Valerie Marshall has been appointed pursuant to the terms of letters of appointment with BVT dated 9 June 2017. Susannah Nicklin has been appointed pursuant to the terms of a letter of appointment with BVT dated 21 February 2018.

Either party may terminate the appointment upon three months notice. The fees will be reviewed annually by the BVT Board and may be increased in line with market rates. No amounts have been set aside by BVT to provide pension, retirement or similar benefits. Save as set out in this paragraph 4.2, there are no existing or proposed letters of engagement between any Director and BVT.

- 4.3. No Director has, or has had, any direct or indirect interest in any transaction which is or was unusual in its nature or conditions or which is or was significant to the business of BVT and which has been effected by BVT since its date of incorporation.
- 4.4. BVT has no current borrowings nor any borrowing requirements and the BVT Directors have no current intention of making any borrowings.
- 4.5. The BVT Directors do not have any options over BVT Shares. As at the date of this document, the BVT Directors or their immediate families and related trusts, had the following interests in the issued share capital of BVT (all of which are beneficial): (a) which are required to be notified to BVT pursuant to the Disclosure Guidance and Transparency Rules; or (b) being interests of persons connected (within the meaning given in the Disclosure Guidance and Transparency Rules) with the BVT Directors which would, if such persons were a BVT Director, be required to be disclosed under (a) above and the existence of which was known to or could, with reasonable diligence, be ascertained by the BVT Director:

Name	Ordinary Shares currently held	Percentage of current issued share capital
Peter Lawrence	925,912	0.49%
Les Gabb	35,867	0.02%
Valerie Marshall	66,700	0.04%
Susannah Nicklin	0	0%

- 4.6. The BVT Directors are not aware of any person or persons who directly or indirectly, jointly or severally, exercise control over BVT or could do so following completion of the Offers.
- 4.7. As at 4 January 2019 (being the latest practicable date prior to publication of this document), BVT is not aware of any person who is or, following the Offers will be, interested directly or indirectly in 3.0 per cent. or more of the issued share capital of BVT.
- 4.8. There are no different voting rights for any BVT Shareholder, save for those which derive from the Articles.
- 4.9. Details of those companies (other than BVT) and partnerships of which the BVT Directors have been a member of the administrative, management or supervisory body or a partner at any time during the five years immediately preceding the date of this document (apart from their directorships of the subsidiaries of any issuers of which the BVT Directors are or have been members of the administrative, management or supervisory bodies) are as follows:

	<i>Current directorships/partnerships</i>	<i>Previous directorships/partnerships</i>
Peter Lawrence	7 Springfield Road Management Company Limited Amati AIM VCT plc Anpario Plc Aquatice Limited C-Corp Limited Dynamic Design UK Holdings Ltd Eco Animal Health Group plc Emmelle Construction Limited Emmelle Developments Limited ICA in Israel JCA Charitable Foundation Kiotech Limited Petlove Limited	Amati VCT plc Higher Nature Limited

	<i>Current directorships/partnerships</i>	<i>Previous directorships/partnerships</i>
Valerie Marshall	Marshall Capital Limited Stratagem Corporate Finance & Strategy Limited Town and Country Housing Group	British Association for the Advancement of Science Fusion Lifestyle
Les Gabb	Advent Venture Partners LLP Felix Capital Partners LLP	None
Susannah Nicklin	Amati AIM VCT plc City of London Investment Group plc Pantheon International Plc The North American Income Trust plc	Apprecie Limited Baronsmead VCT PLC Curateur Limited

4.10. As at the date of this document there are no potential conflicts of interest between any of the BVT Directors' duties to BVT and their private interests and/or other duties.

4.11. As at the date of this document, none of the BVT Directors:

- 4.11.1. has any convictions in relation to fraudulent offences during the previous five years;
- 4.11.2. has in the past five years immediately preceding the date of this document been the subject of any bankruptcies, receiverships or liquidations when acting in the capacity of (i) a member of the administrative, management or supervisory body, (ii) a partner with unlimited liability in the case of a limited partnership with a share capital, (iii) a founder where the company had been established for fewer than five years or (iv) a senior manager during the previous five years; or
- 4.11.3. has been the subject of any official public incrimination and/or sanctions by statutory or regulatory authorities (including designated professional bodies) or has ever been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of a company or from acting in the management or conduct of the affairs of any company during the previous five years.

Baronsmead Second Venture Trust

4.12. The aggregate financial remuneration paid, and benefits in kind granted, to the BSVT Directors by BSVT for the last completed financial period of BSVT to 30 September 2018 was £118,000. The BSVT Directors who served BSVT during the financial period to 30 September 2018 received the said aggregate remuneration in the form of the following fees:

Name	Financial period to 30 September 2018
Anthony Townsend	£35,000
Ian Orrock	£27,000
Malcolm Groat	£29,000
John Davies	£27,000

It is estimated that the aggregate remuneration to be paid and benefits in kind granted to the BSVT Directors by BSVT for the current financial period will not exceed £122,000, the said estimated aggregate remuneration to be paid in the form set out in the table below. None of the BSVT Directors are eligible for bonuses, pensions, retirement or other similar benefits or share options.

Name	Year ending 30 September 2019
John Davies	£36,000
Anthony Townsend	£28,000
Malcolm Groat	£30,000
Ian Orrock	£28,000

4.13. Each of John Davies, Anthony Townsend, Malcolm Groat and Ian Orrock has been appointed pursuant to the terms of letters of appointment with BSVT dated 9 June 2017. Either party may terminate the appointment upon three months notice. The fees will be reviewed annually by the BSVT Board and may be increased in line with market rates. No amounts have been set aside by BSVT to provide pension, retirement or similar benefits. Save as set out in this paragraph 4.13, there are no existing or proposed letters of engagement between any Director and BSVT.

4.14. No Director has, or has had, any direct or indirect interest in any transaction which is or was unusual in its nature or conditions or which is or was significant to the business of BSVT and which has been effected by BSVT since its date of incorporation.

4.15. BSVT has no current borrowings nor any borrowing requirements and the BSVT Directors have no current intention of making any borrowings.

4.16. The BSVT Directors do not have any options over BSVT Shares. As at the date of this document, the BSVT Directors or their immediate families and related trusts, had the following interests in the issued share capital of BSVT (all of which are beneficial): (a) which are required to be notified to BSVT pursuant to the Disclosure Guidance and Transparency Rules; or (b) being interests of persons connected (within the meaning given in the Disclosure Guidance and Transparency Rules) with the BSVT Directors which would, if such persons were a Director, be required to be disclosed under (a) above and the existence of which was known to or could, with reasonable diligence, be ascertained by the Director:

Name	Ordinary Shares currently held	Percentage of current issued share capital
John Davies	133,760	0.06%
Anthony Townsend	197,935	0.09%
Malcolm Groat	80,458	0.04%
Ian Orrock	51,675	0.02%

4.17. The BSVT Directors are not aware of any person or persons who directly or indirectly, jointly or severally, exercise control over BSVT or could do so following completion of the Offers.

4.18. As at 4 January 2019 (being the latest practicable date prior to publication of this document), BSVT is not aware of any person who is or, following the Offers will be, interested directly or indirectly in 3.0 per cent. or more of the issued share capital of BSVT.

4.19. There are no different voting rights for any BSVT Shareholder, save those which derive from the Articles.

4.20. Details of those companies (other than BSVT) and partnerships of which the BSVT Directors have been a member of the administrative, management or supervisory body or a partner at any time during the five years immediately preceding the date of this document (apart from their directorships of the subsidiaries of any issuers of which the BSVT Directors are or have been members of the administrative, management or supervisory bodies) are as follows:

	<i>Current directorships</i>	<i>Previous directorships</i>
John Davies	Gardens Pension Trustees Ltd	None
Anthony Townsend	BMO Global Smaller Companies plc Finsbury Growth & Income Trust plc Gresham House PLC Hansa Capital Limited	British & American Investment Trust plc Cranleigh Foundation Cranleigh School Miton Global Opportunities plc Worldwide Healthcare Trust plc
Malcolm Groat	Corps of Commissionaires Management Limited daVictus plc Golden Saint Technologies Ltd Maritime House Limited Mr Lee's Pure Foods Co Ltd	Landmark Development Group Limited London Mining PLC Rare Metals Limited Vale International Group Ltd

	<i>Current directorships</i>	<i>Previous directorships</i>
Malcolm Groat (continued)	Nkcell Plus PLC Tekcapital PLC TomCo Energy PLC West Coast Land Ltd	
Ian Orrock	Arkessa Ltd IOTIC Labs Limited Silchester Limited	Acrossair Ltd NESS Software Design Services Limited Tvguide.co.uk Limited

4.21. As at the date of this document there are no potential conflicts of interest between any of the BSVT Directors' duties to BSVT and their private interests and/or other duties.

4.22. As at the date of this document, none of the BSVT Directors:

- 4.22.1. has any convictions in relation to fraudulent offences during the previous five years;
- 4.22.2. has in the past five years immediately preceding the date of this document been the subject of any bankruptcies, receiverships or liquidations when acting in the capacity of (i) a member of the administrative, management or supervisory body, (ii) a partner with unlimited liability in the case of a limited partnership with a share capital, (iii) a founder where the company had been established for fewer than five years, or (iv) a senior manager during the previous five years; or
- 4.22.3. has been the subject of any official public incrimination and/or sanctions by statutory or regulatory authorities (including designated professional bodies) or has ever been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of a company or from acting in the management or conduct of the affairs of any company during the previous five years.

5. Corporate governance

Baronsmead Venture Trust plc

The BVT Board consists solely of non-executive Directors of whom Peter Lawrence is Chairman. All of the BVT Directors are considered by the BVT Board to be independent of the Investment Manager and the BVT Board does not consider that a Director's tenure reduces his ability to act independently.

By reporting against the AIC Code and by following the AIC Corporate Governance Guide, as at the date of this document BVT complies with its obligations under the UK Corporate Governance Code.

In view of the requirement in the Articles that all BVT Directors retire by rotation, the BVT Board considers that it is not appropriate for the BVT Directors to be appointed for a specified term as recommended by principle 3 of the AIC Code and provision B.2.3 of the UK Corporate Governance Code. However, the BVT Board has agreed that each BVT Director will retire and, if appropriate, seek annual re-election.

The BVT Board has delegated certain responsibilities and functions to the audit committee, the management engagement and remuneration committee and the nomination committee.

The audit committee, chaired by Les Gabb, operates within clearly defined terms of reference and comprises all the BVT Directors. The duties of the audit committee include reviewing the annual and interim accounts, the system of internal controls, the terms of appointment of the auditors together with their remuneration, and ensuring that auditor objectivity and independence is safeguarded in the provision of non-audit services by the auditors. It also provides a forum through which the auditors may report to the BVT Board and meets at least twice yearly.

The management engagement and remuneration committee, chaired by Susannah Nicklin, comprises all of the BVT Directors and reviews the appropriateness of the Investment Manager's appointment together with the terms and conditions thereof on a regular basis.

The nomination committee, chaired by Valerie Marshall, comprises all of the BVT Directors and is convened for the purpose of considering the appointment of additional directors as and when considered appropriate. In considering appointments to the BVT Board, the nomination committee

takes into account the ongoing requirements of BVT and the need to have a balance of skills, experience and knowledge within its Board, together with diversity of experience and approach.

Baronsmead Second Venture Trust plc

The BSVT Board consists solely of non-executive Directors of whom John Davies is Chairman. All of the BSVT Directors are considered by the BSVT Board to be independent of the Investment Manager and the BSVT Board does not consider that a Director's tenure reduces his ability to act independently.

By reporting against the AIC Code and by following the AIC Corporate Governance Guide, as at the date of this document BSVT complies with its obligations under the UK Corporate Governance Code.

In view of the requirement in the Articles that all BSVT Directors retire by rotation, the BSVT Board considers that it is not appropriate for the BSVT Directors to be appointed for a specified term as recommended by principle 3 of the AIC Code and provision B.2.3 of the UK Corporate Governance Code. However, the BSVT Board has agreed that each BSVT Director will retire and, if appropriate, seek annual re-election.

The BSVT Board has delegated certain responsibilities and functions to the audit committee, the management engagement and remuneration committee and the nomination committee.

The audit committee, chaired by Malcolm Groat, operates within clearly defined terms of reference and comprises all the BSVT Directors. The duties of the audit committee include reviewing the annual and interim accounts, the system of internal controls, the terms of appointment of the auditors together with their remuneration, and ensuring that auditor objectivity and independence is safeguarded in the provision of non-audit services by the auditors. It also provides a forum through which the auditors may report to the BSVT Board and meets at least twice yearly.

The management engagement and remuneration committee, chaired by John Davies, comprises all of the BSVT Directors and reviews the appropriateness of the Investment Manager's appointment together with the terms and conditions thereof on a regular basis.

The nomination committee, chaired by John Davies, comprises all of the BSVT Directors and is convened for the purpose of considering the appointment of additional directors as and when considered appropriate. In considering appointments to the BSVT Board, the nomination committee takes into account the ongoing requirements of BSVT and the need to have a balance of skills, experience and knowledge within its Board, together with diversity of experience and approach.

6. Material contracts

The following are the only material contracts (being contracts other than contracts entered into in the ordinary course of business) that have been entered into by the Companies during the period beginning two years prior to publication of this document and which are, or may be, material to the Companies, or are all of the contracts which have been entered into by the Companies and contain any provisions under which the Companies have any obligations or entitlements which are material as at the date of this document:

6.1 *Baronsmead Venture Trust plc*

6.1.1 *BVT Investment Management Agreement*

A management agreement that was made on 20 December 2006, as supplemented on 11 October 2007, varied on 19 May 2009 and, by way of an oral agreement, in August 2013 and as amended and restated on 1 June 2014 and 10 August 2016 and which was novated on 30 November 2018 whereby the Investment Manager agreed to provide investment management services to BVT. The Investment Manager has appointed JPMorgan Chase Bank to provide custodian services in respect of the assets that are traded on a recognisable exchange and Ipes to provide custodian services in relation to its non-quoted assets. The BVT Investment Management Agreement is terminable by either party at any time by 12 months prior written notice. The BVT Investment Management Agreement is subject to early termination in the event of, *inter alia*, a party committing a material breach of the BVT Investment Management Agreement and/or becoming insolvent, and by BVT if the Investment Manager ceases to be regulated by the FCA or

ceases to provide its services or perform its obligations to BVT pursuant to the BVT Investment Management Agreement.

Under the BVT Investment Management Agreement the Investment Manager is entitled to receive an annual management fee of 2.0 per cent. of BVT's net assets, calculated and paid on a quarterly basis. In addition, the Investment Manager is responsible for providing all secretarial, administrative and accounting services to BVT. The Investment Manager has appointed Link to provide these services to BVT on its behalf. BVT is responsible for paying the fee charged by Link in relation to the performance of these services to the Investment Manager.

Under the terms of the BVT Investment Management Agreement, the Investment Manager is also entitled to receive a performance related incentive fee. No performance fee is payable to the Investment Manager until the total return on shareholders' funds exceeds an annual threshold of the higher of 4 per cent. or base rate plus 2 per cent. calculated on a compound basis. To the extent that the total return exceeds the threshold over the relevant period then a performance fee of 10 per cent. of the excess will be paid to the Investment Manager. The amount of any performance fee which is paid in an accounting period shall be capped at 5 per cent. of shareholders' funds for that period. BVT paid a performance fee of £548,000 to the Investment Manager in relation to the 12 month period to 30 September 2018.

The annual running costs of BVT are capped at 3.5 per cent. of the net assets of BVT (excluding any performance fee payable to the Investment Manager and irrecoverable VAT), any excess of this amount is refunded to BVT by the Investment Manager by way of an adjustment to its management fee.

6.1.2 Custodian agreement with JPMorgan Chase Bank

A global custody agreement between BVT and JPMorgan Chase Bank made on 30 March 2015, whereby JPMorgan Chase Bank is appointed to undertake certain custodian functions in relation to the assets of BVT that are traded on a recognised exchange. JPMorgan Chase Bank is paid an annual fee based on the number of transactions that take place during the relevant period, subject to a minimum annual fee of £30,000 from the Companies. The agreement provides for an initial period of three years from the date on which JPMorgan Chase Bank commenced providing services under the agreement. Following the initial term BVT may terminate the agreement on 60 days written notice and JPMorgan Chase Bank may terminate on 180 days written notice.

6.1.3 Custodian agreement with Ipes

A safekeeping agreement between BVT and Ipes made on 1 June 2014, whereby Ipes is appointed to undertake certain custodian functions in relation to the BVT's non-quoted assets. The fee to be paid to Ipes will be calculated by reference to the number of transactions that take place during the relevant period. Either party may terminate the agreement by giving not less than 60 days written notice.

6.1.4 Registrar agreement with Computershare

A Registrar agreement between BVT and Computershare dated 10 December 2014 and as amended by side letters dated 28 November 2016 and 8 March 2018, under which Computershare agreed to act as BVT's registrar and carry out various duties including the maintenance of the register of Shareholders of BVT and the processing of any transfer of Ordinary Shares. BVT have agreed a fixed fee in respect of the maintenance of its register with other *ad hoc* services charged in addition to this.

6.1.5 Directors' letters of appointment

Letters of appointment between BVT and each of the BVT Directors, dated 9 June 2017 (with the exception of Susannah Nicklin who was appointed on 21 February 2018), under which each Director is required to devote such time to the affairs of BVT as the BVT

Board reasonably requires and as is consistent with his role as a non-executive Director. The letters are terminable on notice by either party. Other than these letters of appointment, none of the BVT Directors have a service contract with BVT.

6.1.6 **BVT offer agreement**

An offer agreement between BVT and the Investment Manager made on 8 January 2019, pursuant to which the Investment Manager was appointed to administer the offer for subscription. As consideration for the services provided by the Investment Manager to BVT, BVT has agreed to pay the Investment Manager a fee of 2.75 per cent of the gross proceeds of the BVT Offer. The offer agreement provides that the Investment Manager shall be responsible for all costs and expenses of and incidental to the BVT Offer.

6.2 *Baronsmead Second Venture Trust plc*

6.2.1 **BSVT Investment Management Agreement**

A management agreement that was made on 20 December 2006, as supplemented on 11 October 2007, varied on 19 May 2009 and, by way of an oral agreement, in August 2013, as amended and restated on 1 June 2014 and as further amended and restated on 25 January 2016 and which was novated on 30 November 2018 whereby the Investment Manager agreed to provide investment management services to BSVT. The Investment Manager has appointed JPMorgan Chase Bank to provide custodian services in respect of the assets that are traded on a recognisable exchange and Ipes to provide custodian services in relation to its non-quoted assets. The BSVT Investment Management Agreement is terminable by either party at any time by 12 months prior written notice. The BSVT Investment Management Agreement is subject to early termination in the event of, *inter alia*, a party committing a material breach of the BSVT Investment Management Agreement and/or becoming insolvent, and by BSVT if the Investment Manager ceases to be regulated by the FCA or ceases to provide its services or perform its obligations to BSVT pursuant to the BSVT Investment Management Agreement.

Under the BSVT Investment Management Agreement the Investment Manager is entitled to receive an annual management fee of 2.5 per cent. of BSVT's net assets, calculated and paid on a quarterly basis. In addition, the Investment Manager is responsible for providing all secretarial, administrative and accounting services to BSVT. The Investment Manager has appointed Link to provide these services to BSVT on its behalf. BSVT is responsible for paying the fee charged by Link in relation to the performance of these services to the Investment Manager.

Under the terms of the BSVT Investment Management Agreement, the Investment Manager is also entitled to receive a performance related incentive fee. A performance fee is payable to the Investment Manager when the total return on net proceeds of the BSVT Shares exceeds 8 per cent. per annum (simple). To the extent that the total return exceeds the threshold over the relevant period then a performance fee of 10 per cent. of the excess will be paid to the Investment Manager. The amount of any performance fee which is paid in an accounting period shall be capped at 5 per cent. of shareholders' funds for that period.

The annual running costs of BSVT are capped at 3.5 per cent. of the net assets of BSVT (excluding any performance fee payable to the Investment Manager and irrecoverable VAT), any excess of this amount is refunded to BSVT by the Investment Manager by way of an adjustment to its management fee.

6.2.2 **Custodian agreement with JPMorgan Chase Bank**

A global custody agreement between BSVT and JPMorgan Chase Bank made on 30 March 2015, whereby JPMorgan Chase Bank is appointed to undertake certain custodian functions in relation to the assets of BSVT that are traded on a recognised exchange. JPMorgan Chase Bank is paid an annual fee based on the number of transactions that take place during the relevant period, subject to a minimum annual fee of £30,000 from BSVT. The agreement provides for an initial period of three years from

the date on which JPMorgan Chase Bank commenced providing services under the agreement. Following the initial term BSVT may terminate the agreement on 60 days written notice and JPMorgan may terminate on 180 days written notice.

6.2.3 **Custodian agreement with Ipes**

A safekeeping agreement between BSVT and Ipes made on 1 June 2014, whereby Ipes is appointed to undertake certain custodian functions in relation to the BSVT's non-quoted assets. The fee to be paid to Ipes will be calculated by reference to the number of transactions that take place during the relevant period. Either party may terminate the agreement by giving not less than 60 days written notice.

6.2.4 **Registrar agreement with Computershare**

A Registrar agreement between BSVT and Computershare dated 10 December 2014 and as amended by side letters dated 8 November 2016 and 8 March 2018, under which Computershare agreed to act as BSVT's registrar and carry out various duties including the maintenance of the register of Shareholders of BSVT and the processing of any transfer of Ordinary Shares. BSVT have agreed a fixed fee in respect of the maintenance of its register with other *ad hoc* services charged in addition to this.

6.2.5 **Directors' letters of appointment**

Letters of appointment between BSVT and each of the BSVT Directors, dated 9 June 2017, under which each Director is required to devote such time to the affairs of BSVT as the BSVT Board reasonably requires and as is consistent with his role as a non-executive Director. The letters are terminable on notice by either party. Other than these letters of appointment, none of the BSVT Directors have a service contract with BSVT.

6.2.6 **BSVT offer agreement**

The offer agreement between BSVT and the Investment Manager made on 8 January 2019, pursuant to which the Investment Manager was appointed to administer an offer for subscription. As consideration for the services provided by the Investment Manager to BSVT, BSVT agreed to pay the Investment Manager a fee of 2.75 per cent. of the gross proceeds of the BSVT Offer. The offer agreement provides that the Investment Manager would be responsible for all costs and expenses of and incidental to the BSVT Offer.

7. Investment and other restrictions

- 7.1. The Companies are closed-ended investment funds and each must comply with Chapter 15 of the Listing Rules. In accordance with Chapter 15 of the Listing Rules, each of the Companies must, at all times, invest and manage its assets in a way which is consistent with its object of spreading investment risk and in accordance with its published investment policy. A detailed description of the current investment policy of each of the Companies is set out in Part 2 of this document. In accordance with Chapter 15 of the Listing Rules, neither of the Companies will make any material changes to their respective investment policy without the approval of their respective Shareholders by ordinary resolution passed at a general meeting of the relevant Company. Such an alteration would be announced by the relevant Company through a Regulatory Information Service provider. The Companies will be subject to and will comply with the restrictions regarding investments for closed-ended investment funds that are contained in the Listing Rules.
- 7.2. In the event of any breach of either of the Companies' investment policy or of the investment restrictions applicable to each of the Companies, shareholders will be informed of the actions to be taken by the relevant Company and/or the Investment Manager (at the time of such a breach) by an announcement issued through a Regulatory Information Service provider.
- 7.3. The Companies are not required to be, and are therefore not, regulated by the FCA. In order to obtain VCT status, the Companies must, however, obtain and maintain approval as a VCT from HMRC.

- 7.4. The Companies are regulated by Part 6 of the Tax Act in respect of the investments they make. Each of the Companies have appointed PWC as its VCT status adviser. PWC will report twice yearly to the Companies in their annual and half yearly reporting obligations. In respect of any breach of the VCT rules, the Companies will report the matter immediately to HMRC.
- 7.5. The Companies will not invest in any derivatives or currencies save for the purpose of efficient portfolio management, that is, solely for the purpose of reducing, transferring or eliminating investment risk in underlying investments.
- 7.6. The Companies do not intend to conduct any significant trading activity.
- 7.7. In accordance with Chapter 15 of the Listing Rules, the Companies will not invest more than 10 per cent. in aggregate of the value of its total assets at the time of a new investment in other closed-ended investment funds listed on the premium segment of the Official List (except to the extent that those closed-ended investment funds have published investment policies to invest no more than 15 per cent. of their total assets in other closed-ended investment funds listed on the premium segment of the Official List).

8. Related party transactions

Baronsmead Venture Trust

Save for the BVT Investment Management Agreement and the BVT offer agreement, BVT is not a party to, nor had any interest in, any related party transaction (as defined in the standards adopted according to the Regulation (EC) No 1606/2002) in the period from 1 October 2015 (being the start of the period covered by the historical financial information in Part 5 of this document up to the date of this document).

Baronsmead Second Venture Trust

Save for the BSVT Investment Management Agreement and the BSVT offer agreement, BSVT is not a party to, nor had any interest in, any related party transaction (as defined in the standards adopted according to the Regulation (EC) No 1606/2002) in the period from 1 January 2015 (being the start of the period covered by the historical financial information in Part 5 of this document up to the date of this document).

9. General

- 9.1. There are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Companies are aware) which may have, or have had in the recent past (covering the 12 months preceding the date of this document), significant effects on the financial position or profitability of the Companies.
- 9.2. The Companies have no subsidiaries.
- 9.3. The Companies have no employees and own no premises.
- 9.4. Dickson Minto W.S. has given and not withdrawn its written consent to the issue of this document with inclusion therein of its name in the form and context in which it is included.

10. Mandatory bids, squeeze-out and sell-out rules

10.1. Mandatory bids

As companies incorporated in England and Wales with shares to be admitted to trading on the London Stock Exchange, the Companies will be subject to the provisions of the Takeover Code. The Takeover Code is issued and administered by the Panel on Takeovers and Mergers. The Panel has been designated as the supervisory authority to carry out certain regulatory functions in relation to takeovers pursuant to the Takeovers Directive. Following the implementation of the Takeovers Directive, the rules set out in the Takeover Code which are derived from the Takeovers Directive now have a statutory basis in the United Kingdom.

Under Rule 9 of the Takeover Code, any person or group of persons acting in concert with each other which, taken together with shares already held by that person or group of persons, acquires 30 per cent. or more of the voting rights of a public company which is subject to the

Takeover Code or holds not less than 30 per cent. but not more than 50 per cent. of the voting rights exercisable at a general meeting and acquires additional shares which increase the percentage of their voting rights, would normally be required to make a general offer in cash at the highest price paid within the preceding 12 months for all the remaining equity share capital of the Companies.

Under Rule 37 of the Takeover Code, when a company purchases its own voting shares, a resulting increase in the percentage of voting rights carried by the shareholdings of any person or group of persons acting in concert will be treated as an acquisition for the purposes of Rule 9. A shareholder who is neither a director nor acting in concert with a director will not normally incur an obligation to make an offer under Rule 9. However, under note 2 to Rule 37, where a shareholder has acquired shares at a time when he/she had reason to believe that a purchase by the company of its own voting shares may take place, an obligation to make a mandatory bid under Rule 9 may arise in certain circumstances. The buyback by the Companies of Ordinary Shares could, therefore, have implications for Shareholders with significant shareholdings.

10.2. **Squeeze-out and sell-out rules**

Other than as provided by the Companies Act, there are no rules or provisions relating to squeeze-out and sell out rules in relation to the Shares.

11. **Restrictions on transfer**

11.1. **General**

The distribution of this document and offer of New Shares in certain jurisdictions may be restricted by law and therefore persons into whose possession this document comes should inform themselves about and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

11.2. **European Economic Area**

11.2.1. In relation to each of the EEA States (other than the United Kingdom) which has implemented the Prospectus Directive (each, a “**relevant member state**”), with effect from and including the date on which the Prospectus Directive was implemented in that relevant member state (the “**relevant implementation date**”) no New Shares have been offered or will be offered pursuant to an offer to the public in that relevant member state, except that with effect from and including the relevant implementation date, offers of New Shares may be made to the public in that relevant member state at any time:

- (a) to legal entities which are authorised or regulated to operate in the financial markets or, if not so authorised or regulated, whose corporate purpose is solely to invest in securities;
- (b) to any legal entity which has two or more of (i) an average of at least 250 employees during the last financial year; (ii) a total balance sheet of more than €43 million; and (iii) an annual net turnover of more than €50 million as shown in its last annual or consolidated accounts; or
- (c) in any other circumstances which do not require the publication by the Companies of a prospectus pursuant to Article 3 of the Prospectus Directive, provided that no such offer of New Shares shall result in a requirement for the publication of a prospectus pursuant to Article 3 of the Prospectus Directive or any measure implementing the Prospectus Directive in a relevant member state and each person who initially acquires any New Shares or to whom any offer is made will be deemed to have represented, acknowledged and agreed that it is a “qualified investor” within the meaning of Article 2(1)(e) of the Prospectus Directive.

11.2.2. For the purpose of the expression an “offer of any New Shares to the public” in relation to any New Shares in any relevant member state means the communication in any form and by any means of sufficient information on the terms of the issue of any New Shares,

so as to enable a potential investor to decide to purchase or subscribe for the New Shares, as the same may be varied in that relevant member state by any measure implementing the Prospectus Directive in that relevant member state.

12. Disclosure requirements and notification of interest in shares

Under Chapter 5 of the Disclosure Guidance and Transparency Rules, subject to certain limited exceptions, a person must notify the Companies (and, at the same time, the FCA) of the percentage of voting rights he or she holds (within two trading days) if he or she acquires or disposes of shares in the company to which voting rights are attached and if, as a result of the acquisition or disposal, the percentage of voting rights which he or she holds as a shareholder (or, in certain cases, which he or she holds indirectly) or through his or her direct or indirect holding of certain types of financial instruments (or a combination of such holdings):

- 12.1. reaches, exceeds or falls below 3.0 per cent. and each 1.0 per cent. threshold thereafter; or
- 12.2. reaches, exceeds or falls below an applicable threshold in paragraph 12.1 of this Part 7 above as a result of events changing the breakdown of voting rights and on the basis of the total voting rights notified to the market by the Companies.

Such notification must be made using the prescribed form TR1 available from the FCA's website at <http://www.fca.org.uk>. Under the Disclosure and Transparency Rules, the relevant Company must announce the notification to the public as soon as possible and in any event by not later than the end of the trading day following receipt of a notification in relation to voting rights.

The FCA may take enforcement action against a person holding voting rights who has not complied with Chapter 5 of the Disclosure and Transparency Rules.

13. Overseas investors

No person receiving a copy of this document in any territory other than the UK may treat the same as constituting an invitation or offer to him unless, in the relevant territory, such an invitation or offer could be lawfully made to him without contravention of any registration or other legal requirements.

The distribution of this document in jurisdictions other than the UK may be restricted by law and therefore persons into whose possession this document comes should inform themselves about and observe any of these restrictions. Any failure to comply with any of those restrictions may constitute a violation of the securities law of any such jurisdiction.

It is the responsibility of any person outside the UK wishing to make an application to satisfy himself as to the full observance of the laws of the relevant territory in connection therewith, including obtaining any requisite governmental or other consents, observing any other formalities required to be observed in such territory and paying any issue, transfer or other taxes required to be paid in such territory.

No action has been taken to permit the distribution of this document in any jurisdiction outside the UK where such action is required to be taken.

The New Shares have not been, nor will they be, registered in the United States under the US Securities Act or under the securities laws of any Restricted Territory and they may not be offered or sold directly or indirectly within the United States or any of the Restricted Territories or to, or for the account or benefit of US Persons or any national, citizen or resident of the United States or any of the Restricted Territories. The New Shares are not being offered, directly or indirectly, in or into the United States or any of the Restricted Territories or in any other jurisdiction where to do so would be unlawful. In particular, prospective shareholders who are resident in the United States or any Restricted Territory should note that this document is being sent for information purposes only.

All applicants under the Offers will be required to warrant that they are not a US Person nor a resident, national or citizen of a Restricted Territory.

14. Documents available for inspection

Copies of the following documents are available for inspection in person during normal business hours on any Business Day at the offices of Gresham House Asset Management Limited, Octagon Point, 5 Cheapside, London EC2V 6AA until 13 March 2019:

- 14.1. the Articles of each of the Companies;
- 14.2. the letters of appointment as referred to in paragraphs 6.1.5 and 6.2.5 of this Part 7;
- 14.3. the report and accounts of BVT for the three financial years to 30 September 2018;
- 14.4. the report and accounts of BSVT for the four financial periods to 30 September 2018; and
- 14.5. this document.

15. Availability of prospectus

The Prospectus is available for inspection at www.morningstar.co.uk/uk/nsm and, until 13 March 2019, copies are available for collection, free of charge, from the offices of Gresham House Asset Management Limited, Octagon Point, 5 Cheapside, London EC2V 6AA on any Business Day.

8 January 2019

Part 8 – Terms And Conditions of Subscription under the Offers

The following terms and conditions apply to the Offers.

Save where the context otherwise requires, words and expressions defined in this document have the same meanings when used in the terms and conditions of Subscription, the Subscription Form and explanatory notes.

The section headed "Notes on how to complete the Subscription Form" forms part of these terms and conditions of Subscription.

- (a) The contract created by the acceptance of a Subscription under the Offers will be conditional on Admission, unless otherwise so resolved by the Boards.
- (b) The right is reserved by the Companies to present all cheques and bankers' drafts for payment on receipt and to retain the relevant share certificates and Subscription monies, pending clearance of such successful Subscribers' cheques and bankers' drafts. The Companies may treat Subscriptions as valid and binding even if not made in all respects in accordance with the prescribed instructions and the Companies may, at their discretion, accept a Subscription in respect of which payment is not received by the Companies prior to the closing date of the Offers. If any Subscription is not accepted in full or if any contract created by acceptance does not become unconditional, the Subscription monies or, as the case may be, the unused balance thereof in excess of £2.00 will be returned (without interest) by returning each relevant Subscriber's (or Nominee's) cheque or bankers' draft or by crossed cheque in favour of the Subscriber (or Nominee), through the post at the risk of the person(s) entitled thereto. Balances of less than £2.00 may be retained by the relevant Company and used for its own purposes. In the meantime, Subscription monies will be retained by the Companies in a separate account. The Board reserves the right to close the Offers earlier than the closing date if fully subscribed or to extend such Offers to a date up to and including 30 April 2019. Subscriptions which are accompanied by post-dated cheques will not be accepted until such date as the cheque can be presented, subject to the absolute discretion of the Boards to accept such Subscriptions. If any dispute arises as to the date or time on which a Subscription is received, the determination of the Boards shall be final and binding.
- (c) Subject to paragraph (d) below, no person receiving a copy of this document or any part thereof, or a Subscription Form, in any territory other than the UK may treat the same as constituting an invitation or offer to him, nor should he in any event use such Subscription Form unless, in the relevant territory, such an invitation or offer could lawfully be made to him or such Subscription Form could lawfully be used without contravention of any regulation or other legal requirements. It is the responsibility of any person outside the UK wishing to make a Subscription to satisfy himself as to full observance of the laws of any relevant territory in connection therewith, including obtaining any requisite governmental or other consents, observing any other formalities requiring to be observed in such territory and paying any issue, transfer or other taxes required to be paid in such territory.
- (d) The New Shares have not been, nor will they be, registered in the United States under the US Securities Act or under the securities laws of the Restricted Territories and they may not be offered or sold directly or indirectly within the United States or any of the Restricted Territories or to, or for the account or benefit of, US Persons or any national, citizen or resident of the United States or any of the Restricted Territories. The Offers are not being made, directly or indirectly, in or into the United States or any of the Restricted Territories or in any other jurisdiction where to do so would be unlawful. The distribution of this document in jurisdictions other than the UK may be restricted by law and therefore, persons into whose possession this document comes should inform themselves about and observe any of these restrictions. Any failure to comply with any of those restrictions may constitute a violation of the securities law of any such jurisdiction. The Subscription Form is not being and must not be forwarded to or transmitted in or into the United States or a Restricted Territory. No Subscription will be accepted if it bears an address in the United States.

(e) Subscribers will be bound by the Subscription(s) indicated by them on their Subscription Forms. Subscriptions will be accepted on a first come, first served basis, subject always to the discretion of the Boards. The right is reserved to reject in whole or in part and scale down any Subscription or any part thereof including, without limitation, Subscriptions in respect of which any verification of identity which the Companies or the Receiving Agent consider may be required for the purposes of the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 has not been satisfactorily supplied. The Board in their absolute discretion may decide to close, suspend or extend the Offers to a date up to and including 30 April 2019. The Offers shall be suspended if the issue of such New Shares in the Companies would result in a breach of the Listing Rules, the Companies not having the requisite shareholder authorities from time to time to allot New Shares or a breach of any other statutory provision or regulation applicable to the Companies. Dealings prior to the issue of certificates for New Shares will be at the risk of Subscribers. A person so dealing must recognise the risk that a Subscription may not have been accepted to the extent anticipated at all.

(f) By completing and delivering a Subscription Form, you confirm and warrant that you:

- (i) offer to subscribe the monetary amount stated on the Subscription Form in the relevant Company for such number of New Shares (or such lesser amount for which your Subscription is accepted and subject to paragraph (e) above) obtained by dividing the monetary amount by the applicable Offer Price of the New Shares resulting from the application of the Pricing Formula (as described in this document), subject to these terms and conditions of Subscription, and subject to the memorandum and Articles;
- (ii) agree that, in consideration of the Companies agreeing to process your Subscription, your Subscription will not be revoked until the Offers are closed, save in respect of Electronic Subscription Forms which may be revoked on or before 29 January 2019 in relation to the First Allotment and on or before 13 March 2019 in relation to the Second Allotment, and that this paragraph shall constitute a collateral contract between you and the Companies which will become binding upon despatch by post to, or (in the case of delivery by hand) on receipt by, the Receiving Agent of your Subscription Form;
- (iii) agree and warrant that your cheque or bankers' draft may be presented for payment on receipt and will be honoured on first presentation and agree that if it is not so honoured your Subscription may be rejected and you will not be entitled to receive a certificate in respect of the New Shares in the relevant Company until you make payment in cleared funds for such New Shares in the relevant Company and such payment is accepted by the relevant Company in its absolute discretion, (which acceptance shall be on the basis that you indemnify the Companies and the Receiving Agent against all costs, damages, losses, expenses and liabilities arising out of or in connection with the failure of your remittance to be honoured on first presentation) and you agree that, at any time prior to the unconditional acceptance by the relevant Company of such late payment, the relevant Company may (without prejudice to its other rights) void the agreement to allot such New Shares to you and may issue or allot such New Shares to some other person, in which case you will not be entitled to any payment in respect of such New Shares, other than the refund to you, at your risk, of the proceeds (if any) of the cheque or bankers' draft accompanying your Subscription Form, without interest;
- (iv) agree that, in respect of those New Shares for which your Subscription has been received and is not rejected, your Subscription may be accepted at the election of the Companies either by notification to the London Stock Exchange of the basis of allocation or by notification of acceptance thereof to the Receiving Agent;
- (v) agree that any monies refundable to you may be retained by the Companies or the Receiving Agent pending clearance of your remittance and any verification of identity which is, or which the Companies or the Receiving Agent may consider to be, required for the purposes of the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 and that such monies will not bear interest;

- (vi) authorise the Receiving Agent to send share certificate(s) or arrange for your CREST account to be credited in respect of the number of New Shares for which your Subscription is accepted and authorise the relevant Company to send a crossed cheque for any monies returnable, by post, at your own risk, without interest, to your address set out in the Subscription Form and to procure that your name is placed on the register of members of the relevant Company in respect of such New Shares;
- (vii) agree that all Subscriptions, acceptances of Subscriptions and contracts resulting therefrom and any non-contractual obligations arising out of or in connection with your Subscription shall be governed by and construed in all respects in accordance with English law and that you submit to the jurisdiction of the English courts and agree that nothing shall limit the right of the Companies to bring any action, suit or proceeding arising out of or in connection with any such Subscriptions, acceptances of Subscriptions and contracts in any other manner permitted by law or any court of competent jurisdiction;
- (viii) agree and acknowledge that you are making your Subscription on the basis of the information and statements concerning the Companies and the New Shares contained in this document and that no person responsible solely or jointly for this document or any part thereof or involved in the preparation thereof shall have any liability for any other information or representation relating to the relevant Company or the New Shares or for any change in the law or regulations affecting VCTs;
- (ix) irrevocably authorise the Receiving Agent and/or the Companies or any person authorised by any of them, as your agent, to do all things necessary to effect registration of any New Shares subscribed by or issued to you into your name and authorise any representative of the Receiving Agent or of the Companies, as relevant, to execute any document required thereof;
- (x) agree that, having had the opportunity to read the Prospectus, you shall be deemed to have had notice of all information and statements concerning the Companies and the New Shares contained therein;
- (xi) confirm that you are not a US Person within the meaning of Regulation S made under the US Securities Act or a resident of any of the Restricted Territories and that you are not applying for any New Shares with a view to their offer, sale, delivery to or for the benefit of any US Person or a resident of any of the Restricted Territories, and that you have reviewed the restrictions contained in paragraphs (c) and (d) above and warrant compliance therewith;
- (xii) declare that you are an individual aged 18 or over;
- (xiii) agree that all documents in connection with the Offers and any returned monies will be sent by post at your risk;
- (xiv) agree (if your Subscription is for more than £50,000) to the Receiving Agent carrying out the necessary enquiries to verify your identity to ensure compliance with the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017. Verification of the investor's identity may be provided by means of a "Letter of Introduction" from an intermediary or other regulated person (such as a solicitor or accountant) who is a member of a regulatory authority and is required to comply with the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 or a UK or EC financial institution (such as a bank). The Receiving Agent will supply specimen wording on request;
- (xv) if a Subscription is made direct (not through a financial intermediary), the Companies, or a third party acting on behalf of the Companies, will carry out an online check of the investor's identity using Veriphy, an online anti-money laundering and identity verification system. Investors may opt out of the electronic identity verification system. If an investor chooses to opt out they must enclose a copy of their passport or driving licence certified by a bank or solicitor stating that it is a "true copy of the original and a true likeness of the client" followed by your name; and a recent (no more than three

months old) bank or building society statement or utility bill showing your name and address with the Subscription Form. If a cheque is drawn by a third party, the above will also be required from that third party;

- (xvi) agree that neither the Investment Manager nor the Receiving Agent will treat you as its customer by virtue of your Subscription being accepted nor owe you any duties or responsibilities concerning the price of the New Shares in the relevant Company or the suitability for you of New Shares in the relevant Company or be responsible to you for providing the protections afforded to its customers;
- (xvii) declare that a loan has not been made to you or any associate which would not have been made, or would not have been made on the same terms, but for you offering to subscribe for, or acquiring, New Shares and that the New Shares are being acquired for *bona fide* commercial purposes and not as part of a scheme of arrangement the main purpose of which, or one of the main purposes of which, is the avoidance of tax;
- (xviii) confirm and warrant that the information provided in the Subscription Form is true and accurate;
- (xix) warrant that, if you sign the Subscription Form on behalf of somebody else, you have due authority to do so on behalf of that other person, and such person will also be bound accordingly and will be deemed also to have given the confirmations, warranties, undertakings and authority contained herein and undertake to enclose your power of attorney or a copy thereof duly certified by a solicitor or bank with the Subscription Form; and
- (xx) consent to the information provided on the Subscription Form being provided to the Receiving Agent and the Registrar to process shareholding details and send notifications to you.

- (g) Where a Subscription is made by a Nominee on behalf of a Beneficial Owner, the Nominee:
 - (i) warrants that there is in force a valid and binding agreement between the Nominee and the Beneficial Owner, pursuant to which:
 - (a) the Nominee is authorised and entitled to make the Subscription on behalf of the Beneficial Owner; and
 - (b) the beneficial ownership of the Shares issued in respect of that Subscription will be vested in the Beneficial Owner immediately upon the issue of the Shares;
 - (ii) warrants that the Nominee has made the Beneficial Owner aware of these terms and conditions, and that the Beneficial Owner has assented to them;
 - (iii) warrants that if the Subscription is for more than £50,000 the Nominee has carried out the necessary enquiries to verify the identity of the Beneficial Owner to ensure compliance with the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017; and
 - (iv) undertakes, at no expense to the Companies, to do all such acts and to procure that the Beneficial Owner does all such acts as the Companies may from time to time reasonably require to ensure the full compliance by the Beneficial Owner with these terms and conditions, as though the Beneficial Owner were the Subscriber.

- (h) The Companies reserve the right to publish revised Subscription Forms from time to time. Subscribers and their intermediaries should, therefore, check when completing a Subscription Form that no subsequent version has been published or made available by the relevant Company which will be downloadable from the relevant Company's website.

Part 9 – Terms and Conditions of the Dividend Reinvestment Plan of the Companies

Baronsmead Venture Trust

1 What Service are Computershare providing?

We agree to allow you to participate in the Baronsmead Venture Trust plc dividend reinvestment plan with the opportunity to use your cash dividend to buy Shares through a special dealing arrangement ("Plan") arranged by Computershare or a Broker, on an execution only basis. The Plan is administered in the UK by Computershare Investor Services PLC ("Service") and not by the Company. We are authorised and regulated by the Financial Conduct Authority.

As a participant of the Plan you are bound by these legally binding terms and conditions. Please read them and keep them safe so you can refer to them in the future. We may change these terms and conditions, if they do so, Computershare will let you know beforehand.

The price of Shares can go down as well as up and the income from Shares is not guaranteed. You may suffer a loss and receive back less than you originally invested. The price may even change from when you send Computershare an instruction to trade Shares to when Computershare receive it and are able to conclude the transaction. Remember that past performance is no guide to future performance. Please note that your order may be combined with other orders which may result in a more or less favourable price than if your instruction had been carried out separately. See the At what price will the Shares be bought and how many Shares will you receive section for further details.

2 How much will it cost you to use the Service?

We do not charge you any fees for joining the Plan but each time Computershare buy Shares for you Computershare will charge you a dealing fee of 0.75% of the total price of the Shares purchased, subject to a minimum fee of £2.50. Purchases will be subject to stamp duty reserve tax of 0.50%.

For example if Computershare use £1000 of your cash dividend to reinvest in Shares valued at £1 each, Computershare will charge you a dealing fee of £7.50. In addition, £5.00 of stamp duty reserve tax will be deducted. Charges would therefore reduce the number of Shares purchased from 1000 to 987. However if Computershare use £300.00 or less of your cash dividend to reinvest in Shares then Computershare will still charge you their minimum fee which would be £2.50 in addition to stamp duty reserve tax.

We will deduct these amounts from your cash dividends before buying the Shares. You may request an itemised breakdown of total costs and charges. We will not pay the Broker a fee for providing its service to us. Please see the What are their Costs section for further information on their charges.

3 Are Computershare providing you with any advice?

We will not provide you with any investment, taxation or legal advice, or advice on whether or not the transaction is right for you. We will not assess the suitability or appropriateness of any product, service or transaction and Computershare will not recommend or invite you to sell, buy, transfer or hold Shares. You will not benefit from the protection of the FCA Rules on assessing appropriateness.

It is your responsibility to make sure the Service is right for you and you may wish to seek independent professional advice before using it.

4 How do you contact us?

You can contact Computershare by e-mail at web.queries@computershare.co.uk or post. You can also telephone Computershare on 0800 923 1533 between 08:30 and 17:30 on Business Days. The Contacting Each Other section has further details.

5 How do you keep your personal information up to date?

When Computershare contact you Computershare will use the most recent contact details they have for you on their records. You may create an online account at www.investorcentre.co.uk. Where Computershare make a payment to you, for example if there is a cash surplus when you leave the Plan, Computershare will either:

- send a cheque to the most recent address Computershare have for you on their records;
- use the bank account details Computershare have for you on their records; or
- make payment electronically via CREST (if applicable).

It is your responsibility to keep your login details secure. You must tell Computershare if you change your contact details or your bank account. You can log in to your online account and update your personal details at any time.

6 What happens if something goes wrong?

Computershare will always aim to provide the Service with reasonable care and skill. If you are not happy with any aspect of the Service, please contact us. The Complaints and Compensation section has further information. Please note that Computershare limit their liability to you under these terms and conditions. Further information is contained in the Limits on Computershare's Liability section.

7 How does joining the Plan affect my tax position?

Individuals who acquire ordinary VCT shares may qualify for exemption from income tax on dividends and may be exempt from capital gains tax in respect of shares acquired in any tax year, subject to meeting the qualifying conditions.

However the specific tax analysis will depend upon your personal circumstances. If you are in any doubt about your tax position, including when you are deciding whether to join the Plan or are selling any of your shares, Computershare recommend that you consult with an independent financial advisor.

List of technical words used in these terms and what they mean

When a word appears in these terms that starts with a capital letter, check to see if it appears in the list of defined terms below for its specific meaning.

“Broker”	means the stockbroker or Market Maker who Computershare use from time to time in order to execute your instructions;
“Business Day”	means any day on which the London Stock Exchange (LSE) is open for business;
“Business Hours”	means the hours within any day during which the LSE is open for normal business;
“Company”	means the company whose Shares may be reinvested under these terms and any other company it has control of or that is controlled by the same people who also control the company, as the context requires;
“Company’s Record Date”	means the date determined by BVT as the date on which a Shareholder must appear on its register as the owner of the Shares in order to be entitled to a dividend;
“Computershare”	means Computershare Investor Services PLC (Company Number: 03498808) whose registered address is The Pavilions, Bridgwater Road, Bristol, BS13 8AE, Financial Services Register Number 188534;
“Costs”	means Computershare’s fees, commission or any other charges payable on the purchase of Shares;
“CSD”	means a central securities depository which is a computer-based system enabling securities to be held and transferred electronically. The relevant CSD in the UK is CREST;

"FCA"	means the Financial Conduct Authority;
"FCA Rules"	means the rules, guidance and principles set out in the FCA handbook;
"First Dividend Payment Date"	means the first date following a Company's Record Date on which dividends are paid;
"Market Maker"	means the broker-dealer firm which buys shares and makes shares available to purchase at published prices in order to facilitate trading;
"Second Dividend Payment Date"	means the next date on which dividends are paid following the First Dividend Payment Date;
"Shares"	means shares which are a unit of share capital issued by BVT; and
"you"	means the person holding an interest in the Shares.

Interpretation These terms refer to some statutes, regulations or other rules. References to them include references to them as amended or replaced from time to time. Where reference is made to a time of day this means UK time, unless stated otherwise. Where a phrase starts with the words 'including' or 'include', the phrase is to be construed as illustrative only and does not limit the sense of the words preceding those terms.

8 How the Plan will operate

Who may participate in the Plan?

8.1 If Computershare find out that you are subject to laws, procedures or regulations of a country outside the UK which does not allow you to participate in the Plan, you may not be permitted to benefit from the Service and Computershare may cancel your participation in the Plan.

How do you join the Plan?

8.2 If you would like to join the Plan, please complete the online form at www.investorcentre.co.uk or, complete, sign and return the election form to us. If you do not have an election form please contact us. If you are a CREST member or sponsored by a CREST member and you wish to participate in the Plan you must submit your election using the CREST system. Further details are contained in the CREST Procedures section.

8.3 If you have more than one shareholding in BVT that you want included in the Plan then you should complete a separate form for each shareholding. If you would like to combine your shareholdings in BVT please contact us. If your Shares are held jointly with others and you are joining the plan online, you must confirm that you have obtained the consent of all other joint shareholders to use the Plan before you are able to join. If you are using an election form, it must be signed by all joint shareholders. Computershare must receive your application at least 15 Business Days before the dividend payment date. Any applications Computershare receive after that date will apply to the next dividend payment, if there is one.

8.4 If you have not completed the application properly, Computershare may request further information from you or ask you to complete the form correctly. Computershare will not accept any forms sent by fax, email or telephone instruction or a photocopied form.

8.5 If Computershare decide not to accept a particular instruction, Computershare will notify you in writing as soon as Computershare reasonably can.

8.6 By joining the Plan, you instruct Computershare to reinvest all future dividends from your Shares until you notify Computershare of your intention to withdraw from the Plan or Computershare suspend or terminate the Plan. However, if you hold your Shares in uncertificated form in CREST the CREST Procedures section of these terms and conditions will apply.

Can you join the Plan with just some of your Shares?

- 8.7 If you choose to participate in the Plan all the Shares you hold in BVT falling under a single shareholder reference number will be included within the Plan.
- 8.8 Where you are a corporate shareholder or you are acting on behalf of more than one beneficial owner, (e.g. a nominee arrangement) Computershare may allow part of your shareholding to apply to the Plan. A cash dividend will be paid on the balance of the Shares not included in the Plan. This instruction will not be applied to future dividends.

How does the Plan work?

- 8.9 Computershare will use the cash dividend paid to you by BVT to buy Shares in the Company. Computershare will buy as many whole Shares as possible from the proceeds of each cash dividend. Purchases are made on or as soon as reasonably practicable after each dividend payment date. The Plan may not be available for a particular dividend and where the Plan is not available, cash dividends will be paid.
- 8.10 Computershare must receive your election form at least 15 Business Days before the dividend payment date.
- 8.11 When Computershare execute your instruction Computershare are irrevocably and unconditionally appointed to act as your agent. Computershare will then carry out your instructions as your agent, which means that Computershare will have your authority to sign, complete and deliver any transfer form or other document, or do anything else which Computershare think is necessary to carry out your instructions.
- 8.12 Where Computershare hold a cash-balance for you at the end of a quarter Computershare will send you a statement which may be included with an advice note. Computershare will continue to send you a statement on a quarterly basis (i.e. at regular intervals not less than four times a year) for as long as Computershare hold a cash-balance for you. You may request statements more frequently, but Computershare may charge you for providing these.

What are Computershare's Costs?

Refer to the Key Information section for further details

- 8.13 Our Costs are set out in the Key Information section.
- 8.14 Where the Key Information Section states that Computershare will pay the Broker a fee for providing its service to us, such fee will be taken from the fee Computershare charge you. If you would like further information on this arrangement please contact Computershare using the details in the Contacting Each Other section.
- 8.15 Where the Key Information section states that purchases are subject to stamp duty reserve tax, it will be deducted it at the time your Shares are purchased.
- 8.16 All applicable UK Value Added Tax ("VAT") on Computershare's fees, commissions and charges is payable by you to us. All their fees, commissions and charges are inclusive of any applicable VAT unless specifically stated otherwise. Our dealing fees are exclusive of VAT, but currently no VAT is applicable to these fees. If that situation changes in the future Computershare will charge you VAT without notifying you beforehand.
- 8.17 If Computershare provide you with any information, ancillary services or other services not mentioned in these terms and conditions, Computershare may write and ask you to pay for that service or information.
- 8.18 Where Computershare are required to make a change to the Service due to a change in applicable law or regulations, Computershare may amend the Plan without giving you any notice, and will inform you in writing of the change as soon as Computershare can. In all other cases, Computershare will notify you in writing at least 20 Business Days in advance of any proposed new charge or before Computershare increase their charges.

8.19 Computershare may increase their charges for any reason, which may include:

- (a) increases in inflation;
- (b) changes in interest rates;
- (c) increases in their running costs of the Plan;
- (d) increases in their running costs of the Service;
- (e) additional charges imposed by parties Computershare work with in connection with the provision of the Plan;
- (f) alterations in the provision of the Service being provided; and/or
- (g) tax or legal changes.

What happens if you buy or sell Shares?

8.20 If you buy more or sell some (but not all) of your Shares, the Plan will continue to apply to the Shares from your increased or decreased shareholding. If you sell all of your Shares, there will be no dividend entitlement and your participation in the Plan will end unless you are a CREST participant in which case the CREST Procedures section of these terms and conditions will apply. Any cash surplus will be returned to you, please see the Cash Surplus on leaving the Plan section for more information.

8.21 If you sell your Shares on or after a specific date (known as the ex-dividend date) it will be you, rather than any buyer of your Shares who will remain entitled to that dividend.

At what price will the Shares be bought and how many Shares will you receive?

8.22 On payment of a dividend by BVT, Computershare will pool your cash dividends with the cash dividends of all other Plan participants. Computershare will follow the instructions you give them on our website and your election form, or via the CREST system. Computershare will instruct the Broker to buy as many whole Shares from the pooled cash dividends after the Broker deducts their dealing fee and any applicable stamp duty reserve tax. The pooled monies will be used to pay for the completed trades when payment becomes due.

8.23 When you instruct Computershare to deal with your Shares they will take reasonable care in appointing a Broker to carry out your instructions from their panel of approved Brokers, listed in their Order Handling Policy. Computershare and the Broker will then take reasonable steps to obtain the best possible results for you. Through the appointed Broker, Computershare will execute your orders through the execution venues as listed in their Order Handling Policy which you can access on their website or by writing to Computershare at The Pavilions, Bridgwater Road, Bristol BS13 8AE, United Kingdom. In deciding which execution venue to use Computershare and the Broker will focus on a number of factors, primarily price, but also the likelihood of concluding the transaction, size of your order, nature of stock, speed of settlement, market volume, market impact and transaction venue. Information on their top five execution venues from the previous year is available on their website. The Broker will normally carry out your instructions in regulated markets, organised trading facilities or multi-lateral trading facilities. However to obtain the best result for you the Broker may decide to carry out your instructions outside of these regulated markets, for example where the Broker carries out your instructions with a Market Maker or matches your instructions with instructions received from another client.

8.24 By using the Service you expressly agree that the Broker may use a venue that is not a regulated market, an organised trading facility or a multilateral trading facility.

8.25 Computershare may combine your order with orders received from other clients using the Service. The Broker may combine your order with orders received from their other clients. This may result in a more or less favourable price than if your instruction had been carried out separately. Where the Broker executes a number of instructions for Computershare then it may average the price obtained for all the orders if different instructions were dealt at different prices.

- 8.26 Where the overall transaction is above a certain size then Computershare may need two UK Business Days (or more) to process it.
- 8.27 When you instruct Computershare to deal for you, there may be occasions when Computershare are unable to complete a transaction. When this happens you agree that Computershare may carry out further trades to complete the transaction you originally instructed. Computershare will act in compliance with their Order Handling Policy in order to correct any errors.
- 8.28 Computershare and the Broker have to get you the best price reasonably available when Computershare buy your Shares. Computershare or the Broker may therefore sometimes delay a purchase of Shares for several Business Days if Computershare think that is in your best interests.
- 8.29 You agree that you can only use the Service in accordance with BVT's share dealing Policy, available upon request from BVT.
- 8.30 Where trading in BVT's Shares is halted or suspended Computershare will not be able to process any outstanding instructions you have given them until trading resumes. In the meantime Computershare will treat your money in the same way as described in the *What happens when money is left over after Shares have been bought* section. Computershare accept no responsibility for the impact that any such suspension may have on the price Computershare may then have to buy the Shares for.
- 8.31 Computershare and the Broker check that the correct number of Shares have been purchased. Computershare will only treat the purchase of Shares as complete and properly executed when Computershare have:
 - (a) determined the total number of Shares purchased;
 - (b) received and allocated the Shares;
 - (c) carried out the necessary internal audit procedures; and
 - (d) received the printed confirmation note from the Broker.
- 8.32 Depending on the nature of the trade, this process can take up to 14 Business Days. The prices at which the Shares are purchased may vary between transactions, but Computershare will calculate the average price across all Shares of BVT which have been purchased as part of this trade to ensure that all Plan participants receive the same share price. This may operate to your advantage or disadvantage.
- 8.33 When Computershare are satisfied that the purchase of Shares are complete and properly executed Computershare will send an advice note to the address of the first named shareholder setting out the number of Shares purchased, the Costs that have been charged and any other commission or charges.
- 8.34 Computershare will send you the advice note by post within one Business Day of the Broker confirming the purchase to us. If you are a CREST member you may also be notified via the CREST system.
- 8.35 The Broker Computershare use to execute your instructions is chosen in accordance with their Broker Selection Policy. Computershare will only select Brokers whose stated Policy is to obtain the best possible result for you. Our Order Handling Policy identifies factors affecting the carrying out of client instructions by the Broker. You agree that you are legally bound by their Order Handling Policy. Both Policies are available on their website, alternatively please contact Computershare if you would like copies. If you would like additional information on how Computershare review their Order Handling policy and arrangements with the brokers on their approved panel, please contact them.

What happens when money is left over after Shares have been bought?

- 8.36 Only whole Shares can be bought under the Plan so there will usually be a cash surplus left (insufficient to buy another whole Share). This cash surplus will be carried forward and held in

a client money account under the FCA Rules. The cash surplus will be added to future cash dividends for reinvestment in BVT's Shares. All advice notes Computershare send to you will include a statement of any cash surplus.

What if there is a cash Surplus when you leave the Plan?

8.37 If you leave the Plan, you will be paid any cash surplus that Computershare have collected for you. Computershare will treat you as leaving the Plan if:

- (a) you cancel or withdraw from the Plan;
- (b) you sell or transfer all of your Shares and do not purchase more Shares under the same Shareholder Reference Number prior to the next dividend record date;
- (c) you request that Computershare pay to you any cash surplus that would otherwise be carried forward for reinvestment;
- (d) Computershare receive proper notice of your bankruptcy, mental incapacity or death;
- (e) you are a shareholder which is a corporate entity and Computershare receive proper notice that you have become insolvent, been placed in administration or are the subject of similar proceedings and as a result Computershare determine it is appropriate for you to cease to be a Plan participant;
- (f) BVT has become insolvent, been placed in administration or is the subject of similar proceedings and Computershare determine it is appropriate for you to cease to be a Plan participant as a result;
- (g) the Plan is terminated, suspended or withdrawn for any reason; or
- (h) you cease to be a Plan participant for any other reason.

8.38 If Computershare treat you as having left the Plan, Computershare will return any money to you:

- (a) on the First Dividend Payment Date if you leave before BVT's Record Date; or
- (b) on the Second Dividend Payment Date if you leave on or after BVT's Record Date.

Our right to end the Plan

8.39 Computershare and BVT reserve the right to suspend or terminate the Plan at any time. When exercising this right, Computershare will try to ensure you are provided with notice before such suspension or termination takes place.

Your right to cancel or withdraw from the Plan.

8.40 **Cancellation rights** – if you want to cancel your participation in the Plan, you should notify Computershare within 14 Business days from the date Computershare receive your election form (the Cancellation Period). You will lose the right to cancel the Plan, if during the Cancellation Period, you make a request for Computershare to reinvest your cash dividend. Computershare need to know the number of participants in the Plan at least 15 Business Days before a dividend payment date. Computershare refer to the first day of this 15 Business Day period as the Cut-Off Date. If you choose to submit your election form to Computershare at a time which would result in your Cancellation Period expiring on or after the Cut-Off Date, Computershare will treat you as having instructed them to reinvest your cash dividend during the Cancellation Period. If Computershare do not receive a notice of cancellation from you prior to the Cut-Off Date, you will lose your cancellation rights.

8.41 **Withdrawal** – If you decide to withdraw from the Plan, you must let Computershare know in writing. You can withdraw at any time provided that your notice to withdraw from the Plan is received before the Cut-Off Date (if you do not want that dividend reinvested in Shares).

8.42 If you make an online request for your cash surplus to be returned, this will be treated as a notice that you wish to withdraw from the Plan.

8.43 If Computershare receive notice of your death, bankruptcy or mental incapacity (or, in the case of a corporate shareholder, your insolvency, administration or similar proceedings) your participation in the Plan will stop unless the Shares are held jointly with others in line with their Policies and procedures. For further information please contact us.

CREST Procedures

Please read this section if you are a CREST Member

8.44 If you hold your Shares in uncertificated form in CREST and you wish to receive the Services you must comply with the CREST procedures. If you elect via CREST you confirm that you agree to receive the Service in line with these terms and conditions, and you appoint Computershare as your agent to arrange the purchase of Shares.

8.45 If Computershare buy Shares for you, these will be credited to your CREST member account unless Computershare or BVT decides that the Shares should be issued by certificate.

8.46 You may only remove an election which has been made via CREST by following the CREST procedure set out in the CREST Manual, unless Computershare or BVT agrees another form of removal (which Computershare notify to you in writing). If your holding is reduced to zero, any future Shares you acquire will be subject to the previous election, unless you change it.

Computershare recommend that you input any messages to delete an election at least 24 hours in advance of the deadline to give Computershare and BVT sufficient time to accept the deletion. There is no facility to amend an election which has been made by Dividend Election Input Message. If you wish to change your election details you must first delete the existing election and then input a Dividend Election Input Message with the required new details.

9 General information

Limits on their Liability

9.1 Computershare will provide the Service with reasonable care and skill.

9.2 Computershare are not liable for losses unless they are foreseeable by each of the parties at the time Computershare enter into an agreement governed by these terms and conditions and are caused by their breach of these terms and conditions, negligence, wilful default or fraud.

9.3 Computershare are not liable for losses or expenses suffered by you that are caused by:

- (a) your failure to obey the law;
- (b) third parties (which for this purpose includes banks and custodians and CSDs but otherwise excludes their own sub-contractors) subject to the provisions of these terms and conditions;
- (c) documents getting lost or delayed in the post;
- (d) delays over the internet before your communication reaches their website;
- (e) your online communication being intercepted or hacked before it reaches their website;
- (f) any planned maintenance that Computershare have to carry out which will normally take place outside Business Hours;
- (g) fraudulent instructions;
- (h) us acting on your instructions; and/or
- (i) unclear instructions.

9.4 Computershare are not liable for any indirect losses or consequential loss of any kind and in any event Computershare are not liable for:

- (a) loss of opportunity (including investment opportunity);

- (b) loss of potential future income, revenue, or increase in value;
- (c) loss of income including interest;
- (d) loss of goodwill;
- (e) loss of anticipated savings; or
- (f) any wasted time, whether they amount to direct or indirect loss.

9.5 Our maximum aggregate liability to you arising in connection with the Service shall not exceed the total value of the dividend payments Computershare receive on your behalf for reinvestment in the 12 month period immediately before you first issue a claim against us, or if you have left the Plan at that point, in the 12 month period immediately before you left the Plan, or if higher the total fees you have paid Computershare for using the Service since you joined the Plan. The maximum liability will cover the aggregate of all losses, costs, interest and expenses whether arising under contract, tort (including negligence) or otherwise suffered by you or any other party in connection with the Service Computershare provide to you. This liability cap shall apply to all claims you make while you are a participant of the Plan and after you have left the Plan.

9.6 Nothing in these terms and conditions excludes or limits in any way their liability for:

- (a) death or personal injury caused by their negligence; or
- (b) fraud or fraudulent misrepresentation; or
- (c) any other matter for which it would be illegal or unlawful for Computershare to exclude or limit or attempt to exclude or limit their liability.

9.7 Computershare shall not be responsible for delays or failure to perform the Service due to circumstances beyond their reasonable control which may include for example market-conditions, halts on trading in a market, power failures or natural disasters. Where Computershare do suffer such delays Computershare will try to resume the Service as soon as reasonably possible.

9.8 Where Computershare have sent you details on how to access your account online it is your responsibility to keep these details secure. So if you suspect that any of these details have been obtained by anyone else you must tell Computershare immediately, or you will be liable for any fraudulent instructions that Computershare may receive as Computershare will always accept any instructions as valid if they contain these details. If you have any doubt about an instruction you should telephone Computershare immediately.

9.9 You accept responsibility for all instructions you send to Computershare or arrange to be sent to Computershare on your behalf.

Contacting Each Other

9.10 If you want to contact Computershare then you may do so using the details in the Key Information section or by writing to them at Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS99 6ZZ. Computershare will normally contact you by email if Computershare have your email address, otherwise Computershare will use the post.

9.11 When Computershare send you a communication Computershare will treat it as received by you if:

- (a) delivered by hand or courier, on delivery;
- (b) sent by UK domestic post, two Business Days after sending;
- (c) sent by international post (outside the UK), five Business Days after sending;
- (d) delivered by email or via their website, immediately.

9.12 Computershare provide these terms and conditions in English and Computershare will only communicate with you in English when providing the Service. If Computershare translate these

terms and conditions into another language they should be treated as being informative only. Computershare will only be bound by the English version of these terms and conditions which govern the Service.

General

- 9.13 In performing the Service Computershare may on occasion employ agents to carry out certain activities. Before doing so Computershare will satisfy themselves that they are able to do the job Computershare are asking them to do.
- 9.14 Computershare will not do anything which Computershare think would or might break any relevant laws, rules, regulations or codes, or risk exposing Computershare to criticism for behaving improperly or not acting in accordance with good market practice.
- 9.15 When Computershare provide you with the Service you agree that Computershare can hold your money in a UK bank chosen by us. Under the law that will apply, Computershare will not be responsible for anything a UK bank does or fails to do with your money. The money will be held in a separate pooled client money bank account together with other clients' monies but separate from their money. You will still have the same rights to your money. The account will be governed by the FCA Rules on client money. All money belonging to clients will be held on trust for the sole benefit of clients. Computershare will not pay interest on monies Computershare hold for you. If the bank becomes insolvent Computershare will try to recoup your money on your behalf. If there is a shortfall in the money held in the client money account, all clients will share any shortfall proportionately. In this situation you may not recover all your money. You may then be able to make a claim under the Financial Services Compensation Scheme (FSCS). Sometimes, in exceptional circumstances, it may be necessary for Computershare to hold your money in a bank based outside of the UK, (for example, to facilitate payments to you if you are based outside the UK). If so, Computershare will take all reasonable steps to protect your money in line with local laws, which may be different from the laws in the UK. Your rights if the bank becomes insolvent may be reduced in this instance.
- 9.16 If Computershare hold your money and there has been no movement in your balance for at least six years, other than for charges Computershare may have levied, Computershare may remove this money from the client money bank account and donate it to a registered charity of their choice. You may later claim this sum of money back from us, but you will not be entitled to claim any interest on it. Computershare will let you know at least 28 days before Computershare do this by writing to you at the last email or postal address Computershare have for you. Where the amount is no more than £25 (or equivalent) and you fail to claim it before the 28 day notice period expires Computershare will donate the money without attempting to contact you again. If the amount is more than £25 (or equivalent) after the 28 day notice period expires, Computershare will make at least one further attempt to contact you using other means, before donating the money to charity.
- 9.17 If Computershare move all or part of their business to another provider, after the move is complete Computershare will no longer hold your money in the client money bank account. Computershare will exercise due skill, care and diligence in assessing whether the provider that Computershare are transferring your client money to will follow the requirements of the FCA Rules or apply adequate equivalent measures to protect your client money.
- 9.18 Where Computershare owe you money Computershare will round down the monies payable to the nearest penny. Where you owe Computershare money Computershare will round it up to the nearest penny. In each case we will keep the difference for their own benefit.
- 9.19 These terms and conditions and the Service are governed by the laws of England. You agree that any action must be brought in an English Court.
- 9.20 You lose your entitlement to any benefit associated with your Shares, such as a dividend payment, on the day your Shares are sold which will be before the Shares are registered with the new owners. If you receive such a benefit after your Shares are sold you may have to transfer it to the new owners of the Shares. If Computershare become aware of such a claim when Computershare have received the money from selling your Shares then Computershare will

account for it to the new owner of the Shares and may deduct the same amount from the proceeds of the sale.

- 9.21 Computershare may withdraw the Service from you immediately due to a change in law or because we find out that you are not entitled to participate in the Service under local laws. Computershare will settle any outstanding instructions from you before Computershare do this, in so far as Computershare are permitted to do so by law.
- 9.22 In offering the Service Computershare will treat you as a "retail client". As a retail client you are protected by the FCA Rules and you may be eligible for compensation under the FSCS, as described further in the Complaints and Compensation section.
- 9.23 Conflicts of interest which may be detrimental to you, may arise between us, their agents, their other corporate clients, their employees and those who use this service. Computershare will make every effort to identify and prevent such conflicts. Where this is not possible, Computershare will manage and mitigate the conflicts. Where Computershare cannot prevent, manage or mitigate such conflicts Computershare will disclose details to you. You may obtain a copy of their Conflicts of Interest Policy, which Computershare update regularly, on their website or you may request a copy by writing to them at Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS13 8AE, United Kingdom.
- 9.24 Only you or Computershare have any right to enforce these terms and no third party has any right to enforce any of the terms by virtue of the Contracts (Rights of Third Parties) Act 1999.
- 9.25 If you owe Computershare money they may deduct the amount that you owe to them from any amounts that Computershare owe to you. If you owe Computershare money they may sell enough of your Shares to recover their own costs, even if this means Computershare sell your Shares at a loss and/or you suffer any tax liability as a result. Computershare may also offset any monies due to you against any monies you owe us. If Computershare plan to sell your Shares Computershare will let you know one month before Computershare do so. However even if Computershare do or they offset any sums of money you may owe them, they still reserve the right to go to court to recover any outstanding monies you may owe them.
- 9.26 If any of these terms and conditions is found to be unfair Computershare will not be able to rely upon it. However, that will not have any impact on the other terms and conditions which will remain in force.
- 9.27 You may not use this Service in a country where it would either be illegal to do so or would require Computershare to observe regulatory procedures or legal formalities in addition to those required in England and Wales.
- 9.28 Computershare will notify you when they change these terms and conditions and if they make any changes that are to your material disadvantage, they will give you not less than twenty Business Days' notice before such change becomes effective, and you will be able to withdraw from the Service.
- 9.29 We may change these terms and conditions without telling you beforehand if Computershare need to change them because the law or regulation changes.

Data Protection

- 9.30 In order to provide the Service to you Computershare need to use your personal information. We may also transfer your personal information to other countries which have different data protection laws. We will only do this if Computershare are satisfied that there are adequate safeguards in place to protect your personal information.
- 9.31 For full details about how Computershare use and share your personal information please see their Privacy Policy, which is available on their website or you may request a copy by writing to them at Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS13 8AE, United Kingdom. The Privacy Policy also explains your rights in relation to your personal information and how you can exercise them.

Complaints and Compensation

9.32 If you are dissatisfied with the Service Computershare have provided you or wish to receive a copy of their complaints procedure please write to Computershare or find a copy of their complaints procedure on their website. If Computershare cannot resolve your complaint, you may refer it to the Financial Ombudsman Service, Telephone: +44 (0)800 023 4567 (free from UK landlines) or 0300 123 9123 (from UK mobiles) or at www.financial-ombudsman.org.uk.

9.33 Under the FSCS you may be entitled to compensation if Computershare cannot meet their financial obligations. You may be covered for up to 100% of the first £50,000 of your investments (i.e. a maximum of £50,000 per person). Where Computershare hold your money in a client bank account and the relevant UK approved bank becomes insolvent, you may be covered under the FSCS for up to £85,000 of the money on deposit with that bank. Details about their external banking partners are available on request. These amounts may be subject to change. Where Computershare are required to hold your client money in a jurisdiction outside the UK, your rights in the event of insolvency may be reduced. Further details of your rights under the FSCS can be found here: www.fscs.org.uk.

Baronsmead Second Venture Trust

1 What Service are Computershare providing?

We agree to allow you to participate in the Baronsmead Second Venture Trust plc dividend reinvestment plan with the opportunity to use your cash dividend to buy Shares through a special dealing arrangement ("Plan") arranged by Computershare or a Broker, on an execution only basis. The Plan is administered in the UK by Computershare Investor Services PLC ("Service") and not by the Company. We are authorised and regulated by the Financial Conduct Authority.

As a participant of the Plan you are bound by these legally binding terms and conditions. Please read them and keep them safe so you can refer to them in the future. We may change these terms and conditions, if they do so, Computershare will let you know beforehand.

The price of Shares can go down as well as up and the income from Shares is not guaranteed. You may suffer a loss and receive back less than you originally invested. The price may even change from when you send Computershare an instruction to trade Shares to when Computershare receive it and are able to conclude the transaction. Remember that past performance is no guide to future performance. Please note that your order may be combined with other orders which may result in a more or less favourable price than if your instruction had been carried out separately. See the At what price will the Shares be bought and how many Shares will you receive section for further details.

2 How much will it cost you to use the Service?

We do not charge you any fees for joining the Plan but each time Computershare buy Shares for you Computershare will charge you a dealing fee of 0.75% of the total price of the Shares purchased, subject to a minimum fee of £2.50. Purchases will be subject to stamp duty reserve tax of 0.50%.

For example if Computershare use £1000 of your cash dividend to reinvest in Shares valued at £1 each, Computershare will charge you a dealing fee of £7.50. In addition, £5.00 of stamp duty reserve tax will be deducted. Charges would therefore reduce the number of Shares purchased from 1000 to 987. However if Computershare use £300.00 or less of your cash dividend to reinvest in Shares then Computershare will still charge you their minimum fee which would be £2.50 in addition to stamp duty reserve tax.

We will deduct these amounts from your cash dividends before buying the Shares. You may request an itemised breakdown of total costs and charges. We will not pay the Broker a fee for providing its service to us. Please see the What are their Costs section for further information on their charges.

3 Are Computershare providing you with any advice?

We will not provide you with any investment, taxation or legal advice, or advice on whether or not the transaction is right for you. We will not assess the suitability or appropriateness of any product, service or transaction and Computershare will not recommend or invite you to sell, buy, transfer or hold Shares. You will not benefit from the protection of the FCA Rules on assessing appropriateness.

It is your responsibility to make sure the Service is right for you and you may wish to seek independent professional advice before using it.

4 How do you contact us?

You can contact Computershare by e-mail at web.queries@computershare.co.uk or post. You can also telephone Computershare on 0800 923 1533 between 08:30 and 17:30 on Business Days. The Contacting Each Other section has further details.

5 How do you keep your personal information up to date?

When Computershare contact you Computershare will use the most recent contact details they have for you on their records. You may create an online account at www.investorcentre.co.uk. Where Computershare make a payment to you, for example if there is a cash surplus when you leave the Plan, Computershare will either:

- send a cheque to the most recent address Computershare have for you on their records;
- use the bank account details Computershare have for you on their records; or
- make payment electronically via CREST (if applicable).

It is your responsibility to keep your login details secure. You must tell Computershare if you change your contact details or your bank account. You can log in to your online account and update your personal details at any time.

6 What happens if something goes wrong?

Computershare will always aim to provide the Service with reasonable care and skill. If you are not happy with any aspect of the Service, please contact us. The Complaints and Compensation section has further information. Please note that Computershare limit their liability to you under these terms and conditions. Further information is contained in the Limits on Computershare's Liability section.

7 How does joining the Plan affect my tax position?

Individuals who acquire ordinary VCT shares may qualify for exemption from income tax on dividends and may be exempt from capital gains tax in respect of shares acquired in any tax year, subject to meeting the qualifying conditions.

However the specific tax analysis will depend upon your personal circumstances. If you are in any doubt about your tax position, including when you are deciding whether to join the Plan or are selling any of your shares, Computershare recommend that you consult with an independent financial advisor.

List of technical words used in these terms and what they mean

When a word appears in these terms that starts with a capital letter, check to see if it appears in the list of defined terms below for its specific meaning.

“Broker”	means the stockbroker or Market Maker who Computershare use from time to time in order to execute your instructions;
“Business Day”	means any day on which the London Stock Exchange (LSE) is open for business;
“Business Hours”	means the hours within any day during which the LSE is open for normal business;
“Company”	means the company whose Shares may be reinvested under these terms and any other company it has control of or that is controlled by the same people who also control the company, as the context requires;

“Company’s Record Date”	means the date determined by BSVT as the date on which a Shareholder must appear on its register as the owner of the Shares in order to be entitled to a dividend;
“Computershare”	means Computershare Investor Services PLC (Company Number: 03498808) whose registered address is The Pavilions, Bridgwater Road, Bristol, BS13 8AE, Financial Services Register Number 188534;
“Costs”	means Computershare’s fees, commission or any other charges payable on the purchase of Shares;
“CSD”	means a central securities depository which is a computer-based system enabling securities to be held and transferred electronically. The relevant CSD in the UK is CREST;
“FCA”	means the Financial Conduct Authority;
“FCA Rules”	means the rules, guidance and principles set out in the FCA handbook;
“First Dividend Payment Date”	means the first date following a Company’s Record Date on which dividends are paid;
“Market Maker”	means the broker-dealer firm which buys shares and makes shares available to purchase at published prices in order to facilitate trading;
“Second Dividend Payment Date”	means the next date on which dividends are paid following the First Dividend Payment Date;
“Shares”	means shares which are a unit of share capital issued by BSVT; and
“you”	means the person holding an interest in the Shares.

Interpretation These terms refer to some statutes, regulations or other rules. References to them include references to them as amended or replaced from time to time. Where reference is made to a time of day this means UK time, unless stated otherwise. Where a phrase starts with the words ‘including’ or ‘include’, the phrase is to be construed as illustrative only and does not limit the sense of the words preceding those terms.

8 How the Plan will operate

Who may participate in the Plan?

8.1 If Computershare find out that you are subject to laws, procedures or regulations of a country outside the UK which does not allow you to participate in the Plan, you may not be permitted to benefit from the Service and Computershare may cancel your participation in the Plan.

How do you join the Plan?

8.2 If you would like to join the Plan, please complete the online form at www.investorcentre.co.uk or, complete, sign and return the election form to us. If you do not have an election form please contact us. If you are a CREST member or sponsored by a CREST member and you wish to participate in the Plan you must submit your election using the CREST system. Further details are contained in the CREST Procedures section.

8.3 If you have more than one shareholding in BSVT that you want included in the Plan then you should complete a separate form for each shareholding. If you would like to combine your shareholdings in BSVT please contact us. If your Shares are held jointly with others and you are joining the plan online, you must confirm that you have obtained the consent of all other joint shareholders to use the Plan before you are able to join. If you are using an election form, it must

be signed by all joint shareholders. Computershare must receive your application at least 15 Business Days before the dividend payment date. Any applications Computershare receive after that date will apply to the next dividend payment, if there is one.

- 8.4 If you have not completed the application properly, Computershare may request further information from you or ask you to complete the form correctly. Computershare will not accept any forms sent by fax, email or telephone instruction or a photocopied form.
- 8.5 If Computershare decide not to accept a particular instruction, Computershare will notify you in writing as soon as Computershare reasonably can.
- 8.6 By joining the Plan, you instruct Computershare to reinvest all future dividends from your Shares until you notify Computershare of your intention to withdraw from the Plan or Computershare suspend or terminate the Plan. However, if you hold your Shares in uncertificated form in CREST the CREST Procedures section of these terms and conditions will apply.

Can you join the Plan with just some of your Shares?

- 8.7 If you choose to participate in the Plan all the Shares you hold in BSVT falling under a single shareholder reference number will be included within the Plan.
- 8.8 Where you are a corporate shareholder or you are acting on behalf of more than one beneficial owner, (e.g. a nominee arrangement) Computershare may allow part of your shareholding to apply to the Plan. A cash dividend will be paid on the balance of the Shares not included in the Plan. This instruction will not be applied to future dividends.

How does the Plan work?

- 8.9 Computershare will use the cash dividend paid to you by BSVT to buy Shares in the Company. Computershare will buy as many whole Shares as possible from the proceeds of each cash dividend. Purchases are made on or as soon as reasonably practicable after each dividend payment date. The Plan may not be available for a particular dividend and where the Plan is not available, cash dividends will be paid.
- 8.10 Computershare must receive your election form at least 15 Business Days before the dividend payment date.
- 8.11 When Computershare execute your instruction Computershare are irrevocably and unconditionally appointed to act as your agent. Computershare will then carry out your instructions as your agent, which means that Computershare will have your authority to sign, complete and deliver any transfer form or other document, or do anything else which Computershare think is necessary to carry out your instructions.
- 8.12 Where Computershare hold a cash-balance for you at the end of a quarter Computershare will send you a statement which may be included with an advice note. Computershare will continue to send you a statement on a quarterly basis (i.e. at regular intervals not less than four times a year) for as long as Computershare hold a cash-balance for you. You may request statements more frequently, but Computershare may charge you for providing these.

What are Computershare's Costs?

Refer to the Key Information section for further details

- 8.13 Our Costs are set out in the Key Information section.
- 8.14 Where the Key Information Section states that Computershare will pay the Broker a fee for providing its service to us, such fee will be taken from the fee Computershare charge you. If you would like further information on this arrangement please contact Computershare using the details in the Contacting Each Other section.
- 8.15 Where the Key Information section states that purchases are subject to stamp duty reserve tax, it will be deducted it at the time your Shares are purchased.

- 8.16 All applicable UK Value Added Tax (“VAT”) on Computershare’s fees, commissions and charges is payable by you to us. All their fees, commissions and charges are inclusive of any applicable VAT unless specifically stated otherwise. Our dealing fees are exclusive of VAT, but currently no VAT is applicable to these fees. If that situation changes in the future Computershare will charge you VAT without notifying you beforehand.
- 8.17 If Computershare provide you with any information, ancillary services or other services not mentioned in these terms and conditions, Computershare may write and ask you to pay for that service or information.
- 8.18 Where Computershare are required to make a change to the Service due to a change in applicable law or regulations, Computershare may amend the Plan without giving you any notice, and will inform you in writing of the change as soon as Computershare can. In all other cases, Computershare will notify you in writing at least 20 Business Days in advance of any proposed new charge or before Computershare increase their charges.
- 8.19 Computershare may increase their charges for any reason, which may include:
 - (a) increases in inflation;
 - (b) changes in interest rates;
 - (c) increases in their running costs of the Plan;
 - (d) increases in their running costs of the Service;
 - (e) additional charges imposed by parties Computershare work with in connection with the provision of the Plan;
 - (f) alterations in the provision of the Service being provided; and/or
 - (g) tax or legal changes.

What happens if you buy or sell Shares?

- 8.20 If you buy more or sell some (but not all) of your Shares, the Plan will continue to apply to the Shares from your increased or decreased shareholding. If you sell all of your Shares, there will be no dividend entitlement and your participation in the Plan will end unless you are a CREST participant in which case the CREST Procedures section of these terms and conditions will apply. Any cash surplus will be returned to you, please see the Cash Surplus on leaving the Plan section for more information.
- 8.21 If you sell your Shares on or after a specific date (known as the ex-dividend date) it will be you, rather than any buyer of your Shares who will remain entitled to that dividend.

At what price will the Shares be bought and how many Shares will you receive?

- 8.22 On payment of a dividend by BSVT, Computershare will pool your cash dividends with the cash dividends of all other Plan participants. Computershare will follow the instructions you give them on our website and your election form, or via the CREST system. Computershare will instruct the Broker to buy as many whole Shares from the pooled cash dividends after the Broker deducts their dealing fee and any applicable stamp duty reserve tax. The pooled monies will be used to pay for the completed trades when payment becomes due.
- 8.23 When you instruct Computershare to deal with your Shares they will take reasonable care in appointing a Broker to carry out your instructions from their panel of approved Brokers, listed in their Order Handling Policy. Computershare and the Broker will then take reasonable steps to obtain the best possible results for you. Through the appointed Broker, Computershare will execute your orders through the execution venues as listed in their Order Handling Policy which you can access on their website or by writing to Computershare at The Pavilions, Bridgwater Road, Bristol BS13 8AE, United Kingdom. In deciding which execution venue to use Computershare and the Broker will focus on a number of factors, primarily price, but also the likelihood of concluding the transaction, size of your order, nature of stock, speed of settlement,

market volume, market impact and transaction venue. Information on their top five execution venues from the previous year is available on their website. The Broker will normally carry out your instructions in regulated markets, organised trading facilities or multi-lateral trading facilities. However to obtain the best result for you the Broker may decide to carry out your instructions outside of these regulated markets, for example where the Broker carries out your instructions with a Market Maker or matches your instructions with instructions received from another client.

- 8.24 By using the Service you expressly agree that the Broker may use a venue that is not a regulated market, an organised trading facility or a multilateral trading facility.
- 8.25 Computershare may combine your order with orders received from other clients using the Service. The Broker may combine your order with orders received from their other clients. This may result in a more or less favourable price than if your instruction had been carried out separately. Where the Broker executes a number of instructions for Computershare then it may average the price obtained for all the orders if different instructions were dealt at different prices.
- 8.26 Where the overall transaction is above a certain size then Computershare may need two UK Business Days (or more) to process it.
- 8.27 When you instruct Computershare to deal for you, there may be occasions when Computershare are unable to complete a transaction. When this happens you agree that Computershare may carry out further trades to complete the transaction you originally instructed. Computershare will act in compliance with their Order Handling Policy in order to correct any errors.
- 8.28 Computershare and the Broker have to get you the best price reasonably available when Computershare buy your Shares. Computershare or the Broker may therefore sometimes delay a purchase of Shares for several Business Days if Computershare think that is in your best interests.
- 8.29 You agree that you can only use the Service in accordance with BSVT's share dealing Policy, available upon request from BSVT.
- 8.30 Where trading in BSVT's Shares is halted or suspended Computershare will not be able to process any outstanding instructions you have given them until trading resumes. In the meantime Computershare will treat your money in the same way as described in the What happens when money is left over after Shares have been bought section. Computershare accept no responsibility for the impact that any such suspension may have on the price Computershare may then have to buy the Shares for.
- 8.31 Computershare and the Broker check that the correct number of Shares have been purchased. Computershare will only treat the purchase of Shares as complete and properly executed when Computershare have:
 - (a) determined the total number of Shares purchased;
 - (b) received and allocated the Shares;
 - (c) carried out the necessary internal audit procedures; and
 - (d) received the printed confirmation note from the Broker.
- 8.32 Depending on the nature of the trade, this process can take up to 14 Business Days. The prices at which the Shares are purchased may vary between transactions, but Computershare will calculate the average price across all Shares of BSVT which have been purchased as part of this trade to ensure that all Plan participants receive the same share price. This may operate to your advantage or disadvantage.
- 8.33 When Computershare are satisfied that the purchase of Shares are complete and properly executed Computershare will send an advice note to the address of the first named shareholder setting out the number of Shares purchased, the Costs that have been charged and any other commission or charges.

8.34 Computershare will send you the advice note by post within one Business Day of the Broker confirming the purchase to us. If you are a CREST member you may also be notified via the CREST system.

8.35 The Broker Computershare use to execute your instructions is chosen in accordance with their Broker Selection Policy. Computershare will only select Brokers whose stated Policy is to obtain the best possible result for you. Our Order Handling Policy identifies factors affecting the carrying out of client instructions by the Broker. You agree that you are legally bound by their Order Handling Policy. Both Policies are available on their website, alternatively please contact Computershare if you would like copies. If you would like additional information on how Computershare review their Order Handling policy and arrangements with the brokers on their approved panel, please contact them.

What happens when money is left over after Shares have been bought?

8.36 Only whole Shares can be bought under the Plan so there will usually be a cash surplus left (insufficient to buy another whole Share). This cash surplus will be carried forward and held in a client money account under the FCA Rules. The cash surplus will be added to future cash dividends for reinvestment in BSVT's Shares. All advice notes Computershare send to you will include a statement of any cash surplus.

What if there is a cash Surplus when you leave the Plan?

8.37 If you leave the Plan, you will be paid any cash surplus that Computershare have collected for you. Computershare will treat you as leaving the Plan if:

- (a) you cancel or withdraw from the Plan;
- (b) you sell or transfer all of your Shares and do not purchase more Shares under the same Shareholder Reference Number prior to the next dividend record date;
- (c) you request that Computershare pay to you any cash surplus that would otherwise be carried forward for reinvestment;
- (d) Computershare receive proper notice of your bankruptcy, mental incapacity or death;
- (e) you are a shareholder which is a corporate entity and Computershare receive proper notice that you have become insolvent, been placed in administration or are the subject of similar proceedings and as a result Computershare determine it is appropriate for you to cease to be a Plan participant;
- (f) BSVT has become insolvent, been placed in administration or is the subject of similar proceedings and Computershare determine it is appropriate for you to cease to be a Plan participant as a result;
- (g) the Plan is terminated, suspended or withdrawn for any reason; or
- (h) you cease to be a Plan participant for any other reason.

8.38 If Computershare treat you as having left the Plan, Computershare will return any money to you:

- (a) on the First Dividend Payment Date if you leave before BSVT's Record Date; or
- (b) on the Second Dividend Payment Date if you leave on or after BSVT's Record Date.

Our right to end the Plan

8.39 Computershare and BSVT reserve the right to suspend or terminate the Plan at any time. When exercising this right, Computershare will try to ensure you are provided with notice before such suspension or termination takes place.

Your right to cancel or withdraw from the Plan.

8.40 **Cancellation rights** – if you want to cancel your participation in the Plan, you should notify Computershare within 14 Business days from the date Computershare receive your election form

(the Cancellation Period). You will lose the right to cancel the Plan, if during the Cancellation Period, you make a request for Computershare to reinvest your cash dividend. Computershare need to know the number of participants in the Plan at least 15 Business Days before a dividend payment date. Computershare refer to the first day of this 15 Business Day period as the Cut-Off Date. If you choose to submit your election form to Computershare at a time which would result in your Cancellation Period expiring on or after the Cut-Off Date, Computershare will treat you as having instructed them to reinvest your cash dividend during the Cancellation Period. If Computershare do not receive a notice of cancellation from you prior to the Cut-Off Date, you will lose your cancellation rights.

- 8.41 **Withdrawal** – If you decide to withdraw from the Plan, you must let Computershare know in writing. You can withdraw at any time provided that your notice to withdraw from the Plan is received before the Cut-Off Date (if you do not want that dividend reinvested in Shares).
- 8.42 If you make an online request for your cash surplus to be returned, this will be treated as a notice that you wish to withdraw from the Plan.
- 8.43 If Computershare receive notice of your death, bankruptcy or mental incapacity (or, in the case of a corporate shareholder, your insolvency, administration or similar proceedings) your participation in the Plan will stop unless the Shares are held jointly with others in line with their Policies and procedures. For further information please contact us.

CREST Procedures

Please read this section if you are a CREST Member

- 8.44 If you hold your Shares in uncertificated form in CREST and you wish to receive the Services you must comply with the CREST procedures. If you elect via CREST you confirm that you agree to receive the Service in line with these terms and conditions, and you appoint Computershare as your agent to arrange the purchase of Shares.
- 8.45 If Computershare buy Shares for you, these will be credited to your CREST member account unless Computershare or BSVT decides that the Shares should be issued by certificate.
- 8.46 You may only remove an election which has been made via CREST by following the CREST procedure set out in the CREST Manual, unless Computershare or BSVT agrees another form of removal (which Computershare notify to you in writing). If your holding is reduced to zero, any future Shares you acquire will be subject to the previous election, unless you change it.
- 8.47 Computershare recommend that you input any messages to delete an election at least 24 hours in advance of the deadline to give Computershare and BSVT sufficient time to accept the deletion. There is no facility to amend an election which has been made by Dividend Election Input Message. If you wish to change your election details you must first delete the existing election and then input a Dividend Election Input Message with the required new details.

9 General information

Limits on their Liability

- 9.1 Computershare will provide the Service with reasonable care and skill.
- 9.2 Computershare are not liable for losses unless they are foreseeable by each of the parties at the time Computershare enter into an agreement governed by these terms and conditions and are caused by their breach of these terms and conditions, negligence, wilful default or fraud.
- 9.3 Computershare are not liable for losses or expenses suffered by you that are caused by:
 - (a) your failure to obey the law;
 - (b) third parties (which for this purpose includes banks and custodians and CSDs but otherwise excludes their own sub-contractors) subject to the provisions of these terms and conditions;
 - (c) documents getting lost or delayed in the post;

- (d) delays over the internet before your communication reaches their website;
- (e) your online communication being intercepted or hacked before it reaches their website;
- (f) any planned maintenance that Computershare have to carry out which will normally take place outside Business Hours;
- (g) fraudulent instructions;
- (h) us acting on your instructions; and/or
- (i) unclear instructions.

9.4 Computershare are not liable for any indirect losses or consequential loss of any kind and in any event Computershare are not liable for:

- (a) loss of opportunity (including investment opportunity);
- (b) loss of potential future income, revenue, or increase in value;
- (c) loss of income including interest;
- (d) loss of goodwill;
- (e) loss of anticipated savings; or
- (f) any wasted time, whether they amount to direct or indirect loss.

9.5 Our maximum aggregate liability to you arising in connection with the Service shall not exceed the total value of the dividend payments Computershare receive on your behalf for reinvestment in the 12 month period immediately before you first issue a claim against us, or if you have left the Plan at that point, in the 12 month period immediately before you left the Plan, or if higher the total fees you have paid Computershare for using the Service since you joined the Plan. The maximum liability will cover the aggregate of all losses, costs, interest and expenses whether arising under contract, tort (including negligence) or otherwise suffered by you or any other party in connection with the Service Computershare provide to you. This liability cap shall apply to all claims you make while you are a participant of the Plan and after you have left the Plan.

9.6 Nothing in these terms and conditions excludes or limits in any way their liability for:

- (a) death or personal injury caused by their negligence; or
- (b) fraud or fraudulent misrepresentation; or
- (c) any other matter for which it would be illegal or unlawful for Computershare to exclude or limit or attempt to exclude or limit their liability.

9.7 Computershare shall not be responsible for delays or failure to perform the Service due to circumstances beyond their reasonable control which may include for example market-conditions, halts on trading in a market, power failures or natural disasters. Where Computershare do suffer such delays Computershare will try to resume the Service as soon as reasonably possible.

9.8 Where Computershare have sent you details on how to access your account online it is your responsibility to keep these details secure. So if you suspect that any of these details have been obtained by anyone else you must tell Computershare immediately, or you will be liable for any fraudulent instructions that Computershare may receive as Computershare will always accept any instructions as valid if they contain these details. If you have any doubt about an instruction you should telephone Computershare immediately.

9.9 You accept responsibility for all instructions you send to Computershare or arrange to be sent to Computershare on your behalf.

Contacting Each Other

9.10 If you want to contact Computershare then you may do so using the details in the Key Information section or by writing to them at Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS99 6ZZ. Computershare will normally contact you by email if Computershare have your email address, otherwise Computershare will use the post.

9.11 When Computershare send you a communication Computershare will treat it as received by you if:

- (a) delivered by hand or courier, on delivery;
- (b) sent by UK domestic post, two Business Days after sending;
- (c) sent by international post (outside the UK), five Business Days after sending;
- (d) delivered by email or via their website, immediately.

9.12 Computershare provide these terms and conditions in English and Computershare will only communicate with you in English when providing the Service. If Computershare translate these terms and conditions into another language they should be treated as being informative only. Computershare will only be bound by the English version of these terms and conditions which govern the Service.

General

9.13 In performing the Service Computershare may on occasion employ agents to carry out certain activities. Before doing so Computershare will satisfy themselves that they are able to do the job Computershare are asking them to do.

9.14 Computershare will not do anything which Computershare think would or might break any relevant laws, rules, regulations or codes, or risk exposing Computershare to criticism for behaving improperly or not acting in accordance with good market practice.

9.15 When Computershare provide you with the Service you agree that Computershare can hold your money in a UK bank chosen by us. Under the law that will apply, Computershare will not be responsible for anything a UK bank does or fails to do with your money. The money will be held in a separate pooled client money bank account together with other clients' monies but separate from their money. You will still have the same rights to your money. The account will be governed by the FCA Rules on client money. All money belonging to clients will be held on trust for the sole benefit of clients. Computershare will not pay interest on monies Computershare hold for you. If the bank becomes insolvent Computershare will try to recoup your money on your behalf. If there is a shortfall in the money held in the client money account, all clients will share any shortfall proportionately. In this situation you may not recover all your money. You may then be able to make a claim under the Financial Services Compensation Scheme (FSCS). Sometimes, in exceptional circumstances, it may be necessary for Computershare to hold your money in a bank based outside of the UK, (for example, to facilitate payments to you if you are based outside the UK). If so, Computershare will take all reasonable steps to protect your money in line with local laws, which may be different from the laws in the UK. Your rights if the bank becomes insolvent may be reduced in this instance.

9.16 If Computershare hold your money and there has been no movement in your balance for at least six years, other than for charges Computershare may have levied, Computershare may remove this money from the client money bank account and donate it to a registered charity of their choice. You may later claim this sum of money back from us, but you will not be entitled to claim any interest on it. Computershare will let you know at least 28 days before Computershare do this by writing to you at the last email or postal address Computershare have for you. Where the amount is no more than £25 (or equivalent) and you fail to claim it before the 28 day notice period expires Computershare will donate the money without attempting to contact you again. If the amount is more than £25 (or equivalent) after the 28 day notice period expires, Computershare will make at least one further attempt to contact you using other means, before donating the money to charity.

- 9.17 If Computershare move all or part of their business to another provider, after the move is complete Computershare will no longer hold your money in the client money bank account. Computershare will exercise due skill, care and diligence in assessing whether the provider that Computershare are transferring your client money to will follow the requirements of the FCA Rules or apply adequate equivalent measures to protect your client money.
- 9.18 Where Computershare owe you money Computershare will round down the monies payable to the nearest penny. Where you owe Computershare money Computershare will round it up to the nearest penny. In each case we will keep the difference for their own benefit.
- 9.19 These terms and conditions and the Service are governed by the laws of England. You agree that any action must be brought in an English Court.
- 9.20 You lose your entitlement to any benefit associated with your Shares, such as a dividend payment, on the day your Shares are sold which will be before the Shares are registered with the new owners. If you receive such a benefit after your Shares are sold you may have to transfer it to the new owners of the Shares. If Computershare become aware of such a claim when Computershare have received the money from selling your Shares then Computershare will account for it to the new owner of the Shares and may deduct the same amount from the proceeds of the sale.
- 9.21 Computershare may withdraw the Service from you immediately due to a change in law or because we find out that you are not entitled to participate in the Service under local laws. Computershare will settle any outstanding instructions from you before Computershare do this, in so far as Computershare are permitted to do so by law.
- 9.22 In offering the Service Computershare will treat you as a "retail client". As a retail client you are protected by the FCA Rules and you may be eligible for compensation under the FSCS, as described further in the Complaints and Compensation section.
- 9.23 Conflicts of interest which may be detrimental to you, may arise between us, their agents, their other corporate clients, their employees and those who use this service. Computershare will make every effort to identify and prevent such conflicts. Where this is not possible, Computershare will manage and mitigate the conflicts. Where Computershare cannot prevent, manage or mitigate such conflicts Computershare will disclose details to you. You may obtain a copy of their Conflicts of Interest Policy, which Computershare update regularly, on their website or you may request a copy by writing to them at Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS13 8AE, United Kingdom.
- 9.24 Only you or Computershare have any right to enforce these terms and no third party has any right to enforce any of the terms by virtue of the Contracts (Rights of Third Parties) Act 1999.
- 9.25 If you owe Computershare money they may deduct the amount that you owe to them from any amounts that Computershare owe to you. If you owe Computershare money they may sell enough of your Shares to recover their own costs, even if this means Computershare sell your Shares at a loss and/or you suffer any tax liability as a result. Computershare may also offset any monies due to you against any monies you owe us. If Computershare plan to sell your Shares Computershare will let you know one month before Computershare do so. However even if Computershare do or they offset any sums of money you may owe them, they still reserve the right to go to court to recover any outstanding monies you may owe them.
- 9.26 If any of these terms and conditions is found to be unfair Computershare will not be able to rely upon it. However, that will not have any impact on the other terms and conditions which will remain in force.
- 9.27 You may not use this Service in a country where it would either be illegal to do so or would require Computershare to observe regulatory procedures or legal formalities in addition to those required in England and Wales.
- 9.28 Computershare will notify you when they change these terms and conditions and if they make any changes that are to your material disadvantage, they will give you not less than twenty

Business Days' notice before such change becomes effective, and you will be able to withdraw from the Service.

9.29 We may change these terms and conditions without telling you beforehand if Computershare need to change them because the law or regulation changes.

Data Protection

9.30 In order to provide the Service to you Computershare need to use your personal information. We may also transfer your personal information to other countries which have different data protection laws. We will only do this if Computershare are satisfied that there are adequate safeguards in place to protect your personal information.

9.31 For full details about how Computershare use and share your personal information please see their Privacy Policy, which is available on their website or you may request a copy by writing to them at Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS13 8AE, United Kingdom. The Privacy Policy also explains your rights in relation to your personal information and how you can exercise them.

Complaints and Compensation

9.32 If you are dissatisfied with the Service Computershare have provided you or wish to receive a copy of their complaints procedure please write to Computershare or find a copy of their complaints procedure on their website. If Computershare cannot resolve your complaint, you may refer it to the Financial Ombudsman Service, Telephone: +44 (0)800 023 4567 (free from UK landlines) or 0300 123 9123 (from UK mobiles) or at www.financial-ombudsman.org.uk.

9.33 Under the FSCS you may be entitled to compensation if Computershare cannot meet their financial obligations. You may be covered for up to 100% of the first £50,000 of your investments (i.e. a maximum of £50,000 per person). Where Computershare hold your money in a client bank account and the relevant UK approved bank becomes insolvent, you may be covered under the FSCS for up to £85,000 of the money on deposit with that bank. Details about their external banking partners are available on request. These amounts may be subject to change. Where Computershare are required to hold your client money in a jurisdiction outside the UK, your rights in the event of insolvency may be reduced. Further details of your rights under the FSCS can be found here: www.fscs.org.uk.

Part 10 – Definitions

The following definitions apply throughout this document unless the context otherwise requires:

2014 Finance Act	the Finance Act 2014, as amended
Admission	the admission of any New Shares to the premium listing segment of the Official List and to trading on the Main Market becoming effective in accordance with the Listing Rules and the admission and disclosure standards of the London Stock Exchange
Admission Condition	the UK Listing Authority having acknowledged to the Companies or their agents (and such acknowledgment not having been withdrawn) that the application for the admission of the New Shares to the Official List with a premium listing has been approved and (after satisfaction of any conditions to which such approval is expressed to be subject ("listing conditions")) will become effective as soon as dealing notice has been issued by the FCA and any listing conditions have been satisfied and the London Stock Exchange having acknowledged to the Companies or its agent (and such acknowledgment not having been withdrawn) that the New Ordinary Shares will be admitted to trading, subject only to allotment
AIC	the Association of Investment Companies
AIC Code	the Code of Corporate Governance published by the AIC from time to time
AIC Guide	the Corporate Governance Guide for Investment Companies published by the AIC from time to time
AIFM Directive or AIFMD	Directive 2011/61/EU of the European Parliament and of the Council on alternative investment fund managers
Applicants	applicants under the Offers
Articles or Articles of Association	the articles of association of each of the Companies, as amended from time to time, as the context requires
Audit Committee	the audit committee of the Board, as further described in Part 3 of this document
Auditors	the auditors of the Companies from time to time, being KPMG LLP as at the date of this document
Australia	the Commonwealth of Australia, its territories and possessions and all areas under its jurisdiction and political sub-divisions thereof
Baronsmead Second Venture Trust or BSVT	Baronsmead Second Venture Trust plc, a company incorporated in England and Wales with registered number 04115341
Baronsmead Venture Trust or BVT	Baronsmead Venture Trust plc, a company incorporated in England and Wales with registered number 03504214
Beneficial Owner	a person in whom the beneficial ownership of the New Shares is vested or will be vested immediately upon their issue

Boards	the board of directors of the Companies or a duly constituted committee thereof (and each a "Board")
BSVT Board or BSVT Directors	the directors of BSVT or any duly constituted committee thereof
BSVT Illustrative Offer Price	the Offer Price calculated in accordance with the Pricing Formula as set out in this document based on the most recent published NAV per BSVT Share
BSVT Investment Management Agreement	the investment management agreement dated 30 November 2018 between BSVT and the Investment Manager, further details of which are set out in paragraph 6.2.1 of Part 7
BSVT Offer	the offer for subscription for New BSVT Shares at the BSVT Offer Price as described in this document
BSVT Offer Price	the subscription price of the New BSVT Shares under the Offers as calculated in accordance with the Pricing Formula
BSVT Register	the register of members of BSVT
BSVT Share	an ordinary share of 10 pence each in the capital of BSVT
BSVT Shareholder	a registered holder of BSVT Shares
Business Day	a day (excluding Saturdays, Sundays and public holidays in England and Wales) on which banks generally are open for business in London for the transaction of normal business
BVT Board or BVT Directors	the directors of BVT or any duly constituted committee thereof
BVT Illustrative Offer Price	the Offer Price calculated in accordance with the Pricing Formula as set out in this document based on the most recent published NAV per BVT Share
BVT Investment Management Agreement	the investment management agreement dated 30 November 2018 between BVT and the Investment Manager, further details of which are set out in paragraph 6.1.1 of Part 7
BVT Offer	the offer for subscription for New BVT Shares at the BVT Offer Price as described in this document
BVT Offer Price	the subscription price of the New BVT Shares under the Offers as calculated in accordance with the Pricing Formula
BVT Register	the register of members of BVT
BVT Share	an ordinary share of 10 pence each in the capital of BVT
BVT Shareholder	a registered holder of BVT Shares
Canada	Canada, its provinces and territories and all areas under its jurisdiction and political sub-divisions thereof
certificated or in certificated form	a share or other security which is not in uncertificated form

COB Rules	Conduct of Business Sourcebook as set out in the FCA Handbook
Collective Investment Vehicles	other funds managed by the Investment Manager
Companies	Baronsmead Venture Trust and Baronsmead Second Venture Trust (and each a "Company")
Companies Act	the Companies Act 2006, as amended
Corporate Governance Code	the UK Corporate Governance Code issued by the Financial Reporting Council, as amended from time to time
CREST	the relevant system (as defined in the Uncertificated Securities Regulations 2001 (SI 2001/3755), as amended) in respect of which Euroclear is the operator in accordance with which securities may be held in uncertificated form
Directors	the directors of the Companies from time to time, and "Director" shall be construed accordingly
Disclosure Guidance and Transparency Rules	the disclosure guidance and transparency rules made by the FCA, as amended from time to time
EEA States	the member states of the European Economic Area from time to time
Electronic Payment	payment by debit card as detailed at www.computershare.co.uk/baronsmeadvcts which will be accepted by the Receiving Agent, who may in its absolute discretion reject any payment
Electronic Subscription Form	the subscription form which may be completed online from www.computershare.co.uk/baronsmeadvcts for use by Subscribers relating to Subscriptions for New Shares when they wish to pay by Electronic Payment
Euroclear	Euroclear UK & Ireland Limited
European Commission	The European Commission of the European Union
Existing Shareholder	a holder of Shares in either BVT or BSVT on the date of this document
FCA	the Financial Conduct Authority or any successor entity or entities
Final Dividend	the final dividend of 4.5 pence per BVT Share to be paid on 8 March 2019, subject to approval from BVT Shareholders, or as the context requires, the final dividend of 4.5 pence per BSVT Share to be paid on 8 March 2019, subject to approval from BSVT Shareholders
First Allotment	the allotment of New Shares issued under the Offers to take place on 7 February 2019
FSMA	the Financial Services and Markets Act 2000, as amended from time to time
HMRC	HM Revenue & Customs

IFRS	International Financial Reporting Standards, as adopted by the European Union
Illustrative Offer Price	the Offer Price calculated in accordance with the Pricing Formula as set out in this document based on the most recent published NAVs
Investment Manager or Gresham House	Gresham House Asset Management Limited, a private limited company registered in England and Wales with registered number 09447087
ISA	an individual savings account maintained in accordance with the Individual Savings Account Regulations 1998, as amended from time to time
Japan	Japan, its cities, prefectures, territories and possessions
Junior ISA	a junior ISA maintained in accordance with the Individual Savings Account Regulations 1998, as amended from time to time
Latest Practicable Date	close of business on 4 January 2019, being the latest practicable date prior to the publication of this document for ascertaining certain information contained in this document
LF Gresham House UK Micro Cap Fund	LF Gresham House UK Micro Cap Fund (formerly named LF Livingbridge UK Micro Cap Fund), an investment company with variable capital incorporated in England and Wales with company number IC000714
LF Gresham House UK Multi Cap Income Fund	LF Gresham House UK Multi Cap Fund Income Fund (formerly named LF Livingbridge UK Multi Cap Income Fund), a sub fund of LF Gresham House Equity Funds, an investment company with variable capital incorporated in England and Wales with company number IC001084
Link	Link Market Services Limited, a company incorporated in England and Wales with registered number 02605568
Listing Rules	the listing rules made by the FCA under Part VI of FSMA, as amended from time to time
Livingbridge	Livingbridge VC LLP, a limited liability partnership registered in England and Wales with registered number OC320408
London Stock Exchange	London Stock Exchange plc
Main Market	the main market for listed securities operated by the London Stock Exchange
Market Abuse Regulation	Regulation (EU) 596/2014 of the European Parliament and of the Council on market abuse, all delegated regulations and implementing regulations made thereunder and any legislation made in the United Kingdom in connection with the entry into force of such regulation
NAV or Net Asset Value	the net asset value of the relevant Company on the relevant date calculated on the basis of the relevant Company's normal accounting policies and principles

NAV per BSVT Share	the net asset value per BSVT Share from time to time, calculated in accordance with the accounting policies adopted by BSVT from time to time
NAV per BVT Share	the net asset value per BVT Share from time to time, calculated in accordance with the accounting policies adopted by BVT from time to time
New BSVT Shares	the new BSVT Shares to be issued pursuant to the Offers
New BVT Shares	the new BVT Shares to be issued pursuant to the Offers
New Shares	the new Ordinary Shares to be issued pursuant to the Offers
Nominee	a party who holds, or subscribes for Shares on behalf of, and as trustee of, a Beneficial Owner
Nominee Subscription Form	the subscription form to be used by Nominees subscribing on behalf of Beneficial Owners available on request from Computershare
Offers	the offers for subscription of New Shares at the Offer Price as described in this document
Offers Price	the subscription price of the New Shares under the Offers as calculated in accordance with the Pricing Formula
Official List	the official list maintained by the UK Listing Authority
Ordinary Share or Share	a BVT Share or a BSVT Share as the context requires
Portfolio	the portfolio of investments held by the relevant Company from time to time
Pricing Formula	the formula to be used to calculate the Offer Price of the New Shares under the Offer as set out in this document
Prospectus Rules	the prospectus rules made by the FCA under Part VI of FSMA, as amended from time to time
Qualifying Company	an unquoted (including AIM-traded) company which satisfies the requirements of Part 4 of Chapter 6 of the Tax Act
Qualifying Investment	shares in, or securities of a Qualifying Company held by a VCT which meet the requirements of Part 4 of Chapter 6 of the Tax Act
Qualifying Investor	an individual aged 10 or over who satisfies the conditions of eligibility for tax relief available to investors in a VCT
Registrar or Receiving Agent	Computershare Investor Services PLC, a company incorporated in England and Wales with registered number 3498808
Regulation S	Regulation S under the US Securities Act
Regulatory Information Service	a regulatory information service approved by the FCA to release regulatory announcements
Republic of South Africa	the Republic of South Africa, its territories and possessions and all areas under its jurisdiction and political sub-divisions thereof

Restricted Jurisdiction	any jurisdiction where local law or regulations may result in a risk of civil, regulatory or criminal exposure or prosecution if information or documentation concerning the Offer (including this document) is sent or made available to a person in that jurisdiction
Second Allotment	the allotment of New Shares issued under the Offers to take place on 15 March 2019
Shareholder	a registered holder of one or more Ordinary Shares
SIPP	a self-invested personal pension plan
Sponsor	Dickson Minto W.S.
Subscriber	a person whose name appears as such in a Subscription Form for use in connection with the Offers
Subscription Form	the subscription form for use in connection with the Offers as set out at the end of this document, or any amended subscription form
Subscriptions	Offers by Subscribers pursuant to the Offers and made by completing the Subscription Form or Nominee Subscription Form and posting (or delivering) these to the Receiving Agent or as otherwise indicated on the Subscription Form or Nominee Subscription Form (and each a "Subscription")
SSAS	a small self-administered pension scheme
Sterling or £	pounds sterling, being the lawful currency of the United Kingdom
Takeover Code	the City Code on Takeovers and Mergers
Tax Act	the Income Tax Act 2007, as amended from time to time
UK or United Kingdom	the United Kingdom of Great Britain and Northern Ireland
UK Listing Authority or UKLA	the UK Listing Authority, a division of the FCA
uncertificated or in uncertificated form	a share or other security title to which is recorded in the register of the share or other security concerned as being held in uncertificated form (i.e. in CREST) and title to which may be transferred by using CREST
United States or USA	the United States of America, its territories and possessions, any state of the United States of America, the District of Columbia, and all other areas subject to its jurisdiction
US Investment Company Act	the United States Investment Company Act of 1940, as amended
US Persons	as defined in Regulations made under the US Securities Act
US Securities Act	the United States Securities Act of 1933, as amended

Notes on how to complete the Subscription Form

Sections 1-2 of the Subscription Form require you to provide your personal details and your Subscription details. Section 3 asks you to provide your CREST details if you would like any New Shares allotted to you to be credited to your CREST account. Section 4 allows new investors to provide details in relation to the payment of dividends. Section 7 requires you to sign, state your name and date your Subscription Form.

If you have used a financial intermediary, section 5 requires them to provide their firm's details. Section 6 deals with the facilitation of initial adviser fees by the Companies.

If you wish to subscribe for New Shares as a Nominee please contact Computershare on 0800 923 1533 for a separate Nominee Subscription Form. If you are using a platform service, the Nominee Subscription Form should be used by your platform service provider.

Please complete all relevant parts of the Subscription Form in accordance with the instructions in these notes.

Section 1 – Personal Details

Name and address, etc.

Insert using block capitals, all of the personal details requested. Details of the privacy policies of each of the Companies and how your personal data is processed can be found on their respective websites. Should the Receiving Agent need to contact you about your Subscription they will need your contact details to enable them to do so.

It is very important that you complete this section clearly and accurately, as the Receiving Agent will send a confirmation email or letter to you at the address shown in this section. If your Subscription to the Offers is successful your name and address as stated in this section will be entered on to the Register of the relevant Company and printed on the tax and share certificates.

Section 2 – Subscription details

Amount you wish to subscribe

Insert (in figures) the total value of the investment you wish to make pursuant to the Offers. Your Subscription must be for a minimum amount of £3,000 per elected Offer and thereafter in multiples of £1,000 per elected Offer. Any Subscriptions that are not in multiples of £1,000 are liable to be scaled down to the nearest £1,000.

You can choose to invest in either or both of the Companies. You must indicate how much you want to invest in either or both of the Companies by entering the amount in the appropriate box on the Subscription Form. In the event of your preferred allocation not being available the Receiving Agent will automatically allocate your Subscription in to the other Company's Offer. If you do not want this to happen please tick the relevant box in section 2.

If the Offers have closed, or are deemed to have closed, by the time your Subscription Form is received then the total amount of your Subscription will be returned to you.

Payment options

Bank transfer

If you wish to pay the Subscription amount by bank transfer, the total aggregate amount set out in section 2 should be transferred to the account details set out below from a personal account with a United Kingdom or EU regulated credit institution, which is in the sole or joint name of the Subscriber. Payments will not be accepted from business accounts or third parties (including your spouse).

Please transfer the total aggregate amount of your Subscription to the following account after first sending in your completed Subscription Form. **Please make sure that you reference the payment with your surname, initials and the date the payment is made.**

Account name: CIS PLC RE: BARONSMEAD OFFER FOR SUBSCRIPTION APPLICATION ACCOUNT

Sort Code: 160813

Account number: 10012254

Bank: Royal Bank of Scotland

Any Subscription without a reference or an incorrect reference or where the funds and form cannot be reconciled will be rejected.

Cheque

If you wish to pay the Subscription amount by cheque, please pin a cheque to the Subscription Form for the exact amount shown in section 2. Your cheque must be made payable to "CIS PLC RE: BARONSMEAD OFFER FOR SUBSCRIPTION APPLICATION ACCOUNT".

Cheques may be presented for payment on receipt. Subscriptions under the Offers will be processed upon receipt. A Subscription Form accompanied by a post-dated cheque will not be accepted until such date as the cheque can be presented, subject to the absolute discretion of the Boards to accept such Subscriptions.

Your cheque must be drawn in sterling on an account with a United Kingdom or EU regulated credit institution, and which is in the sole or joint name of the Subscriber and must bear the appropriate sort code in the top right-hand corner.

The right is reserved to reject any Subscription in respect of which the Subscriber's cheque or banker's draft has not been cleared on first presentation. Any monies returned will be sent through the post at the risk of the persons entitled thereto by cheque crossed "A/C Payee only" in favour of the Subscriber without interest.

Section 3 – CREST details (if any)

Any New Shares allotted to you will be in a registered form capable of being transferred by means of the CREST system. Subscribers who wish to take advantage of the ability to trade in New Shares in uncertificated form, and who have access to a CREST account, may arrange to have their New Shares allotted directly to their CREST account, or subsequently to convert their holdings into dematerialised form in CREST. Investors should be aware that New Shares delivered in certificated form are likely to incur higher dealing costs than those in respect of New Shares held in CREST. The share register of each Company will be kept by the Registrar, Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS99 6AR.

Section 4 – Dividend Payments For New Shareholders

If you do not currently hold Shares in either BVT or BSVT, you should complete section 4. Any dividends paid by the Companies can be reinvested in additional Shares in the relevant Company or received in cash payments into your bank account.

By selecting that you would like any future dividends to be reinvested, you confirm that you've read and understood the Terms and Conditions of the Dividend Reinvestment Plan as set out in Part 9 of the prospectus.

Investors should also note that dividends that are reinvested do not count towards your annual VCT tax allowance.

Existing Shareholders must not complete section 4 as existing dividend payment arrangements can not be amended using the Subscription Form. If you are an Existing Shareholder and you wish to amend any of the existing instructions in relation to the payment of dividends you should do so separately by contacting the Registrar, Computershare Investors Services PLC, The Pavilions, Bridgwater Road, Bristol BS99 6AR, or by going to www.investorcentre.co.uk.

Section 5 – Financial intermediaries’ details

This section should only be completed if you have used a financial intermediary with respect to your Subscription. If you apply directly and have not used a financial intermediary with respect to your Subscription you should not complete this section.

Section 6 – Financial intermediaries’ payment

All fees charged by the Companies are outlined in this document. The Companies can also facilitate payments to your financial intermediary. If you wish for payments to be made to your financial intermediary in relation to your Subscription please complete section 6.

An advised investment with an initial adviser fee

Investors who have invested in the Offers through a financial intermediary and have received upfront advice including investors who are investing through intermediaries using financial platforms should tick the first box in section 6. If you complete section 6 the tax certificate that you receive in relation to your Subscription will reflect the full amount of your Subscription less the payment made to your financial intermediary. The number of New Shares that you receive will also be based on the full amount of your Subscription less the payment made to your financial intermediary. For example, if an investor makes a Subscription of £10,000 and agrees a facilitation payment of 2 per cent. with their financial intermediary they will receive £9,800 of New Shares and a tax certificate that reflects a Subscription of £9,800.

Where an investor agreed to an upfront fee, the Companies can facilitate a payment of an initial adviser fee to the relevant financial intermediary. Investors should check whether their financial intermediary would like to receive the payment by way of a bank transfer or cheque.

Section 7 – Signature and date

You must sign, state your name and date the Subscription Form in section 7.

By signing and dating the Subscription Form you agree to invest in the relevant Company in accordance with the terms and conditions of Subscription as set out on pages 78 to 81 of this document.

If this section of the form is unsigned the Receiving Agent will not be able to process your Subscription and Subscription monies will be returned to you.

Administration of Shareholder Account

Existing Shareholders

Existing Shareholders’ dividend payment/reinvestment details and shareholder communications preferences will not be altered as a result of New Shares being issued to them. Should an existing Shareholder wish to change any of the existing instructions with regard to the administration of the existing Shareholder account(s) they should do so separately by writing to the Registrar, Computershare Investor Services PLC, Corporate Actions 3, Bridgwater Road, Bristol BS99 6AR, or by going to www.investorcentre.co.uk.

New investors

New investors should complete section 4 of the Subscription Form if you want any future dividends paid directly into your bank or building society account. Dividends paid by cheque will be sent to the Shareholder’s registered address using the standard mail delivery at the Shareholder’s own risk. The Registrar will charge administration fees for re-issuing any cheques that are not presented for payment. New investors may also elect in section 4 for their dividends to be reinvested.

Common Reporting Standards

From 1 January 2016 VCTs, along with investment trusts, are required to report the tax residence of their shareholders. Investors who are not already on the register of members of the relevant Company and who hold their Shares in certificated form, will be sent a document along with their share certificate in the relevant Company which those Shareholders should complete and return to the Registrar.

Money Laundering Notice – Important Procedures for Subscriptions for more than £50,000

Investors should be aware of the following requirements in respect of the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 for Subscriptions of £50,000, or more.

A. For those **who have not** previously invested in the Companies if the Subscription:

1. is made through an authorised financial intermediary then verification of the Subscriber's identity may be provided by means of a "Letter of Introduction" from an Independent Financial Adviser or other regulated person (such as a solicitor or accountant) who is a member of a regulatory authority and is required to comply with the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 or a UK or EC financial institution (such as a bank). The Receiving Agent will supply specimen wording on request; or
2. is made direct (not through a financial intermediary), the Companies, or a third party acting on behalf of the Companies, will carry out an online check of your identity using an online anti-money laundering and identity verification system.

If you do not want the online check to be carried out please tick the box on the Subscription Form that states that you are opting out of the electronic identity verification system. If you tick this box you must enclose a copy of your passport or driving licence certified by a bank or solicitor stating that it is a "true copy of the original and a true likeness of the client" followed by your name; and a recent (no more than three months old) bank or building society statement or utility bill showing your name and address with the Subscription Form.

B. For those **who have** previously invested in the Companies your identity may be verified for the purposes of the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 by paying subscription monies by a cheque drawn in your name from a United Kingdom or other European Union regulated credit institution. If this is not provided then you will need to go through the above procedure for those who have not previously invested in the Companies.

Failure to provide the necessary evidence of identity may result in your Subscription being treated as invalid or in delay of confirmation.

What Happens Next?

1. Within two Business Days of the Receiving Agent receiving your completed Subscription Form you will receive an email from the following email address: BaronsmeadOFS@computershare.co.uk. Please save this email address as a safe address in your email account to ensure that the email does not go to your junk folder.
2. Depending on when your completed Subscription Form is received we will either allot your New Shares in the First Allotment on 7 February 2019 or in the Second Allotment on 15 March 2019.
3. We will send your share and income tax certificates to you within ten working days of your New Shares being allotted.

Subscription Form for the Offers

If you are in any doubt about the action to take you are recommended to seek your own financial advice immediately from your stockbroker, bank manager, solicitor, accountant, fund manager or other independent financial intermediary authorised under the Financial Services and Markets Act 2000 who specialises in advising on the acquisition of shares and other securities.

IMPORTANT – Before completing this form please read the accompanying notes. PLEASE USE BLOCK CAPITALS to complete the form.

Return this form by post to Computershare Investor Services PLC, Corporate Actions 3, Bridgwater Road, Bristol BS99 6AR or by hand (during normal business hours) to Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS13 8AE so as to arrive by no later than 12 noon on 13 March 2019. If you post your Subscription Form you are recommended to either send your form by special delivery or first class post and to allow at least four days for delivery.

Online Subscriptions can be made at www.computershare.co.uk/baronsmeadvcts.

By completing and signing this Subscription Form you accept that you will be subscribing in accordance with the terms and conditions set out on pages 78 to 81 of the Prospectus dated 8 January 2019. The definitions in that document apply to this Subscription Form.

SECTION 1 – PERSONAL DETAILS

Title: (Mr/Mrs/Miss/Ms/Other)	
First Name(s):	
Last Name:	
Are you an Existing Shareholder of:	Baronsmead Venture Trust plc <input type="checkbox"/> Baronsmead Second Venture Trust plc <input type="checkbox"/>
If you have ticked either or both of the boxes above, please provide your Baronsmead Shareholder Reference Number(s):	Baronsmead Venture Trust <input type="text"/> Baronsmead Second Venture Trust <input type="text"/>
Date of birth (dd/mm/yyyy):	<input type="text"/> / <input type="text"/> / <input type="text"/> <input type="text"/> <input type="text"/>
National Insurance number:	<input type="text"/>
Daytime telephone number:	<input type="text"/>
Email address:	<input type="text"/>
Address:	
Postcode:	<input type="text"/>

SECTION 2 – SUBSCRIPTION DETAILS

I wish to subscribe for:

£ of New Shares in **Baronsmead Venture Trust plc**

£ of New Shares in **Baronsmead Second Venture Trust plc**

Subscriptions must be for a minimum of £3,000 and in multiples of £1,000 thereafter.

£ **Total aggregate amount** I wish to subscribe in the Offers. This figure must include any amount payable to a Financial Intermediary, as set out in section 6 of this Subscription Form (if applicable).

Investors should note that if an investor subscribes for shares in a VCT within 6 months before or after selling any shares in that same VCT, or if there is a contractual link between the subscription and the disposal, the tax reliefs in relation to that subscription will apply only to the amount invested less the amount for which the shares are sold.

In the event of your preferred allocation not being available, the Receiving Agent will automatically allocate your Subscription in to the other Company's Offer (if possible).

Please tick here if you do not want this to happen.

Payment options

Bank transfer

Please transfer the **total aggregate amount** set out above to the following account after completing and sending the Subscription Form. **Please make sure that you reference the payment with your surname, initials and the date the payment is made:**

Account Name: CIS PLC RE: BARONSMEAD OFFER FOR SUBSCRIPTION APPLICATION ACCOUNT

Sort Code: 160813

Account number: 10012254

Bank: Royal Bank of Scotland

Please insert the reference used for the payment here:

Any Subscription without a reference or an incorrect reference or where the funds and form cannot be reconciled will be rejected.

Payments must come from a personal account with a United Kingdom or EU regulated credit institution, and which is in the sole or joint name of the Subscriber. Payments will not be accepted from business accounts or third parties (including your spouse).

Cheque

Make your cheque or banker's draft out to "CIS PLC RE: BARONSMEAD OFFER FOR SUBSCRIPTION APPLICATION ACCOUNT" and cross it with the words "A/C Payee only". Your cheque must be drawn in sterling on a personal account with a United Kingdom or EU regulated credit institution, and which is in the sole or joint name of the Subscriber and must bear the appropriate sort code in the top right-hand corner.

SECTION 3 – CREST DETAILS

Subscribers who wish to have their New Shares allotted directly to their CREST account, should complete the relevant details below.

CREST Member Account ID:	
CREST Participant ID:	
Participant name:	
Contact name for CREST queries:	
Contact telephone number:	<input type="text"/>

SECTION 4 – DIVIDEND PAYMENTS FOR NEW SHAREHOLDERS

If you do not currently hold shares in Baronsmead Venture Trust plc or Baronsmead Second Venture Trust plc, you should complete this section.

Any dividends paid by the Companies can be reinvested in additional Shares in the relevant Company or received in cash payments into your bank account. Please select your preferred option below. If you select the dividend payment option please also provide details of the bank account that you would like the dividend to be paid into.

I would like dividends to be paid into the following bank account

Bank/Building Society name:	
Bank/Building Society address	
Sort Code:	
Account:	

I would like dividends to be reinvested

By ticking this box, you confirm that you've read and understood the Terms and Conditions of the Dividend Reinvestment Plan as set out in Part 9 of the Prospectus.

Investors should also note that dividends that are reinvested do not count towards your annual VCT tax allowance.

SECTION 5 – FINANCIAL INTERMEDIARIES' DETAILS

To be completed by your adviser and intermediary (if applicable).	
Firm name:	
Title: (Mr/Mrs/Miss/Ms/Other)	
First Name(s):	
Last Name:	
Daytime telephone number:	██
Email address:	██ ██
Address:	
Postcode:	████████████████
Firm FCA number:	████████████████
Adviser FCA number:	████████████████

SECTION 6 – FINANCIAL INTERMEDIARIES' PAYMENT

All fees charged by the Companies are outlined in the Prospectus. The Companies can also facilitate payments to your financial intermediary. If you wish for payments to be made to your financial intermediary in relation to your Subscription please complete this section 6. The initial adviser fee set out below will be deducted from the Subscription amount you enter in section 2. The tax certificate and New Shares you receive will reflect your full Subscription amount less the initial adviser fee.

If this section is left blank, a 0 per cent. charge will apply.

This is an advised investment with an initial adviser fee

Please indicate the level of initial adviser fee you have agreed with your financial intermediary.

I wish for an initial adviser fee of per cent. (being £) to be paid to my financial intermediary.

Please indicate whether your financial intermediary would like to receive the payment by way of bank transfer or cheque.

Bank transfer

Account Name:

Sort Code: / /

Account Number

Bank

Branch

Cheque

This is a direct investment with no financial intermediary involved

SECTION 7 – SIGNATURE

YOU MUST SIGN, STATE YOUR NAME AND DATE THIS SUBSCRIPTION FORM OTHERWISE IT WILL NOT BE ACCEPTED AND YOUR SUBSCRIPTION(S) WILL BE RETURNED.

By signing this form I HEREBY DECLARE THAT:

- (a) I have read the terms and conditions of Subscription contained on pages 78 to 81 of the Prospectus issued by the Companies containing the terms of the Offers dated 8 January 2019 and agree to be bound by them.
- (b) I understand that this is a LONG-TERM investment and I have read the RISK FACTORS on pages 14 to 16 of the Prospectus.
- (c) I will be the beneficial owner of the New Shares in the relevant Company to be issued pursuant to the Offers.
- (d) I hereby confirm that to the best of my knowledge all of the information I have supplied in the Subscription Form is correct.

HM REVENUE & CUSTOMS MAY INSPECT THIS FORM. IT IS A SERIOUS OFFENCE TO MAKE A FALSE DECLARATION.

Signature:	
Full name:	
Date:	

By ticking this box I am opting out of the electronic identity verification system being used to verify my identity for the purposes of Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 and have enclosed the appropriate documentation with this form. Please read section entitled "Money Laundering Notice - Important Procedures for Subscriptions for more than £50,000 on page 114 of the Prospectus before ticking this box.



Tel: 020 3006 7530
Email: taxsolutions@ramcapital.co.uk