

Calculus VCT plc
D Share Offer
Registration Document

THIS DOCUMENT IS IMPORTANT AND REQUIRES IMMEDIATE ATTENTION. IF YOU ARE IN ANY DOUBT ABOUT WHAT ACTION YOU SHOULD TAKE, YOU ARE RECOMMENDED TO SEEK YOUR OWN FINANCIAL ADVICE IMMEDIATELY FROM YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER INDEPENDENT FINANCIAL ADVISER AUTHORISED UNDER THE FINANCIAL SERVICES AND MARKETS ACT 2000 ("FSMA").

This document constitutes a registration document (the "**Registration Document**") dated 26 October 2015 issued by Calculus VCT plc (the "**Company**"), prepared in accordance with the Prospectus Rules made under Section 84 of FSMA and has been approved by the Financial Conduct Authority ("**FCA**") in accordance with FSMA. Additional information relating to the Company is contained in a securities note (the "**Securities Note**") issued by the Company of even date herewith. A brief summary written in non-technical language and conveying the essential characteristics and risks associated with the Company and the D ordinary shares of 1p each in the share capital of the Company (the "**D Shares**") which are being offered for subscription (the "**Offer**") is contained in a summary issued by the Company of even date herewith (the "**Summary**"). The Summary, Securities Note and this Registration Document together comprise a prospectus (the "**Prospectus**") which has been filed with the FCA in accordance with the Prospectus Rules and you are advised to read the Prospectus in full.

The Company and its Directors, whose names appear on page 6 of this document, accept responsibility for the information contained in this Registration Document. To the best of the knowledge of the Company and its Directors (who have taken all reasonable care to ensure that such is the case) the information contained in the Registration Document is in accordance with the facts and does not omit anything likely to affect the import of such information.

CALCULUS VCT PLC

(Registered in England and Wales under company number 07142153)

Offer for subscription to raise up to £8 million by way of issue of D Shares in the Company

In connection with the Offer, SPARK Advisory Partners Limited ("**SPARK**") is acting for the Company and for no-one else and will not (subject to the responsibilities and liabilities imposed by FSMA or the regulatory regime established thereunder) be responsible to anyone other than the Company for providing the protections afforded to customers of SPARK nor for providing advice in relation to the Offer. SPARK is authorised and regulated in the United Kingdom by the FCA.

Calculus Capital Limited ("**Calculus Capital**") is the Company's investment manager in respect of its venture capital portfolio. Calculus Capital will not be responsible to anyone other than the Company for the provision of protections afforded to customers of Calculus Capital nor for providing advice in relation to the Offer. Calculus Capital is authorised and regulated in the United Kingdom by the FCA.

Application will be made to the UKLA for the D Shares offered for subscription pursuant to the Prospectus to be listed on the premium segment of the Official List and will be made to the London Stock Exchange for such D Shares to be admitted to trading on its main market for listed securities. It is expected that admission will become effective and that trading in the D Shares will commence three Business Days following allotment.

The Offer is conditional upon the approval of the Shareholders of the Company at the general meeting and class meetings of the Company to be held on 24 November 2015.

Copies of this Registration Document, the Securities Note and the Summary (and any supplementary prospectus published by the Company) are available free of charge from the offices of the Company's manager, Calculus Capital at 104 Park Street, London, W1K 6NF and the Company's lawyers, RW Blears LLP, at 125 Old Broad Street, London, EC2N 1AR.

YOUR ATTENTION IS DRAWN TO THE RISK FACTORS ON PAGES 4 AND 5.

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PART 1

RISK FACTORS

Shareholders and prospective shareholders should consider carefully the following risk factors in addition to the other information presented in this document and the Prospectus as a whole. If any of the risks described below were to occur, it could have a material effect on the Company's business, financial condition or results of operations. The risks and uncertainties described below are not the only ones the Company, the Board or investors in the Company will face. Additional risks not currently known to the Company or the Board, or that the Company or the Board currently believe are not material, may also adversely affect the Company's business, financial condition and results of operations. The value of Shares could decline due to any of these risk factors, and investors could lose part or all of their investment. Investors who are in any doubt should consult their independent financial adviser. The attention of prospective investors is drawn to the following risks:

- The levels and bases of reliefs from taxation may change and changes could apply retrospectively. The tax reliefs referred to in this document are those currently available and their value depends on the individual circumstances of Investors. The Company's objectives have been set on the basis that all Investors obtain 30% VCT income tax relief on their subscriptions. Therefore, investment in the Company may not be suitable for Investors who do not qualify for the full 30% VCT income tax relief.
- The past performance of investments made by the Company or other funds managed by either Manager should not be regarded as an indication of the performance of investments to be made by the Company.
- Any change of governmental, economic, fiscal, monetary or political policy could materially affect, directly or indirectly, the operation of the Company and/or its ability to maintain VCT status.
- The Net Asset Value of the Shares will reflect the values and performance of the underlying assets in the respective portfolios. The value of the investments and income derived from them can rise and fall. Realisation of investments in unquoted companies can be difficult and may take considerable time. There may also be constraints imposed on the realisation of investments in order to maintain the VCT status of the Company which may restrict the Company's ability to obtain maximum value from its investments or to achieve the intended timing of distributions. To be qualifying holdings, VCT funds raised must be invested in smaller companies with gross assets of not more than £15 million (and £16 million post investment). In addition, to be qualifying holdings, VCT funds must be invested in companies which have no more than 250 full time (equivalent) employees and which do not obtain more than £5 million of investment from VCTs, companies under the corporate venturing scheme and individuals claiming relief under the Seed Enterprise Investment Scheme and/or Enterprise Investment Scheme in any rolling 12 month period.
- There can be no guarantee that suitable investment opportunities will be identified in order to meet the Company's objectives. Although the Company may receive conventional venture capital rights in connection with its investments, as a minority investor it may not be in a position to fully protect its interests. Investment in smaller and unquoted companies involves a higher degree of risk than investment in larger companies and those traded on the main market of the London Stock Exchange. Smaller companies generally may have limited product lines, markets or financial resources and may be more dependent on their management or key individuals than larger companies. Markets for smaller companies' securities may be less regulated and are often less liquid, and this may cause difficulties in valuing and disposing of equity investments in such companies.
- Although the D Shares Fund (if D Shares are issued) will be managed and accounted for separately from the Ordinary Shares Fund and the C Shares Fund, a number of company regulations and VCT requirements are assessed at company level and, therefore, the performance of one fund may impact adversely on the other fund and restrict the ability to make distributions, realise investments and/or meet requirements to meet VCT status. In particular, under the Company's articles of association to be adopted at the General Meeting subject to Shareholders' approval, dividends may

be paid to the shareholders of a particular class from the income and/or capital assets of another class provided that such amounts are accounted for no later than three years from the end of the accounting period in which the last allotment of shares of the former class took place. The Directors may, at their discretion, utilise this power to pay dividends to D Shareholders from the profits attributable to Ordinary and C Shareholders for the four years following the close of the Offer. In addition, subject to existing Shareholders' approval, the D Shares Fund may be merged with the Ordinary Shares Fund and/or the C Shares Fund, at which point the investments and other net assets attributable to each fund will be merged and the cost cap attributable to the merged fund will be equal to the aggregate of the cost caps applicable to each of the classes being merged.

- Where more than one of the funds managed or advised by Calculus Capital wishes to participate in an investment opportunity, allocations will generally be made in proportion to the net cash available for investment by each fund, other than where investments are proposed to be made in a company where a fund has a pre-existing investment in which case the incumbent investor will have priority. Implementation of this policy will be subject to the availability of monies to make the investment and other portfolio considerations such as sector exposure, the proposed structure of the investment and the requirement to achieve or maintain a minimum of 70% of a particular VCT's portfolio in Qualifying Companies and the Manager may depart from this basis of allocation if, in its absolute discretion, it considers it appropriate to do so having regard to the overall investment policy of each fund and the benefit of creating diversity within the portfolios of investors. This may mean that a Company may receive a greater or lesser allocation than would otherwise be the case under the normal co-investment policy.
- Although the existing Shares issued by the Company have been (and it is anticipated that the D Shares will be) admitted to the Official List of the UK Listing Authority and traded on the London Stock Exchange's main market for listed securities, it is unlikely that there will be a liquid market as there is a limited secondary market for VCT shares and investors may find it difficult to realise their investments. The market price of the Shares may not fully reflect, and will tend to be at a discount to, their underlying net asset value. Such a discount may be exacerbated by the availability of income tax relief on the issue of new VCT shares. If the Company lacks sufficient cash reserves to purchase its own Shares and during prohibited periods when the Company is unable to purchase its own Shares the market price of Shares may not fully reflect, and will tend to be at a discount to, their underlying net asset value.
- The changes in legislation concerning VCT Rules proposed in the Summer Finance Bill 2015 may place further restrictions on the range of investments into which the Company can deploy funds in the future and include a lifetime investment limit of no more than £12 million (£20 million in the case of knowledge intensive companies) of tax advantaged risk finance which can be invested in a single company. These legislative changes may result in the Company having to invest in younger businesses than has previously typically been the case, potentially exposing the Company to a higher risk profile, and may also significantly limit the Company's ability to make new AIM-quoted investments or make further investments into existing portfolio companies, which may negatively impact the Company's ability to support portfolio companies. The penalty for breaching some of the proposed new rules is loss of VCT status, so the Company and its investors may face a higher risk of the loss of tax benefits than previously. The Directors believe that, while acknowledging the additional risks that the new rules may introduce, the Company will be able to satisfactorily adapt to the new rules and that they should not have a significant impact on the performance of the Company.
- If an investor who subscribes for Shares disposes of those Shares within five years, the investor is likely to be subject to clawback by HMRC of any income tax relief originally obtained on subscription. While it is the intention of the Directors that the Company will be managed so as to continue to qualify as a venture capital trust, 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 Company to lose its exemption from corporation tax on capital gains.

CORPORATE INFORMATION

Directors	Michael O'Higgins (<i>Chairman</i>) Kate Cornish-Bowden Arthur John Glencross Steven Guy Meeks
Registered Office	Beaufort House 51 New North Road Exeter EX4 4EP
	Telephone: 01392 477500
Company Registration Number	07142153
Venture Capital Investment Manager	Calculus Capital Limited 104 Park Street London W1K 6NF
	Telephone: 020 7493 4090 Website: www.calculuscapital.com
Structured Products Investment Manager	Investec Structured Products 2 Gresham Street London EC2V 7QP
	Telephone: 020 7597 4000 Website: www.investecstructuredproducts.com
Fund Administrator and Company Secretary	Capita Sinclair Henderson Limited (trading as Capita Asset Services) Beaufort House 51 New North Road Exeter EX4 4EP
Registrars	Capita Asset Services The Registry 34 Beckenham Road Beckenham Kent BR3 4TU Tel: 0371 664 0324 If you need any more help please call us on 0371 664 0324. Calls are charged at the standard geographic rate and will vary by provider. Calls from outside the United Kingdom are charged at the applicable international rate. Our lines are open 9am to 5.30pm, Monday to Friday, excluding public holidays in England and Wales. You can also contact us by email – vcts@capita.co.uk or by fax – 020 8639 2300. The helpline cannot provide advice on the merits of the Proposals nor give any financial, legal or tax advice.
Auditors	Grant Thornton UK LLP 30 Finsbury Square London EC2P 2YU

Receiving Agent	Capita Registrars Corporate Actions The Registry 34 Beckenham Road Beckenham Kent BR3 4TU
Solicitors	RW Blears LLP 125 Old Broad Street London EC2N 1AR
Sponsor	SPARK Advisory Partners Limited 5 St John's Lane London EC1M 4BH

DEFINITIONS

“Admission”	the date on which the D Shares are listed on the Official List of the UKLA and admitted to dealing on the LSE’s main market for listed securities;
“AIM”	the Alternative Investment Market;
“Application Form”	the application form for use in respect of the Offer;
“Articles”	the articles of association of the Company, as amended from time to time;
“Board” or “Directors”	the board of directors of the Company;
“Business Day”	any day (other than a Saturday or Sunday) on which clearing banks are open for normal banking business in the City of London;
“CA 1985”	Companies Act 1985, as amended;
“CA 2006”	Companies Act 2006, as amended;
“C Shareholders”	holders of C Shares;
“C Shares”	C ordinary shares of 1p each in the capital of the Company;
“C Shares Fund”	the net assets of the Company attributable to the C Shares (including, for the avoidance of doubt, any income and/or revenue arising from or relating to such assets);
“Calculus Capital”	Calculus Capital Limited, which is authorised and regulated by the FCA;
“Capita Asset Services”	a trading name of Capita Registrars Limited;
“Company”	Calculus VCT plc;
“CREST”	the Certificateless Registry for Electronic Share Transfer, operated by Euroclear;
“D Shareholders”	holders of D Shares;
“D Shares”	D ordinary shares of 1p each in the capital of the Company being offered for subscription pursuant to the Offer;
“D Shares Fund”	the net assets of the Company attributable to the D Shares, if they are issued, including, for the avoidance of doubt, any income and/or revenue arising from or relating to such assets;
“FCA”	the Financial Conduct Authority;
“FSMA”	the Financial Services and Markets Act 2000, as amended;
“FTSE 100 Index”	a capitalisation weighted index of the 100 most highly capitalised companies traded on the London Stock Exchange;
“Group”	the Company and its subsidiary undertakings (if any);
“General Meeting”	the general meeting and class meetings of the Company to be held on 24 November 2015;
“HMRC”	HM Revenue & Customs;

“Interim Return Date”	14 December 2015 (in respect of the Ordinary Shares) and 14 March 2016 (in respect of the C Shares);
“Investec Bank plc”	Investec Bank plc, a wholly owned indirect subsidiary of Investec plc, which is part of an international banking group with operations in three principal markets: the United Kingdom and Europe, Asia and Australia, and South Africa;
“Investec Structured Products team”	the Investec Structured Products team within Investec Bank plc and a trading name of Investec Bank plc;
“Investor”	a person who subscribes for D Shares pursuant to the Offer;
“ISDX-listed”	a company listed on the ICAP Securities and Derivatives Exchange, ISDX Growth Market, a prescribed market for the purposes of section 118 of Financial Services and Markets Act 2000 operated by ICAP;
“ITA 2007”	Income Tax Act 2007, as amended;
“Listing Rules”	listing rules issued by the FCA, acting as the UK Listing Authority, pursuant to Part VI of the FSMA;
“London Stock Exchange” or “LSE”	London Stock Exchange plc;
“Managers”	Calculus Capital and Investec Structured Products (and each a “Manager”);
“Memorandum”	the memorandum of association of the Company;
“NAV” or “net asset value”	the net asset value of a company calculated in accordance with that company’s normal accounting policies;
“Offer”	the offer for subscription of D Shares as described in the Prospectus;
“Official List”	the official list of the UKLA;
“Ordinary Shareholders”	holders of Ordinary Shares;
“Ordinary Shares”	ordinary shares of 1p each in the capital of the Company;
“Ordinary Shares Fund”	the net assets of the Company attributable to the Ordinary Shares (including, for the avoidance of doubt, any income and/or revenue arising from or relating to such assets);
“Performance Incentive”	the proposed performance incentive arrangements with Calculus Capital described in paragraph 4.9 of Part 2 of this document;
“Prospectus”	the Securities Note, the Summary and this document;
“Prospectus Rules”	the prospectus rules of the UK Listing Authority;
“Qualifying Company”	an unquoted company carrying on a qualifying trade wholly or mainly in the UK and which satisfies certain other conditions as defined in Chapter 4 Part 6 of the ITA 2007;
“Qualifying Investors”	an individual aged 18 or over who subscribes for D Shares within the investor’s qualifying subscription limit of £200,000 per tax year;

“Qualifying Investment”	an investment of the Company which meets the requirements for a qualifying investment under Chapter 4 of Part 6 of the ITA 2007;
“Receiving Agent”	Capita Asset Services, in its capacity as receiving agent to the Offer;
“Registrar”	Capita Asset Services, in its capacity as registrars to the Company;
“Registration Document”	this document, being a registration document published by the Company dated 26 October 2015 which forms part of the Prospectus;
“Securities Note”	the securities note published by the Company dated 26 October 2015 which forms part of the Prospectus;
“Shareholder”	a holder of Shares;
“Shareholder Proceeds”	amounts paid by way of dividends or other distributions, share buy-backs, proceeds on a sale or liquidation of the Company and any other proceeds or value received, or deemed to be received, by Shareholders in the Company, excluding any income tax relief on subscription;
“Shares”	shares in the capital of the Company;
“SPARK” or the “Sponsor”	SPARK Advisory Partners Limited, the Company’s sponsor;
“Structured Product(s)”	notes and/or deposits and/or securities whose cash flow characteristics reflect the performance of an index or indices (which may or may not be linked to a market);
“Summary”	the summary published by the Company dated 26 October 2015 which forms part of the Prospectus;
“UK”	the United Kingdom;
“UKLA” or “UK Listing Authority”	the UK Listing Authority, being the Financial Conduct Authority acting in its capacity as the competent authority for the purposes of Part 6 of the Financial Services and Market Act 2000;
“Venture Capital Investments”	shares in, or securities of, a Qualifying Company held by a venture capital trust which meets the requirements described in Parts 6, Chapters 3 and 4 to the ITA 2007;
“VCT” or “venture capital trust”	a company satisfying the requirements of Chapter 3 of Part 6 of ITA 2007 for venture capital trusts; and
“VCT Rules”	the legislation, rules and HMRC interpretation and practice regulating the establishment and operation of venture capital trusts.

INTRODUCTION

VCTs were introduced in 1995 to encourage individuals to invest indirectly in a range of small and growing UK trading companies. VCTs are investment companies whose shares are listed on the Official List and traded on the London Stock Exchange. To date, over £5 billion has been raised by VCTs (*source: AIC Statistics*).

VCTs were created so that their investors could benefit from a spread of Qualifying Investments under the supervision of professional managers who can contribute valuable experience, contacts and advice to the businesses in which they invest. For the tax benefits to be available, VCTs are required to be approved by HM Revenue & Customs for the purposes of the venture capital trust legislation. VCTs are entitled to exemption from corporation tax on any gains arising on the disposal of their investments and such gains may be distributed tax-free to investors. Dividends and capital distributions from VCTs are currently tax-free, subject to a maximum investment of £200,000 per individual per tax year and no change in VCT regulations.

The Company was originally designed for investors seeking to invest through a tax efficient vehicle in two distinct investment classes:

- Venture Capital Investments which are unquoted (or AIM-quoted or ISDX-listed) investments in relatively small companies; and
- Structured Products with fixed returns linked to the FTSE 100 Index.

However, following a change in investment policy and strategy, rather than making further Investments in Structured Products, the Board intends that funds not employed in VCT qualifying investments, or pending such employment, may be invested in a variety of investments selected to preserve capital, whilst generating income, which may include:

- bonds issued by the UK Government;
- fixed income securities issued by major companies and institutions, liquidity funds and fixed deposits with counterparty credit ratings of not less than A minus (Standard & Poor's rated)/A3 (Moody's rated); and
- investments, directly or indirectly, in ground rent assets.

No new investments are to be made in the Structured Products portfolio and all capital raised by the Offer will be invested in line with an amended investment policy set out at Part 2 of this document.

The Offer

Terms of the offer

The Offer opens on 26 October 2015 and will close at 11.00am on 29 April 2016, unless extended. The Offer is conditional upon the relevant resolutions being passed by Shareholders at the General Meeting and Class Meetings and on valid applications being received to invest, in total, a minimum of £1 million, which latter condition may be waived by the Board. Applications will be accepted (in whole or part) at the discretion of the Board, but the Board intends to meet applications on a 'first come, first served' basis.

The D Shares will be issued at an initial NAV of £1.00 per share at a price determined for each investor by reference to a pricing formula which takes into account the level of Promoter's Fee, Adviser Charge/commission and early application and loyalty discount which is applicable to that Investor.

Investors whose applications are received by 18 December 2015 will benefit from a 1.0% early application discount (0.5% where applications are received after 18 December but before 29 January 2016). Additionally, existing shareholders who apply will receive a 0.5% loyalty discount.

The minimum investment by an investor under the Offer is £5,000 (subject to the Directors' discretion to accept any lower amount) and thereafter in multiples of £1,000.

Fractions of D Shares will not be issued. Subscription monies of £1 or more not used to acquire D Shares will be refunded.

Offer costs

The issue costs in respect of the Offer, chiefly the Promoter's Fee and adviser commission, will be borne by Investors through the application of a pricing formula with the exception of annual trail commission, the cost of which will be borne directly by the Company. The Promoter shall bear the other costs of the Offer from its Promoter's Fee.

The net proceeds for the Company from the Offer, assuming full subscription, Offer costs of 5.0% and ignoring reinvested commission, will therefore amount to approximately £7,600,000.

THE DIRECTORS AND THE MANAGERS

The Board comprises four non-executive Directors, three of whom (including the Chairman) are independent of the Managers. The Board has substantial experience of venture capital businesses and overall responsibility for the Company's affairs, including determining the investment policy of the Company. John Glencross is a director of Calculus Capital.

(A) THE DIRECTORS

Michael O'Higgins (Chairman)

Michael is an experienced private investor with significant VCT and EIS holdings. In his business career, Michael was a Managing Partner with PA Consulting (successfully leading its Government and IT Consulting Groups), a Partner at Price Waterhouse (now PricewaterhouseCoopers), and a Principal Administrator at the OECD. He began his working career as an academic at London School of Economics and the University of Bath, and more recently has been a Visiting Professor at both, as well as having held visiting appointments at Harvard University and the Australian National University. In October 2015, he became chairman of the Lancashire and London Pensions Partnership and an Independent Person for Tunbridge Wells Borough Council. He is also until 31 October 2015 chairman of the NHS Confederation, a non-executive director of Network Rail and chair of its Remuneration Committee and vice-chairman of Hedgehog, a pensions company. He was a non-executive director of HM Treasury and chair of the Treasury Group Audit Committee until March 2014. He was chair of The Pensions Regulator between January 2011 and March 2014, chairman of the Audit Commission for the six years to September 2012 and of the charity Centrepoint for eight years until December 2011.

Kate Cornish-Bowden

Kate worked for Morgan Stanley Investment Management for 12 years between 1992 and 2004, where she was Managing Director and head of Morgan Stanley Investment Management's Global Core Equity team. Before joining Morgan Stanley, Kate spent two years at M&G Investment Management as a financial analyst. More recently Kate has acted as a consultant providing financial research to private equity and financial training firms. Kate is a non-executive director and chairman of the Remuneration Committee of Scancell Holdings plc, and a non-executive director of Arcis Biotechnology Holdings Ltd. She is a Chartered Financial Analyst (CFA), holds a Masters in Business Administration (MBA), and has completed the Financial Times Non-Executive Director Diploma.

John Glencross

John co-founded Calculus Capital in 1999, creating one of the UK's most successful, independent private equity firms focused on investing in smaller, proven companies. John has over 30 years' experience in private equity, corporate finance, and operational management. During that time, he has invested in, advised on or negotiated more than 100 transactions and served on publicly quoted and private corporate boards. He is a director of Neptune-Calculus Income and Growth VCT plc and Terrain Energy and was formerly a director of Human Race and Hembuild Group Limited. Terrain, Human Race and Hembuild Group Limited are companies in which this Company has invested. He is also a board member of the Enterprise Investment Scheme Association and a member of its Tax and Technical and its Regulatory Committees. Before co-founding Calculus Capital, John served as an Executive Director of European Corporate Finance for UBS for nine years where he advised on M&A, IPOs, restructurings and recapitalisations, strategic alliances and private equity. Prior to this, John was headhunted to be Head of the Mergers & Acquisitions Group of Philips and Drew, a 100 year old London based financial institution. At the start of his career, John qualified as a Chartered Accountant with Peat Marwick (subsequently KPMG), where he then went on to be recruited as a founder member of Deloitte's newly established Corporate Finance practice in London. John graduated from Oxford University with an MA (Hons) in Philosophy, Politics and Economics.

Steve Meeks

Steve has had a successful 30 year career in the financial markets with NatWest, UBS and Santander with a specialisation in structured products. Steve is also a former consultant to Investec, having assisted the Investec Structured Products team with the design and launch of the Company. Following a brief

retirement, Steve is currently Executive Chairman of Smart Carbon Control Limited, a software business that provides energy management solutions to the commercial property and data centre market. Steve is also chairman of Get Smarter Energy Limited an energy procurement business.

Current and Past Directorships

The Directors are currently or have been within the last 5 years, a member of the administrative, management or supervisory bodies or partners of the companies and partnerships mentioned below:

<i>Name</i>	<i>Current</i>	<i>Past 5 Years</i>
Michael O'Higgins	Lancashire and London Pensions Partnership Hedgehog (1) Limited The NHS Confederation (Services) Company Limited The NHS Confederation Network Rail Infrastructure Limited Network Rail Limited Calculus VCT plc Millers Wharf Management Company Limited	Archimed LLP Oxford Medical Diagnostics Limited Centrepoint Soho National Centre for Social Research ANU (UK) Foundation The NHS Confederation Group Company Limited
Steve Meeks	Canley Consulting Limited Calculus VCT plc Get Smarter Energy Limited Smart Carbon Control Limited	
Kate Cornish- Bowden	Calculus VCT plc Scancell Holdings PLC Arcis Biotechnology Holdings Limited KCB Research Limited	
John Glencross	Calculus Advisory Limited Calculus Asset Management Limited Calculus Capital Limited Calculus Capital Partners Limited Calculus Holdings Limited Calculus Nominees Limited Calculus VCT plc McDonald Glencross Limited Terrain Energy Limited Neptune-Calculus Income and Growth VCT plc The EIS Association Limited The Alchemy Circle Ltd	Hembuild Group Limited Human Race Group Limited Investec SPV Limited Neptune-Calculus SPV Limited Chepstow Place Limited

Directors' Interests

Save as set out below, as at 25 October 2015 (this being the latest practicable date prior to publication of this document), the Company is not aware of any person who, directly or indirectly, has an interest in the Company's capital or voting rights which is notifiable under UK law (under which, pursuant to CA 2006 and the Listing Rules and the Disclosure & Transparency Rules of the FCA, a holding of 3 per cent. or more must be notified to the Company). No shareholders have different voting rights. To the best of the knowledge and belief of the Directors, the Company is not directly controlled by any other party and at the date of the Prospectus, there are no arrangements in place that may, at a subsequent date, result in a change of control of the Company.

	<i>Ordinary Shares held</i>	<i>% of Ordinary share capital</i>
Michael O'Higgins	205,500	4.34

As at 25 October 2015 (the latest practicable date prior to the publication of this document), the interests of the Directors (and their immediate families) in the issued Ordinary Share capital of the Company were as follows:

<i>Director</i>	<i>Shares held</i>	<i>% of total issued share capital</i>
Kate Cornish-Bowden	10,000 C Shares	0.15
John Glencross	25,000 Ordinary Shares	0.37
Steven Meeks	20,550 Ordinary Shares	0.31
Michael O'Higgins	205,500 Ordinary Shares	3.08

Save as set out above, no Director nor any member of their respective immediate families has an interest in the capital of the Company which is or would, immediately following the Offer, be required to be entered in the register maintained under section 809 of the CA 2006 nor does any person connected with any Director within the meaning of section 252 of the CA 2006) have any such interest which would, if the connected person were a Director, be required to be disclosed and the existence of which is known to or could with reasonable diligence be ascertained by such Director.

The Directors, other than Kate Cornish-Bowden, were appointed under letters of appointment dated 22 February 2010. Kate Cornish-Bowden was appointed under a letter of appointment dated 10 February 2011. The appointments are subject to an initial period expiring immediately following the first annual general meeting, and (subject to re-election at the first annual general meeting) thereafter the appointments may be terminated on 3 months' notice. No arrangements have been entered into by the Company entitling the Directors to compensation for loss of office, nor have any amounts been set aside to provide pension, retirement or similar benefits. The total annual remuneration receivable by Michael O'Higgins as chairman is £20,000 (plus applicable employers' National Insurance Contributions). The total annual remuneration receivable by Steve Meeks and Kate Cornish-Bowden is £15,000 each (plus applicable employers' National Insurance Contributions). John Glencross does not receive any remuneration from the Company in respect of his appointment. Aggregate Directors' emoluments for the year ending 29 February 2016 is expected to be £50,000 (plus applicable employers' National Insurance Contributions).

The Directors, other than John Glencross (for the reasons set out in the paragraph below), act and will continue to act independently of Calculus Capital and Investec Structured Products. No majority of the Directors will be directors or employees of, or former directors or employees of, or professional advisers to Calculus Capital or Investec Structured Products or any other company in the same group as Calculus Capital or Investec Structured Products.

John Glencross is Chief Executive of Calculus Capital. Save for the management arrangements, performance incentive arrangements and promoters arrangement set out in paragraphs 4.1 – 4.9 of Part 2 of this document, under which Calculus Capital and Investec Structured Products are entitled to fees and pursuant to which Investec Structured Products is appointed to make investments on behalf of the Company in Structured Products issued by Investec Bank plc, as at 25 October 2015 (this being the latest practicable date prior to publication of this document) there were no other potential conflicts of interest between the duties of any Director and their private interests and/or duties.

Except as stated above, no Director is or has been interested in any transaction which is or was unusual in its nature or conditions or significant to the business of the Company and which was effected by the Company in the period since its incorporation and remains in any respect outstanding or unperformed.

No loan or guarantee has been granted or provided by the Company to or for the benefit of any of the Directors.

The Company has taken out directors' and officers' liability insurance for the benefit of its directors, which is renewable on an annual basis.

The Directors are currently, or have been within the last 5 years, a member of the administrative, management or supervisory bodies or directors of the companies or partners of the partnerships as set out on page 14.

No Director has any convictions in relation to fraudulent offences during the previous five years.

Save as disclosed in this paragraph, in the five years prior to the publication of this document, there were no bankruptcies, receiverships or liquidations of any companies or partnership where any of the Directors were acting as (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 nor (iv) a senior manager during the previous 5 years.

There has been no official public incrimination and/or sanction of any Director by statutory or regulatory authorities (including designated professional bodies) and no Director 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.

(B) THE MANAGERS

When the Company was launched, the Board appointed two investment managers to manage two distinct investment portfolios. The VCT qualifying Venture Capital Investments are managed by Calculus Capital, whilst the non-VCT qualifying Structured Products are managed by the Investec Structured Products team. However, having given notice to the Company of the termination of their appointment on 23 June 2015, Investec Structured Products will cease to act as discretionary investment manager of the Company, which will instead focus exclusively on Venture Capital Investments under the sole management of Calculus Capital.

Calculus Capital

Calculus Capital is the Venture Capital Investments portfolio manager.

Calculus Capital was established in 1999 and is authorised and regulated by the FCA. A pioneer in tax efficient investing, Calculus Capital created the UK's first approved Enterprise Investment Scheme fund. Since then, it has successfully launched a further 15 EIS funds and four VCT offers for subscription (including offers for subscription for shares in the Company). As at 30 September 2015, it had £120.5 million of funds under management or advice (including the qualifying assets of the Company).

Calculus Capital is a generalist investor and has extensive experience investing across a multitude of sectors, examples include hosted software, life sciences, leisure and hospitality, manufacturing, energy and transportation. Calculus Capital's focus is to find and back capable management teams in established companies which are already successfully selling products and services.

Calculus Capital is recognised as a leading manager of Venture Capital Investments and has been awarded the EIS Association 'Best EIS Fund Manager' Award three times, the latest at the 2015 Awards ceremony. Calculus Capital also attained the title of 'Best EIS Investment Exit' in 2012. Calculus Capital's success is underpinned by a disciplined investment process, strong risk management and very close monitoring of and partnership with portfolio companies.

The Calculus Capital Team

John Glencross

Chief Executive

Details for John Glencross can be found on page 13.

Susan McDonald

Chairman

Susan is one of the UK's leading experts on investing in smaller companies and the government's Enterprise Investment Scheme. A pioneer of the EIS industry, in 1999/2000, she structured and launched the UK's first HM Revenue & Customs approved EIS fund with John Glencross. Susan has over 28 years of experience and has personally directed investment to over 80 companies in the last 17 years covering a diverse range of sectors. She has regularly served as board member of the firm's private equity-backed companies. Before

co-founding Calculus Capital, Susan was Director and Head of Asian Equity Sales at Banco Santander. Prior to this, she gained over 12 years' experience in company analysis, flotations and private placements with Jardine Fleming in Hong Kong, Robert Fleming (London) and Peregrine Securities (UK) Limited. Susan has an MBA from the University of Arizona and a BSc from the University of Florida. Before entering the financial services industry, Susan worked for Conoco National Gas Products Division and with Abbott Laboratories Diagnostics Division.

Lesley Watkins

Finance Director

Lesley joined Calculus Capital in 2002. She has over 18 years' experience in investment banking and held senior posts at three international investment banks, where her responsibilities included advising several companies in the FTSE 100. Most recently, she was Managing Director, Global Investment Banking at Deutsche Bank, which took over BT Alex Brown, where she was a Managing Director in the UK Equity Advisory Division. Before that, Lesley spent 14 years at UBS, where she was a Managing Director in the Corporate Finance Division. She has extensive experience of fundraising, flotations, mergers and acquisitions, disposals and restructurings for her clients. Lesley was a Non-Executive Council Member of the Competition Commission from 2009 to 2014, and in 2011 she was appointed as a non-executive director of Panmure Gordon. She is a fellow of the Institute of Chartered Accountants.

Alexander Crawford

Investment Director

Alexander joined Calculus Capital in 2015, and has over 25 years' advisory experience, incorporating M&A, capital raising in both public and private markets, and other strategic advice. He spent ten years with Robert Fleming & Co, Evercore Partners and JP Morgan in London, New York and Johannesburg, where he advised the South Africa government on the privatisation of their incumbent telecoms operator. He was more recently a Managing Director at Pall Mall Capital. As a senior member of the investment team, Alexander's role is to source and execute new deals, as well as managing some of the existing portfolio companies through to exit. Alexander has an MA in Mathematics from Cambridge University and qualified as a Chartered Accountant with KPMG.

Robert Davis

Investment Director

Robert joined Calculus Capital in 2014 with responsibility for working with the portfolio companies in helping to build value and, importantly, guiding them towards a successful exit. Robert has over 25 years' advisory experience covering the full spectrum of corporate and capital raising transactions, but with a particular expertise in M&A. Most recently he was Head of the European business of Avendus Capital, an Indian investment bank, and previously was the Head of European M&A at Nomura International for eight years. He has also held positions at JP Morgan and Robert/Jardine Fleming. As well as London, he has also worked in Hong Kong, Sydney and Mumbai. Robert qualified as a Chartered Accountant with Price Waterhouse and, prior to his career in finance, served in the British army. He holds an MA from the University of Cambridge.

Alexandra Lindsay

Investment Director

Alexandra joined Calculus Capital in 2008. She specialises in the valuation of investment opportunities, focusing on the energy, life sciences and services sectors. Her recent projects include oil and gas exploration and production and synthetic biology. Alexandra is responsible for project management from proposal through due diligence to completion. Prior to joining Calculus Capital, she worked on the hedge fund team at Apollo Management International where she conducted research into companies and markets. She graduated from University College London with a first class degree in History of Art having previously studied Engineering Science at Wadham College, Oxford. Alexandra is a CFA charterholder.

Richard Moore*Investment Director*

Richard joined Calculus Capital in 2013. Prior to this he was a Director at Citigroup, which he joined in 2005, and previously worked at JPMorgan and Strata Technology Partners. Richard has over 14 years corporate finance experience advising public and private corporations and financial sponsors on a range of M&A and capital raising transactions. Richard began his investment banking career in the UK mid-cap advisory team at Flemings (acquired by JPMorgan in 2000), working with companies across a broad a range of sectors. More recently Richard has specialised in advising companies in the technology industry. Richard has advised on a wide range of transactions including buy-side and sell-side M&A mandates, public equity and debt offerings, private equity investments and leveraged buy outs in the UK, Europe, US and Asia. Richard began his career at KPMG where he qualified as a Chartered Accountant, and remains a member of the ICAEW. He has a BA (Hons) in Politics and Economics from Durham University.

Roshan Puri*Investment Assistant Director*

Roshan joined Calculus Capital in 2013. Prior to this, he qualified as a Chartered Accountant with Ernst & Young where he gained experience in transaction advisory, tax and audit. He has worked on structuring numerous domestic and international mergers and acquisitions and corporate restructuring transactions, modelling the transaction implications and project managing the transaction implementation. Roshan has significant experience advising businesses on tax efficient transactions including; intellectual property optimisation, efficient capital and corporate structuring. Roshan has a wide range of industry experience and since joining Calculus Capital, has worked with businesses within the leisure, healthcare and software sectors.

Claire Cherry*Investment Associate*

Claire joined the investment team in September 2013 and assists with financial modelling, primary due diligence and valuations. Preceding this she worked in the Finance and Fund Administration department. Prior to joining Calculus Capital, Claire worked for Oculus Investment Managers Limited where she was responsible for investment research and composing the quarterly market commentary. She also dealt with client queries and portfolio performance reporting. Claire graduated from Durham University with a BSc (Hons) in Natural Sciences and has passed CFA Level III.

James Martin*Investment Analyst*

James joined Calculus at the end of 2014 as an analyst in the investment team. Prior to this James worked in Madrid in mergers and acquisitions, first as an intern before taking on a full-time analyst role, gaining experience across a variety of sectors and the deal-cycle, with a particular focus on origination. Preceding his time in Spain, James attended Nottingham University, attaining both a BA (Hons) in Industrial Economics and an MSc with distinction in Risk Management. James is a CFA Level I candidate.

Natalie Evans*Financial Controller*

Natalie joined Calculus in 2010 and is responsible for financial management and planning. Until recently Natalie was Head of Fund Administration and she still oversees all areas of EIS and VCT fund administration, operations and reporting. Natalie's VCT responsibilities include supporting the statutory reporting process and preparing forecasts to assist in cash management. Natalie has a CIMA Advanced Diploma in Management Accounting and a first class Bachelor of Law degree. Prior to this Natalie graduated with a Masters of Modern Languages from the University of Manchester.

Investec Structured Products

The team at Investec Structured Products (a trading name of Investec Bank plc, which is part of the Investec group of companies and is regulated by the FCA and the Prudential Regulation Authority) is the Structured Products portfolio manager. Investec Structured Products' appointment will come to an end on the earlier of 24 June 2016 and the sale of the final Structured Product Investment in the Company's Ordinary Share Fund (in respect of the Ordinary Shares) and on the earlier of 14 March 2017 and the sale of the final Structured Product Investment in the Company's C Share Fund (in respect of the C Shares).

MEMORANDUM AND ARTICLES OF ASSOCIATION

Memorandum of Association

The objects of the Company are not limited by any provisions of the Memorandum or the Articles of the Company.

Articles

The Company's Articles currently contain provisions, *inter alia*, to the following effect (certain of which in relation to the D Shares are subject to the approval of Shareholders at the General Meeting):

1. Specific rights attaching to the Ordinary Shares, C Shares and D Shares

(a) *Definitions*

"C Share Surplus" means the net assets of the Company attributable to the C Shares (including, for the avoidance of doubt, any income and/or revenue arising from or relating to such assets) less such proportion of the Company's liabilities, including the fees and expenses of liquidation or return of capital (as the case may be) as the Directors or the liquidator (as the case may be) shall reasonably allocate to the assets of the Company attributable to the C Shareholders.

"D Share Surplus" means the net assets of the Company attributable to the D Shares (including, for the avoidance of doubt, any income and/or revenue arising from or relating to such assets) less such proportion of the Company's liabilities, including the fees and expenses of liquidation or return of capital (as the case may be), as the Directors or the liquidator (as the case may be) shall reasonably allocate to the assets of the Company attributable to the D Shareholders.

"Issue Date" means the day on which the Company receives the net proceeds of the first issue of C Shares.

"Ordinary Share Surplus" means the net assets of the Company (including, for the avoidance of doubt, any income and/or revenue arising from or relating to such assets) less (i) such proportion of the Company's liabilities (including the fees and expenses of liquidation or return of capital (as the case may be) as the Directors or the liquidator (as the case may be) shall reasonably allocate to the assets of the Company attributable to the Ordinary Shareholders and (ii) the C Share Surplus and the D Share Surplus.

"Statutes" means the CA 2006 as amended and supplemented, and every other statute for the time being in force concerning companies affecting the Company.

(b) *Undertaking*

Without prejudice to its obligations under the Statutes, the Company shall, without prejudice to its obligations under the Statutes (i) procure that the Company's records and bank accounts shall be operated so that the assets attributable to the Ordinary Shareholders, C Shareholders and D Shareholders can, at all times, be separately identified and, in particular but without prejudice to the generality of the foregoing, the Company shall procure that a separate income and expenditure account (or, if applicable, profit and loss account) balance sheet and cash flow account and such other separate accounts as may, in the opinion of the Board, be desirable to ensure compliance by the Company with the provisions of section 259 of ITA 2007 as amended, shall be created and maintained in the books of the Company for the assets attributable to the Ordinary Shareholders, C Shareholders and D Shareholders, (ii) allocate to the assets attributable to the Ordinary Shareholders, C Shareholders and D Shareholders such proportion of the expenses and liabilities of the Company incurred or accrued following the Issue Date as the Directors fairly consider to be allocable to the Ordinary Shares, C Shares and D Shares and (iii) give appropriate instructions to the Company's investment managers and advisers to manage the Company's assets so that such undertakings can be complied with by the Company.

(c) ***Voting Rights***

Subject to paragraph (f) below and subject to any special terms as to voting on which any shares may be issued, on a show of hands, every member present in person or by proxy (or being a corporation, represented by an authorised representative) shall have one vote and on a poll every member who is present in person or by proxy shall have one vote for every share of which he is the holder. The Ordinary Shares, C Shares and the D Shares shall rank *pari passu* as to rights to attend and vote at any general meeting of the Company

(d) ***Dividends***

The rights of members to receive dividends are as follows:

- (i) the Ordinary Shareholders shall be entitled to receive, in that capacity, any dividends paid out of the net income derived from the assets attributable to the Ordinary Shares;
- (ii) the C Shareholders shall be entitled to receive in that capacity, any dividends paid out of the net income derived from the assets attributable to the C Shares;
- (iii) the D Shareholders shall be entitled to receive in that capacity, any dividends paid out of the net income derived from the assets attributable to the D Shares.

At the discretion of the Board, acting in the interests of the Company as a whole, Shareholders of any class (the “**Recipient Class**”) may additionally receive dividends paid from the net income derived from the assets attributable to one or more other share classes (the “**Paying Class(es)**”) (or from the capital of such class(es) including amounts representing cancelled share premium), subject to the requirement that the Recipient Class account to the Paying Class(es) for any amount so distributed no later than four years from the end of the accounting period in which the last allotment of shares of the Recipient Class took place. Until the relevant amount is accounted for, the Paying Class shall have first call on the revenue and capital profits (after expenses) of the Recipient Class.

(e) ***Distribution of Assets on Liquidation***

The capital and assets of the Company shall on a winding up or on a return of capital be applied as follows:

- (i) the Ordinary Share Surplus shall be divided amongst the holders of the Ordinary Shares *pro rata* according to their holdings of Ordinary Shares;
- (ii) the C Share Surplus shall be divided amongst the holders of C Shares *pro rata* according to their holdings of C Shares; and
- (iii) the D Share Surplus shall be divided amongst the holders of D Shares *pro rata* according to their holdings of D Shares.

(f) ***Class Consents and Variation Rights***

The holders of Ordinary Shares as a class, the holders of C Shares as a class and the holders of the D Shares as a class shall be required to approve and, accordingly, without such approval, the special rights attached to the Ordinary Shares, C Shares and the D Shares shall be deemed to be varied, *inter alia*, by:

- (i) any alteration to the memorandum of association or the Articles; or
- (ii) any consolidation, division, sub-division, cancellation, reduction or purchase by the Company of any issued or authorised share capital of the Company; or
- (iii) any allotment or issue of any security convertible into or carrying a right to subscribe for any share capital of the Company or any other right to subscribe or acquire share capital of the Company other than pursuant to the exercise of subscription rights in accordance with the

terms of the share options granted or to be granted in relation to performance related incentive fees to the investment manager(s) of the Company from time to time; or

- (iv) the selection of any accounting reference date other than 28 February.

2. Share Capital

The Company may issue shares which are liable to be redeemed on such terms and conditions as the Board may determine.

Shareholders shall have the right to receive notice of, attend and vote at all general meetings.

If any shareholder, or any other person appearing to the Directors to be interested in any shares in the capital of the Company held by such shareholder, has been duly served with a notice under section 793 of the CA 2006 and is in default for a period of 14 days from the date of service of the notice in supplying to the Company the information thereby required, then the Company may (at the absolute discretion of the Directors) at any time thereafter by notice (a "restriction notice") to such shareholder direct that, in respect of the shares in relation to which the default occurred and any other shares held at the date of the restriction notice by the shareholder, or such of them as the Directors may determine from time to time (the "restricted shares" which expression shall include any further shares which are issued in respect of any restricted shares), the shareholder shall not, nor shall any transferee to which any of such shares are transferred other than pursuant to a permitted transfer, be entitled to be present or to vote on any question, either in person or by proxy, at any general meeting of the Company or separate general meeting of the holders of any class of shares of the Company, or to be reckoned in a quorum.

Where the restricted shares represent at least 0.25% in nominal value of the issued shares of the same class as the restricted shares (excluding any shares of that class held as treasury shares) the restriction notice may in addition direct, *inter alia*, that any dividend or other money which would otherwise be payable on the restricted shares shall be retained by the Company without liability to pay interest; any election by such member to receive shares instead of cash in respect of any dividends on such restricted shares will not be effective; and no transfer of any of the shares held by the shareholder shall be registered unless the shareholder is not himself in default in supplying the information requested and the transfer is part only of the member's holding and is accompanied by a certificate given by the member in a form satisfactory to the Directors to the effect that after due and careful enquiry the member is satisfied that none of the shares which are the subject of the transfer are restricted shares.

The Board shall be entitled to make calls for the sums, if any, remaining unpaid on any shares, subject to the terms of allotment of such shares. If any call remains unpaid then the Board may, after giving not less than 14 clear days' notice, forfeit such share and sell or transfer such forfeited shares on such terms as the Board may determine.

3. General Meetings

Convening of General Meetings

The Board shall convene annual general meetings and may convene other general meetings whenever it thinks fit. A general meeting shall also be convened on such requisition or in default may be convened by such requisitionists as provided by the CA 2006. At any meeting convened on such requisition or by such requisitionists no business shall be transacted except that stated by the requisition or proposed by the Board. If there are not within the UK sufficient members of the Board to convene a general meeting, any Director may call a general meeting. The Board may make arrangements to ensure the orderly conduct of general meetings and to preserve the security of attendees.

Notice of General Meeting

General meetings shall be convened by the minimum period of notice required by the CA 2006. Every notice convening a general meeting shall specify:

- (a) whether the meeting is an annual general meeting or an extraordinary general meeting;

- (b) the place, the day and the time of the meeting;
- (c) in the case of special business the general nature of that business;
- (d) if the meeting is convened to consider a special resolution the text of the resolution and the intention to propose the resolution as such; and
- (e) with reasonable prominence that a member entitled to attend and vote is entitled to appoint one or more proxies to attend and, on a poll, vote instead of him and that a proxy need not also be a member.

Omission to Send Notice

The accidental omission to send a notice of meeting or, in cases where it is intended that it be sent out with the notice, an instrument of proxy or any other document, to, or the non-receipt of either by, any person entitled to receive the same shall not invalidate the proceedings at that meeting.

Quorum at General Meetings

No business shall be transacted at any general meeting unless a quorum is present when the meeting proceeds to business but the absence of a quorum shall not preclude the choice or appointment of a chairman which shall not be treated as part of the business of the Meeting. Two persons entitled to attend and to vote on the business to be transacted, each being a member present in person or a proxy for a member or a duly authorised representative of a corporation which is a member, shall be a quorum.

If within 15 minutes (or such longer interval as the Chairman in his absolute discretion thinks fit) from the time appointed for the holding of a general meeting a quorum is not present, or if during a meeting such a quorum ceases to be present, the meeting, if convened on the requisition of members, shall be dissolved. In any other case, the meeting shall stand adjourned to the same day in the next week at the same time and place, or to such other day and at such time and place as the Chairman (or, in default, the Board) may determine, being not less than 10 clear days thereafter. If at such adjourned meeting a quorum is not present within 15 minutes from the time appointed for holding the meeting one member present in person or by proxy or (being a corporation) by a duly authorised representative shall be a quorum. If no such quorum is present or if during the adjourned meeting a quorum ceases to be present, the adjourned meeting shall be dissolved.

Method of Voting

At any general meeting a resolution put to a vote of the meeting shall be decided on a show of hands unless (before or immediately after the declaration of the result of the show of hands or on the withdrawal of any other demand for a poll) a poll is duly demanded. Subject to the provisions of the CA 2006, a poll may be demanded by:

- (a) the chairman of the meeting; or
- (b) at least 5 members present in person or by proxy having the right to vote at the meeting; or
- (c) a member or members present in person or by proxy representing not less than one tenth of the voting rights of all the members having the right to vote at the meeting; or
- (d) a member or members present in person or by proxy holding shares conferring a right to vote at the meeting being shares on which an aggregate sum has been paid up equal to not less than one tenth of the total sum paid up on all the shares conferring that right.

Votes of Members

Subject to the provisions of the CA 2006 and to 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, at any general meeting every member who (being an individual) is present in person or by proxy or (being a corporation) is present by a duly authorised representative, not being himself a member

entitled to vote, shall on a show of hands have one vote and on a poll shall have one vote for each share of which he is the holder.

Variation of Class Rights

Subject to the provisions of the CA 2006, if at any time the share capital of the Company is divided into shares of different classes any of the rights for the time being attached to any share or class of shares in the Company (and notwithstanding that the Company may be or be about to be in liquidation) may (unless otherwise provided by the terms of issue of the shares of that class) 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 consent in writing of the holders of not less than three quarters in nominal value of the issued shares of the class or with the sanction of a special resolution passed at a separate general meeting of the holders of shares of the class duly convened and held as provided in these Articles (but not otherwise).

All the provisions in the Articles as to general meetings shall *mutatis mutandis* apply to every meeting of the holders of any class of shares save that the quorum at every such meeting shall be not less than 2 persons holding or representing by proxy at least one-third of the nominal amount paid up on the issued shares of the class; every holder of shares of the class present in person or by proxy may demand a poll; each such holder shall on a poll be entitled to one vote for every share of the class held by him; and if at any adjourned meeting of such holders, such quorum as aforesaid is not present, not less than one person holding shares of the class who is present in person or by proxy shall be a quorum.

Consolidation and Subdivision

The Company in general meeting may from time to time by ordinary resolution:

- (a) consolidate and divide all or any of its share capital into shares of larger nominal amount than its existing shares; and
- (b) subject to the provisions of the CA 2006, sub-divide its shares or any of them into shares of smaller nominal value 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, deferred or other special rights or be subject to any such restrictions as the Company has power to attach to unissued or new shares but so that the proportion between the amount paid up and the amount (if any) not paid up on each reduced share shall be the same as it was in the case of the share from which the reduced share is derived.

4. Transfer of Shares

Form of Transfer

Except as may be provided by any procedures implemented for shares held in uncertificated form, each member may transfer all or any of his shares by instrument of transfer in writing in any usual form or in any form approved by the Board. Such instrument shall be executed by or on behalf of the transferor and (in the case of a transfer of a share which is not fully paid up) by or on behalf of the transferee. The transferor shall be deemed to remain the holder of such share until the name of the transferee is entered in the Register in respect of it.

Right to Refuse Registration

The Board may in its absolute discretion refuse to register any share transfer (as to which it shall provide reasons) unless:

- (a) it is in respect of a share which is fully paid up;
- (b) it is in respect of only one class of shares;
- (c) it is in favour of a single transferee or not more than four joint transferees;
- (d) it is duly stamped (if so required); and

(e) it is delivered for registration to the registered office of the Company, or such other place as the Board may from time to time determine, accompanied (except in the case of a transfer by a recognised person where a certificate has not been issued) by the certificate for the shares to which it relates and such other evidence as the Board may reasonably require to prove the title of the transferor and the due execution by him of the transfer or if the transfer is executed by some other person on his behalf, the authority of that person to do so, provided that such discretion may not be exercised in such a way as to prevent dealings in shares admitted to the Official List from taking place on an open and proper basis.

5. Dividends and Other Payments

Declaration of Dividends

Subject to the provisions of the CA 2006 and of the Articles, the Company may by ordinary resolution declare that, out of profits available for distribution, dividends be paid to members according to their respective rights and interests in the profits of the Company available for distribution. However, no dividend shall exceed the amount recommended by the Board.

Entitlement to Dividends

Except as otherwise provided by the rights attached to shares, all dividends shall be declared and paid according to the amounts paid up (otherwise than in advance of calls) on the shares on which the dividend is paid. Subject as aforesaid, all dividends shall be apportioned and paid *pro rata* according to the amounts paid up or credited as paid up on the shares during any portion or portions of the period in respect of which the dividend is paid but if any share is issued on terms providing that it shall rank for dividend as from a particular date or be entitled to dividends declared after a particular date it shall rank for or be entitled to dividends accordingly.

All dividends and interest shall be paid (subject to any lien of the Company) to those members whose names shall be on the register at the date at which such dividend shall be declared or at the date at which such interest shall be payable respectively, or at such other date as the Company by ordinary resolution or the Board may determine, notwithstanding any subsequent transfer or transmission of shares.

The Board may pay the dividends or interest payable on shares in respect of which any person is by transmission entitled to be registered as holder to such person upon production of such certificate and evidence as would be required if such person desired to be registered as a member in respect of such shares.

6. Borrowing Powers

Subject as provided in the Articles, the Board may exercise all the powers of the Company to borrow money and to mortgage or charge all or any part of the undertaking, property and assets (present or future) and uncalled capital of the Company and, subject to the provisions of the CA 2006, to issue debentures and other securities whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party.

The Board shall restrict the borrowings of the Company and exercise all voting and other rights and powers of control exercisable by the Company in respect of its subsidiaries so as to procure (as regards its subsidiaries in so far as it can procure by such exercise) that the aggregate principal amount at any one time outstanding in respect of net moneys borrowed by the Group (exclusive of moneys borrowed by one Group (being the Company and its subsidiaries from time to time) company from another and after deducting cash deposited) shall not at any time without the previous sanction of an ordinary resolution of the Company exceed an amount equal to 25% of the value of the gross assets of the Company.

For these purposes only:

(a) in calculating the value of the gross assets of the Company, the value of securities listed or dealt on a reputable stock exchange shall be based on the closing mid market price and the value of other

securities shall be determined by the Board on the basis of valuation principles recommended by the auditors of the Company for the time being.

(b) moneys borrowed include also the following except in so far as otherwise taken into account:

- (i) the nominal amount of any issued and paid up share capital and the principal amount of any debenture or borrowings of any person together with any fixed or minimum premium payable on redemption, the beneficial interest in which or right to repayment to which is not for the time being owned by a Group company but the payment or repayment of which is the subject of a guarantee or indemnity by a Group company or is secured on the assets of a Group company;
- (ii) the principal amount raised by any Group company by acceptances or under any acceptance credit opened on its behalf by any bank or acceptance house (not being a Group company);
- (iii) the principal amount of any debenture (whether secured or unsecured) of any Group company beneficially owned otherwise than by a Group company;
- (iv) the principal amount of any preference share capital of any subsidiary beneficially owned otherwise than by a Group company;
- (v) any fixed or minimum premium payable on final repayment of any borrowing or deemed borrowing; and
- (vi) any amount in respect of a finance lease which would be shown at the material time as an obligation in a balance sheet of any member of the Group prepared in accordance with the accounting principles used in the preparation of the relevant balance sheet;

but do not include:

- (vii) moneys borrowed by any Group company for the purpose of repaying within 6 months of being first borrowed the whole or any part of any moneys borrowed and then outstanding (including any premium payable on final repayment) of that or any other Group company pending their application for such purpose within that period;
- (viii) there shall be credited against the amount of any moneys borrowed any cash deposited and the value of any money market instruments (valued as referred to in paragraph (a));
- (ix) where under the terms of any borrowing the amount of money which would be required to discharge the principal amount of moneys borrowed in full if it fell to be repaid (whether at the option of the company borrowing the same or by reason of default) at such material time is less than the amount which would otherwise be taken into account in respect of such moneys borrowed for the purposes of the Articles, the amount of such moneys borrowed to be taken into account shall be such lesser amount;

(c) the value of borrowings or assets denominated in a currency other than sterling shall be translated into sterling at the rate used in the last relevant balance sheet or if not used in such balance sheet then at the then prevailing exchange rate selected by the Board.

A report or certificate of the auditors of the Company as to the amount of gross assets of the Company or the amount of moneys borrowed falling to be taken into account for the purposes of this article or to the effect that the limit imposed by this article has not been or will not be exceeded at any particular time or times or as a result of any particular transaction or transactions shall be conclusive evidence of the amount or of that fact the Directors may at any time act in reliance on a bona fide estimate of the amount of the gross assets of the Company and if in consequence the limit set out in the Articles is inadvertently exceeded, an amount borrowed equal to the excess may be disregarded until the expiration of 3 months after the date on which by reason of a determination of the auditors or otherwise the Directors become aware that such a situation has or may have arisen.

No debt incurred or security given in respect of moneys borrowed in excess of the limit imposed by the Articles shall be invalid or ineffectual except in the case of express notice to the lender or recipient of the security at the time when the debt was incurred or security given that the limit had been or would thereby be exceeded but no lender or other person dealing with the Company shall be concerned to see or enquire whether such limit is observed.

7. Directors

Unless otherwise determined by the Company the maximum number of directors shall be 10 and the minimum shall be 2. The quorum for meetings of the Board shall be 2 and the Chairman shall have a second or casting vote on a tie.

The Directors shall be entitled to be paid fees for their services as Directors in such sums as the Board may determine from time to time but not exceeding £100,000 (or such larger amount as the Company may determine) per annum.

Each Director may appoint as an alternate Director either another Director or a person approved by the Board and to terminate such appointment.

At every annual general meeting, there shall retire from office any Director who shall have been a Director at each of the preceding two annual general meetings and who was not appointed or re-appointed by the Company in general meeting at, or since, either such meeting. A retiring Director shall be eligible for re-appointment. A Director retiring at a meeting shall, if he is not re-appointed at such meeting, retain office until the meeting appoints someone in his place, or if it does not do so, until the conclusion of such meeting.

8. Directors' Interests

Conflicts of Interest Requiring Board Authorisation

The Board may, provided the quorum and voting requirements set out below are satisfied, authorise any matter that would otherwise involve a Director breaching his duty under CA 2006 to avoid conflicts of interest except that the Director concerned and any other Director with a similar interest:

- (a) shall not count towards the quorum at the meeting at which the conflict is considered; and
- (b) the resolution will only be valid if it would have been agreed to if his vote had not been counted.

Where the Board gives authority in relation to such a conflict:

- (a) the Board may (whether at the time of giving the authority or at any time or times subsequently) impose such terms upon the Director concerned and any other Director with a similar interest as it may determine, including, without limitation, the exclusion of that Director and any other Director with a similar interest from the receipt of information, or participation in discussion (whether at meetings of the Board or otherwise) related to the conflict;
- (b) the Director concerned and any other Director with a similar interest will be subject to any terms imposed by the Board from time to time in relation to the conflict;
- (c) any authority given by the Board in relation to a conflict may also provide that where the Director concerned and any other Director with a similar interest obtains information that is confidential to a third party, the Director will not be obliged to disclose that information to the Company, or to use the information in relation to the Company's affairs, where to do so would amount to a breach of that confidence; and
- (d) the Board may withdraw such authority at any time.

Directors are obliged to declare any material interest which they may have in any transaction or arrangement involving the Company. Such directors shall not vote or be counted in the quorum in relation to any resolution to any transaction or arrangement in which he is to his knowledge materially interested

save that a Director shall (in the absence of some other material interest than is indicated below) be entitled to vote (and be counted in the quorum) in respect of any resolution concerning any of the following matters, namely:

- (a) the giving 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 subsidiary undertakings;
- (b) the giving of any guarantee, security or indemnity in respect of a debt or obligation of the Company or any of its subsidiary undertakings for which he himself has assumed responsibility in whole or in part under a guarantee or indemnity or by the giving of security;
- (c) any proposal concerning an offer of securities of or by the Company or any of its subsidiary undertakings 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 other proposal concerning any other body corporate in which he, or any other person connected with him is interested, directly or indirectly and whether as an officer or shareholder or otherwise howsoever, provided that he or any person connected with him do not hold an interest in one per cent. or more of any class of the equity share capital of such body corporate or of the voting rights available to members of the relevant body corporate;
- (e) any contract, arrangement, transaction or other proposal for the benefit of employees of the Company which does not accord him any privilege or benefit not generally accorded to the employees to whom the scheme relates; and
- (f) any contract, arrangement or transaction concerning any insurance which the Company is to purchase and/or maintain for, or for the benefit of, any Directors or persons including Directors.

If any question shall arise at any meeting as to an interest or as to the entitlement of any Director to vote such question shall be referred to the chairman of the meeting and his ruling in relation to any Director other than himself shall be final and conclusive except in a case where the nature or extent of the interests of the Director concerned have not been fairly disclosed.

Director may have interests

Subject to the provisions of CA 2006 and further provided that a Director declares his interest, a Director, notwithstanding his office:

- (a) may be a party to or otherwise be interested in any transaction or arrangement 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 (being the auditor of the Company from time to time) or of auditor of a subsidiary of the Company) in conjunction with the office of Director and may act by itself 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 remuneration committee may arrange either in addition to or in lieu of any remuneration provided for by any other article;
- (c) may be a member of or a director or other officer, or employed by, or a party to any transaction or arrangement with or otherwise interested in, any body corporate promoted by or promoting 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, by reason of his office, be liable to account to the Company for any dividend, profit, remuneration, superannuation payment or other benefit which he derives from any such office, employment, contract, arrangement, transaction or proposal or from any interest in any such body

corporate; and no such contract, arrangement, transaction or proposal shall be avoided on the grounds of any such interest or benefit.

9. Untraced Members

The Company shall be entitled to sell at the best price reasonably obtainable any share of a member or any share to which a person is entitled by transmission if and provided that:

- (a) during the period of 12 years prior to the date of the publication of the advertisements referred to below (or if published on different dates, the earlier or earliest of them) the Company has paid at least 3 dividends and no cheque, order or warrant has been cashed;
- (b) on or after expiry of the said period of 12 years the Company has given notice of its intention to sell such share by advertisements in both a national daily newspaper published in the UK and in a newspaper circulating in the area in which the last known address of such member or person appeared;
- (c) the said advertisements, if not published on the same day, shall have been published within 30 days of each other; and
- (d) during the further period of 3 months following the date of publication of the said advertisements (or, if published on different dates the later or latest of them) and prior to the exercise of the power of sale the Company has not received any communication in respect of such share from the member or person entitled by transmission.

To give effect to any sale of shares pursuant to this article the Board may authorise some person to transfer the shares in question and may enter the name of the transferee in respect of the transferred shares in the register notwithstanding the absence of any share certificate being lodged in respect of it and may issue a new certificate to the transferee. An instrument of transfer executed by that person shall be as effective as if it had been executed by the holder of, or the person entitled by transmission to, the shares. The purchaser shall not be bound to see to the application of the purchase moneys nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings relating to the sale.

10. 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 of the CA 2006) shall be prohibited. 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 realisation on or derived from the realisation, payment off 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 CA 2006, 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 realisation on the realisation or payment off of or other dealing with any investments or other capital assets and, subject to the CA 2006, any expenses, loss 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 for which sums standing to any revenue reserve are applicable except and provided that notwithstanding any other provision of the Articles during a Relevant Period 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 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 or be applied in paying dividends on any shares in the Company.

11. Transfer or Sale under Section 110, Insolvency Act 1986

A special resolution sanctioning a transfer or sale to another company duly passed pursuant to section 110, Insolvency Act 1986 may in the like manner authorise the distribution of any shares or other consideration receivable by the liquidator among the members otherwise than in accordance with their existing rights and any such determination shall be binding on all the members, subject to the right of dissent and consequential rights conferred by the said section.

12. Duration of the Company

In order for the future of the Company to be considered by the members, the Board shall at the annual general meeting of the Company falling after the tenth anniversary of the last allotment of shares in the Company and thereafter at five yearly intervals, invite the members to consider whether the Company should continue as a venture capital trust and if such resolution is not carried the Board shall within 9 months of that meeting convene a general meeting to propose:

- (a) a special resolution for the reorganisation or reconstruction of the Company; and
- (b) to wind up the Company voluntarily, provided that if the special resolution referred to at paragraph (a) is not passed the shareholders voting in favour of this resolution shall be deemed to have such number of additional votes as are required to pass such resolution to wind up

13. Uncertificated Shares

The Board may make such arrangements as it sees fit, subject to the CA 2006, to deal with the transfer, allotment and holding of shares in uncertificated form and related issues.

14. Indemnity and Insurance

The Company shall indemnify the directors to the extent permitted by law and may take out and will maintain insurance for the benefit of the directors.

PART 2

CALCULUS VCT PLC

SECTION A: GENERAL INFORMATION

INCORPORATION AND REGISTERED OFFICE

- 1.1 The legal and commercial name of the Company is Calculus VCT plc.
- 1.2 The Company was incorporated and registered in England and Wales as a public company with limited liability on 1 February 2010 with registered number 07142153. The Company was issued with a trading certificate under section 761 of CA 2006 on 18 February 2010.
- 1.3 The principal legislation under which the Company operates is the CA 2006 and regulations made thereunder. The Company operates in conformity with its articles of association, key provisions of which are set out on pages 20 to 30.
- 1.4 The Company's registered office and principal place of business is at Beaufort House, 51 New North Road, Exeter EX4 4EP. The Company is domiciled in England. The Company does not have, nor has it had since incorporation, any subsidiaries or employees nor is it a member of a group of companies.
- 1.5 The Company received provisional approval from HM Revenue & Customs as a VCT under section 259 of the ITA 2007. The business of the Company has been, and it is intended will be, carried on so as to continue to comply with that section to maintain full VCT approval. The Company's capital resources are restricted insofar as they may be used only in putting into effect the investment policy described on pages 39 to 41.
- 1.6 In order for the future of the Company to be considered by the members, the Directors shall procure that a resolution will be proposed at the tenth annual general meeting after the last allotment of shares (and thereafter at five yearly intervals) to the effect that the Company shall continue as a venture capital trust. If, at such meeting, the resolution is not passed, the Directors shall, within nine months of the meeting, convene a general meeting to propose a special resolution for the re-organisation or reconstruction of the Company and a resolution to wind up the Company voluntarily. If the resolution to wind up the Company is not passed the Company shall continue as a venture capital trust.
- 1.7 The Company is not authorised and/or regulated by the FCA or an equivalent overseas regulator. The Company is subject to the requirements for VCTs and, as an entity listed on the main market of the London Stock Exchange, will be subject to the rules and regulations issued by the UK Listing Authority from time to time. The Company is not otherwise regulated.
- 1.8 The Company's existing Ordinary Shares and C Shares are listed on the Official List of the UK Listing Authority and traded on the London Stock Exchange's main market for listed securities with ISINs of GB00B631ZQ22 and GB00B3RNDW55 respectively.
- 1.9 An application will be made to the UK Listing Authority for the D Shares to be admitted to the Official List and to the London Stock Exchange plc for such D Shares to be admitted to trading on its main market for listed securities. It is expected that admission to the Official List will become effective and that dealings in the D Shares will commence three Business Days following the first allotment.

SHARE CAPITAL

- 2.1 The issued share capital of the Company on incorporation was twenty Ordinary Shares, nil paid to the subscribers to its Memorandum. These shares have subsequently been paid up in full in cash.
- 2.2 To enable the Company to register as a public limited company and to obtain a certificate under section 761 of CA 2006, on 10 February 2010, 5,000,000 redeemable shares were allotted by the Company at par for cash, paid up as to one quarter of their nominal value. On 29 June 2010 such redeemable shares were paid up in full and redeemed out of the proceeds of the original offer on launch of the Company and then were automatically cancelled as issued and the Articles were amended by the deletion of all references to the redeemable shares and the rights attaching to them.
- 2.3 As at 1 March 2012, the date from which the financial information set out in Part 2 Section C has been prepared, 4,738,463 Ordinary Shares and 1,931,095 C Shares were in issue. At 31 August 2015, 4,738,463 Ordinary Shares and 1,931,095 C Shares were in issue.
- 2.4 The Company has issued no further Ordinary Shares or C Shares since 31 August 2015, nor has it undertaken any buy-backs.
- 2.5 The following resolutions, *inter alia*, are to be proposed at a General Meeting of the Company to be held on 24 November 2015:
 - 2.5.1 That:
 - 2.5.1.1 the directors of the Company be authorised in accordance with section 551 of the CA 2006 to exercise all the powers of the Company to allot D ordinary shares of 1p each in the Company ("D Shares") and to grant rights to subscribe for or to convert any security into D Shares in the Company ("D Share Rights") up to an aggregate nominal amount of £150,000, provided that, the authority conferred shall expire on the fifth anniversary of the date of the passing of this resolution (unless renewed, varied or revoked by the Company in a general meeting) but so that this authority shall allow the Company to make before the expiry of this authority offers or agreements which would or might require D Shares to be allotted or D Share Rights to be granted after such expiry; and
 - 2.5.1.2 in substitution for existing authorities, the directors were empowered pursuant to sections 570 and 573 of CA 2006 to allot or make offers or agreements to allot equity securities (which expression shall have the meaning as described to it in section 560(1) of CA 2006) for cash pursuant to the authority detailed in paragraph 2.5.1.1 or by way of a sale of treasury shares, as if section 561(1) of CA 2006 did not apply to such allotment, provided that the power provided by this paragraph shall expire on the conclusion of the annual general meeting of the Company to be held in 2016 and provided further that this power shall be limited to:
 - (a) the allotment and issue of D Shares with an aggregate nominal value representing up to £150,000 in connection with the Offer; and
 - (b) the allotment and issue of D Shares with an aggregate nominal value representing up to 10 per cent. of the issued D Share capital of the Company immediately following close of the D Share Offer, where the proceeds may in whole or part be used to purchase D Shares.
- 2.6 The Company will be subject to the continuing obligations of the Listing Rules with regard to the issue of securities for cash and the provisions of section 561(1) of CA 2006 (which confers on shareholders rights of pre-emption in respect of the allotment of equity securities which are, or are to be, paid up in cash) will apply to the unissued share capital of the Company which is not subject to the disapplication referred to in paragraph 2.5 above.

2.7 Following the issue of the D Shares pursuant to the Offer (assuming full subscription and ignoring costs) the issued share capital of the Company is expected to be approximately:

Class	Shares Issued	
	Number	Nominal Value £
Ordinary	4,738,463	47,384.63
C Shares	1,931,095	19,310.95
D Shares	8,000,000	80,000.00

2.8 Subject to any special rights or restrictions attaching to any shares or any class of shares issued by the Company in the future, the holders of fully paid Ordinary Shares and C Shares will be entitled *pari passu* amongst themselves in proportion to the number of Ordinary Shares or C Shares held by them to share in the whole of the profits of the Company attributable to the Ordinary Shares or C Shares (as the case may be) which are paid out as dividends and in the whole of any surplus attributable to the Ordinary Shares or C Shares (as the case may be) in the event of a liquidation of the Company. The D Shares, if issued, will be entitled *pari passu* amongst themselves in proportion to the number of D Shares held by them to share in the whole of the profits of the Company attributable to the D Shares which are paid out as dividends and in the whole of any surplus attributable to the D Shares in the event of a liquidation of the Company.

2.9 The D Shares will be in registered form and no temporary documents of title will be issued. The Company is registered with CREST, a paperless settlement system and those Shareholders who wish to hold their D Shares in electronic form may do so.

2.10 Except as disclosed in this paragraph 2 above (including pursuant to the Offer), and except for commission payable to authorised financial intermediaries in connection with the Offer, no share or loan capital of the Company has been issued for cash or for a consideration other than cash, no such share or loan capital is proposed to be issued, no commission, discount, brokerage or other special terms have been granted by the Company in connection with the issue or sale of any share or loan capital and no share or loan capital of the Company is under option or is agreed conditionally or unconditionally to be put under option. No shares of the Company represent anything other than capital, there are no convertible securities, exchangeable securities or securities with warrants attached to them currently in issue by the Company.

MANAGEMENT AND ADMINISTRATION

3.1 The Directors are responsible for the determination of the Company's investment policy and have overall responsibility for its affairs. The Directors also retain responsibility for approving both the valuations of the portfolio and the net asset value of the Company. Calculus Capital and Investec Structured Products have been appointed as discretionary investment managers on the terms set out below. However, as noted above, Investec Structured Products has served notice that it will cease to act as investment manager of the Company.

3.2 Calculus Capital and Investec Structured Products have and will have sufficient and satisfactory relevant experience in advising on investments of the size and type in which the Company proposes to make. The Directors will also ensure that the Board and any additional or replacement investment advisers have and will have sufficient and satisfactory experience in advising on such investments.

3.3 As is customary in the private equity industry, Calculus Capital will retain the right to charge arrangement and syndication fees to the private companies in which the Company invests. Such charges are in line with industry practice. The costs of all deals that do not proceed to completion will be borne by Calculus Capital and not by the Company. Calculus Capital may also receive ongoing directors' fees and monitoring fees from the investee companies as appropriate and in line with market practice. Investec Structured Products shall receive an arrangement fee of 0.75 per cent. of the amount invested in each Structured Product for as long as it is appointed as discretionary investment manager. This arrangement fee shall be paid to Investec Structured Products by the

issuer of the relevant Structured Product. Further details regarding this arrangement fee are available upon request. No arrangement fee will be paid to Investec Structured Products in respect of any decision to invest in Investec Issued Structured Products. Investec Structured Products will not receive any annual management fees.

- 3.4 All unquoted investments will be valued in accordance with IPEVC Guidelines under which investments are not normally re-valued above cost within twelve months of acquisition and thereafter are valued at fair value. Investment in AIM quoted or ISDX-listed companies and the Structured Products or other quoted investments will be valued at the bid price of the shares as derived from the Daily Official List of the London Stock Exchange, in accordance with general accepted accounting practice. The Company's net asset value will be calculated quarterly and published on an appropriate regulatory information service.
- 3.5 The Company has appointed Capita Sinclair Henderson to provide fund administration services. The services to be provided will include all necessary secretarial, bookkeeping and accounting services required in connection with the business and operation of the Company.
- 3.6 PricewaterhouseCoopers LLP will provide legal advice and assistance in relation to the maintenance of the VCT status of the Company and will receive usual hourly rates or fees as agreed with the Directors in connection with other VCT tax and legal advice and assistance. If requested by the Company, PricewaterhouseCoopers LLP will also review prospective investments to ensure that they are qualifying venture capital investments and carry out reviews of the investment portfolio of the Company to ensure continuing compliance.
- 3.7 While the Company is still invested in Structured Products, Investec Bank plc will act as custodian in relation to the Company's Structured Product assets (save for in relation to the unquoted assets and near cash investments which are held in the Company's own name or that of an appointed nominee), and in this capacity, is responsible for ensuring safe custody and dealing and settlement arrangements. The Company will otherwise have custody of its own assets and will custody all of its own assets once the Company is no longer invested in Structured Products.
- 3.8 A maximum of 75 per cent. of the Company's management expenses will be charged against capital with the balance to be met from income.
- 3.9 Annual expenses for the Company have been subject to a cap of 3.0 per cent. of the gross amount raised under the Ordinary Share and C Share offers, excluding irrecoverable VAT, annual trail commission and performance incentive fees with any excess paid by Investec Structured Products. This cap will determine on 14 December 2015 and will, subject to Shareholders' approval at the General Meeting, be replaced by a cap of 3.0 per cent. of the gross amount previously raised under the Ordinary Share and C Share offers and 3.4 per cent. of the gross amount raised under the D Share offer, any excess to be paid by Calculus Capital.

Annual running costs include, *inter alia*, Directors' fees, fund administration fees, fees for audit, taxation and legal advice, registrar's fees, costs of communicating with Shareholders and annual trail commission and the annual fees payable to Calculus Capital, but not the performance incentive (as set out below). Assuming full subscription, the Board estimates that the annual running costs of the Company will be approximately 3.6 per cent. (excluding annual trail commission) of its net assets (excluding irrecoverable VAT) in the first accounting period (calculated on an annualised basis).

- 3.10 The members of the Board, other than John Glencross, also comprise the members of the audit committee of the Company, with Michael O'Higgins being the chairman. The audit committee members are considered to have sufficient recent and relevant financial experience to discharge the role, and will meet at least twice a year to consider, amongst other things, the following:
 - monitoring the integrity of the financial statements of the Company;
 - reviewing the Company's internal control and risk management systems;

- making recommendations to the Directors in relation to the appointment of the external auditor;
- reviewing and monitoring the external auditor's independence and objectivity; and
- implementing and reviewing the Company's policies on the engagement of the external auditor to supply non-audit services.

3.11 Given the structure of the Company and the Board, the Board does not believe it necessary to appoint a remuneration committee or a nomination committee. The roles and responsibilities of these committees will be reserved for consideration and decision by the Board. In particular, the following matters will be reviewed:

- the levels of remuneration of the Directors, specifically reflecting the time commitment and responsibilities of the role;
- comparisons and reviews to ensure that the levels of remuneration paid are broadly in-line with industry standards; and
- composition and balance of skills, knowledge and experience of the Directors and would make nominations to the Directors in the event of a vacancy (new Directors are required to resign at the annual general meeting following appointment and thereafter every three years).

3.12 As at the date of this document the Company has adopted the provisions of the UK Corporate Governance Code (the "Code") issued by the Financial Reporting Council in September 2012. The Company continue to comply with such provisions following close of the Offer save as set out above and as follows:

- Directors are not appointed for a specified term (in view of its non-executive nature and the requirements of the Articles that all Directors retire by rotation at the annual general meeting, the Board considers that it is not appropriate for the Directors to be appointed for a specific term as recommended by the Code); and
- in light of the responsibilities retained by the Board and the Audit Committee and of the responsibilities delegated to Calculus Capital, Investec Structured Products, Capita Sinclair Henderson, Capita Registrars and PricewaterhouseCoopers, the Company has not appointed a chief executive officer, deputy chairman or a senior independent non-executive director.
- Given the structure of the Company, and the Board, the Board does not believe it necessary to appoint separate remuneration or nomination committees and the roles and responsibilities normally reserved for these committees are resolved by the Board.
- The Company does not have an internal audit function as all of the Company's management functions are performed by third parties whose internal controls are renewed by the Board. The need for an internal audit function is renewed annually by the Board.

MATERIAL CONTRACTS

Set out below is a summary of all contracts (not being contracts entered into in the ordinary course of business) entered into by the Company since incorporation that are material and all other contracts (not being contracts entered into in the ordinary course of business) that contain any provision under which the Company has an obligation or entitlement which is material to the Company as at the date of this document.

4.1 An investment management agreement dated 2 March 2010, between the Company (1) and Investec Structured Products (2) pursuant to which Investec Structured Products has agreed to act as discretionary investment manager to the Company in respect of the Structured Products portfolio. The agreement is for an initial period up to 14 December 2015 and the appointment may be terminated on 12 months' notice expiring on 14 December 2015 or at any time thereafter. The appointment of Investec Structured Products will automatically terminate on the date that the Company no longer has investments in Structured Products in the Ordinary Shares Fund. This appointment may also be terminated (*inter alia*) in circumstances of material breach by either party. Investec Structured Products has agreed not to receive a fee in relation to its appointment under this agreement. Investec Structured Products shall receive a commission of 0.75 per cent. of the amount invested in each Structured Product payable by the issuer of the relevant Structured Product (save for Structured Products issued by Investec Bank plc). Investec Structured Products has agreed under this agreement to meet the annual expenses of the Company in excess of 3.0 per cent. of the gross amount raised pursuant to the original 2010 offer of Ordinary Shares. The agreement contains normal provisions indemnifying Investec Structured Products in respect of loss and/or liability incurred in the provision of services pursuant to the agreement (save in circumstances of its wilful default, negligence or fraud). Pursuant to a letter to the Company dated 23 June 2015, Investec Structured Products' engagement as manager of the Ordinary Share Fund will determine no later than 24 June 2016.

4.2 A supplemental investment management agreement dated 7 January 2011 between the Company (1) and Investec Structured Products (2) pursuant to which Investec Structured Products has agreed to act as discretionary investment manager to the C Shares Fund of the Company in respect of the Structured Products portfolio. The agreement is for an initial period up to the 14 March 2017, and the appointment may be terminated on 12 months' notice expiring on or after that date. The appointment of Investec Structured Products will automatically terminate on the date that the Company no longer has investments in Structured Products in the C Shares Fund. This appointment may also be terminated (*inter alia*) in circumstances of material breach by either party. Pursuant to this agreement the terms of the Ordinary Share Fund agreement set out at paragraph 4.1 above will apply, *mutatis mutandis*, to the C Shares Fund.

Pursuant to a letter to the Company dated 23 June 2015, Investec Structured Products' engagement as manager of the C Shares Fund will determine no later than 14 March 2017.

4.3 An investment management agreement dated 2 March 2010, between the Company (1) and Calculus Capital (2) pursuant to which Calculus Capital has agreed to act as discretionary investment manager to the Company in respect of the Venture Capital Investments portfolio and to advise in respect of the Company's investments in near cash assets. The agreement is for an initial period up to 14 December 2015 and the appointment may be terminated on 12 months' notice expiring on 14 December 2015 or at any time thereafter. This appointment may also be terminated (*inter alia*) in circumstances of material breach by either party. Calculus Capital receives an annual management fee of 1 per cent. of the net assets of the Company, calculated and payable quarterly in advance, together with any applicable VAT thereon. Calculus Capital may retain the right to charge arrangement and syndication fees to the private companies in which the Company invests and may also receive on-going directors' fees and monitoring fees from such investee companies. The agreement contains normal provisions indemnifying Calculus Capital in respect of loss and/or liability incurred in the provision of services pursuant to the agreement (save in circumstances of its wilful default, negligence or fraud).

4.4 A supplemental investment management agreement dated 7 January 2011 between the Company (1) and Calculus Capital (2) pursuant to which Calculus Capital has agreed to act as discretionary investment manager to the C Shares Fund of the Company in respect of the Venture Capital Investments portfolio and to advise in respect of the C Share Funds' investments in near cash assets. The agreement is for an initial period up to the 14 March 2017, and the appointment may be terminated on 12 months' notice expiring on or after that date. This appointment may also be terminated (*inter alia*) in circumstances of material breach by either party. Pursuant to this

agreement the terms of the Ordinary Share Fund agreement set out at paragraph 4.3 above will apply, *mutatis mutandis*, to the C Shares Fund (pursuant to which, for the avoidance of doubt, Calculus Capital's entitlement to receive an annual management fee of 1 per cent. of the net assets of the Company is in respect of investment management services provided across both the Ordinary Shares Fund and the C Shares Fund).

- 4.5 A performance incentive agreement between the Company (1), Investec Structured Products (2) and Calculus Capital (3) dated 2 March 2010 pursuant to which Investec Structured Products and Calculus Capital will each be entitled to 10 per cent. of dividends paid to Ordinary Shareholders provided that the performance conditions set out below are achieved. Investec Structured Products and Calculus Capital will each receive a performance incentive fee payable in cash of an amount equal to 10 per cent. of dividends and distributions paid to Ordinary Shareholders following the payment of such dividends and distributions provided that Ordinary Shareholders have received or been offered an interim return of at least 70p per Ordinary Share on or before 14 December 2015 and aggregate distributions of at least 105p per Ordinary Share have been paid (including the relevant distribution being offered). Such performance incentive fees will be paid within ten business days of the payment of the relevant dividend or distribution. If the appointment of either of the Managers as investment manager to the Company is terminated by the Company as a result of a material breach by the Manager concerned of the provisions of the investment management agreement between it and the Company, no further performance incentive will be payable to the Manager concerned. If the appointment of Investec Structured Products is terminated for any other reason, it will continue to be entitled to the performance incentive. If the appointment of Calculus Capital is terminated for any other reason, it will be entitled to a performance incentive in respect of distributions paid during the period of five years after the date of termination, but the amount payable to it shall reduce *pro rata* during that period and no performance incentive will be payable in respect of distributions made thereafter.
- 4.6 A performance incentive agreement dated 7 January 2011 between the Company (1), Investec Structured Products (2) and Calculus Capital (3) pursuant to which Investec Structured Products and Calculus Capital will each be entitled to performance incentive fees as set out below:
 - 10 per cent. of C Shareholder proceeds in excess of 105p and up to and including 115p per C Share, such amount to be paid within ten business days of the date of payment of the relevant dividend or distribution pursuant to which a return of 115p per C Share is satisfied; and
 - thereafter, 10 per cent. of C Shareholder proceeds, such amounts to be paid within ten business days of the date of payment of the relevant dividend or distribution,provided in each case that C Shareholders have received or been offered a C Shares Fund interim return of at least 70p per C Share on or before 14 March 2017 and at least a further 45p per C Share having been received or offered for payment on or before 14 March 2019. In addition, performance incentive fees in respect of the C Shares Fund will only be payable in respect of dividends and distributions paid or offered on or before 14 March 2019. The terms of this agreement will otherwise be materially the same as those for the arrangements for the Ordinary Shares Fund and as is more particularly described in paragraph 4.5 above.
- 4.7 A sponsor's agreement dated 24 August 2015 between the Company (1) and SPARK Advisory Partners Limited (2) whereby SPARK Advisory Partners Limited agreed to act as sponsor. The agreement contained warranties given by the Company and the Directors to SPARK. The Company will pay a fee to SPARK of £30,000 for sponsor services relating to the Offer.

Material contracts conditional on Shareholders' approval

The following contracts will be entered into, subject, *inter alia*, to the approval by Shareholders of the resolutions numbered 5, 6 and 10 at the General Meeting and confirmation at the Class Meetings.

- 4.8 A promoter's agreement dated 26 October 2015 between the Company (1), the Directors (2) and Calculus Capital (3), whereby Calculus Capital agreed to act as promoter in connection with the offer

for subscription of D Shares. The agreement contained warranties given by the Company and the Directors to Calculus Capital (as the promoter). The Company will pay to Calculus Capital a promoters fee of 3.0 per cent. (in respect of Investors through intermediaries) or 5.0 per cent. (in respect of director Investors) of the gross amount subscribed under the offer for subscription of D Shares out of which certain costs, charges and expenses of or incidental to the offer for subscription of D Shares will be paid. The Company will bear the costs of paying commission to the authorised intermediaries of Investors under the Offer.

- 4.9 A supplemental investment management agreement dated 26 October 2015 between the Company (1) and Calculus Capital (2) pursuant to which Calculus Capital has agreed to act as discretionary investment manager to the D Shares Fund of the Company in respect of the Venture Capital Investments portfolio and to advise in respect of the D Share Funds' investments in near cash assets and which gives the Shareholders of all classes the benefit of annual running cost caps to be provided by Calculus Capital. The agreement is for an initial period of five years, and the appointment may be terminated on 12 months' notice expiring on or after that date. This appointment may also be terminated (*inter alia*) in circumstances of material breach by either party. Pursuant to this agreement the terms of the Ordinary Share Fund agreement set out at paragraph 4.3 above will apply, *mutatis mutandis*, to the D Shares Fund save that Calculus Capital shall be entitled to receive an annual management fee of 1.75 per cent. of the net assets of the Company in respect of investment management services provided to the D Share Fund. This agreement provides that in the event that any of the share classes are merged, the terms attributable to the merged class shall be those currently attributable to the D Share class except that the new cost cap will be the aggregate of the cost caps applicable to the classes to be merged. Furthermore, Calculus Capital has agreed to provide company secretarial services as part of its investment management services to the Company, for an additional annual fee of £15,000, terminable on three months' notice, and the terms of this appointment are contained in the schedule to this agreement.
- 4.10 A performance incentive agreement dated 26 October 2015 between the Company (1) and Calculus Capital (2) pursuant to which Calculus Capital will be entitled to a performance incentive fee equal to 20 per cent. of D Shareholder proceeds in excess of 105p to be paid within ten business days of the date of payment of the relevant dividend or distribution pursuant to which a return of 105p per D Share is satisfied and otherwise on similar terms, *mutatis mutandis*, to the performance incentive agreement noted at 4.5 above.

MISCELLANEOUS

- 5.1 There has been no significant change in the financial or trading position of the Company which has occurred since 31 August 2015, being the date of the last financial period for which interim unaudited financial information has been published.
- 5.2 The Board believes that the Offer will result in a significant change to the Company, including an increase in its net assets of an amount equivalent to the net proceeds received under the Offer, expected to be approximately £7.6 million assuming full subscription.
- 5.3 There are no governmental, legal or arbitration proceedings (including any such proceedings which are or were pending or threatened of which the Company is aware) during the period from the incorporation of the Company which may have or had in the recent past significant effects on the Company's financial position or profitability.
- 5.4 The issue costs payable directly by the Company are limited to annual trail commission of 0.5% (subject to a cumulative maximum of 3.0%) in respect of applications from Professional Client Investors and Execution-only Investors and the professional fees of its advisers. Investors will bear the costs of the Promoter's Fee of 3.0% (or 5.0% depending on the category of Investor) and any up front commission or adviser charges payable through the application of a pricing formula.
- 5.5 The issue premium for the D Shares will be the difference between the issue price of the D Shares under the Offer and their nominal value of 1 penny. The Offer is not underwritten.

- 5.6 The Company has paid dividends amounting to 48.25p per Ordinary Share and 18p per C Share since incorporation to date. And on 26 October declared a further dividend of 21.8p per Ordinary Share to be paid on 11 December 2015 to Ordinary Shareholders on the register on 20 November 2015.
- 5.7 The Company's capital resources are restricted insofar as they may be used only in putting into effect the investment policies described in paragraph 6 above and in accordance with the VCT Rules.
- 5.8 The typical investor for whom investment in the Company is designed is a retail investor who is an individual higher rate tax payer aged 18 or over, with an investment range of £5,000 and £200,000, who is capable of understanding and is comfortable with the risks of VCT investment, and who is resident in the United Kingdom.
- 5.9 Calculus Capital is responsible for the determination and calculation of the Company's net asset value, which will be prepared quarterly for approval by the Directors in accordance with the International Private Equity and Venture Capital Association ("IPEVC") valuation guidelines. The net asset value of the Company will be communicated to investors through a Regulatory Information Service provider at the same frequency as the determinations. In the event of any suspension valuations are held at the suspended price and a view is taken with consideration to best market practice and information from advisers.
- 5.10 Calculus Capital may retain for its own benefit and without liability to account to the Company (subject to full disclosure having been made to the Board) any arrangement fees and directors' or monitoring fees which it receives in connection with any investments made by the Company. The Company will not be liable for legal, accounting and any other fees incurred on potential investments which do not proceed to completion.
- 5.11 Calculus Capital Limited has consented to the issue of the Prospectus with the inclusion of references to their name appearing in the form and context in which they appear.
- 5.12 Investec Structured Products has consented to the issue of the Prospectus with the inclusion of references to their name appearing in the form and context in which they appear.
- 5.13 SPARK Advisory Partners Limited has consented to the issue of the Prospectus with the inclusion of references to their name appearing in the form and context in which they appear.

INVESTMENT OBJECTIVE AND POLICY

Subject to Shareholder approval, the Company intends to adopt the following Investment Policy from the date of the issue of the D Shares pursuant to the Offer.

Investment Objective

The Company's principal objectives for investors are to:

- invest in a portfolio of Venture Capital Investments to provide investment returns sufficient to allow the Company to maximise annual dividends and with the goal of capital growth over the medium to long term;
- generate sufficient returns from a portfolio of Venture Capital Investments that will provide attractive long-term returns within a tax efficient vehicle;
- review the appropriate level of dividends annually to take account of investment returns achieved and future prospects; and
- maintain VCT status to enable qualifying investors to retain their income tax relief of up to 30 per cent. on the initial investment and receive tax-free dividends and tax-free capital growth.

Investment Policy

It is intended that approximately 75 per cent. of the monies raised by the Company in relation to the D Shares will be invested within 60 days in a variety of investments selected to preserve capital value, whilst generating income, which may include:

- bonds issued by the UK Government;
- fixed income securities issued by major companies and institutions, liquidity funds and fixed deposits with counterparty credit ratings of not less than A minus (Standard & Poor's rated)/A3 (Moody's rated); and
- investments in ground rent assets.

The balance will be used to meet initial costs and invested in cash or near cash assets (as directed by the Board) and will be available to invest in Venture Capital Investments and to fund ongoing expenses.

The Company's policy is to build a diverse portfolio of Venture Capital Investments primarily in established unquoted companies across different industries and investments may be by way of loan stock and/or fixed rate preference shares as well as ordinary shares to generate income. The amount invested in any one sector and any one company will be no more than 20 per cent. and 10 per cent. respectively of the Venture Capital Investments portfolio. These percentages are measured as at the time of investment. The Board and Calculus Capital will review the portfolio of investments on a regular basis to assess asset allocation and the need to realise investments to meet the Company's objectives or maintain VCT status.

Where investment opportunities arise in one asset class which conflicts with assets held or opportunities in another asset class, the Board will make the investment/divestment decision. Under its Articles, the Company has the ability to borrow a maximum amount equal to 25 per cent. of the aggregate amount paid on all shares issued by the Company (together with any share premium thereon). The Board will consider borrowing if it is in the Shareholders' interests to do so. In particular, because the Board intends to minimise cash balances, the Company may borrow on a short-term to medium-term basis for cashflow purposes and to facilitate the payment of dividends and expenses in the early years.

The Company will not vary the investment objective or the investment policy, to any material extent, without the approval of Shareholders. The Company intends to be a generalist VCT investing in a wide range of sectors.

RISK DIVERSIFICATION

The Board controls the overall risk of the Company. Calculus Capital will ensure the Company has exposure to a diversified range of Venture Capital Investments from different sectors.

INVESTMENT RESTRICTIONS

The Company is subject to the investment restrictions relating to a venture capital trust in the ITA 2007, as more particularly detailed in Part 5 of the Securities Note, and in the Listing Rules which specify that (i) the Company 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 as set out in paragraph 5 in this Part 3 above; (ii) the Company must not conduct any trading activity which is significant in the context of its group as a whole; and (iii) the Company may not invest more than 10 per cent., in aggregate, of the value of its total assets at the time an investment is made in other listed closed-ended investment funds. Any material change to the investment policy of the Company will require the approval of the Shareholders pursuant to the Listing Rules. The Company intends to direct its affairs in respect of each of its accounting periods so as to qualify as a venture capital trust and accordingly:

- (a) the Company's income is intended to be derived wholly or mainly from shares or other securities, as this phrase is interpreted by HMRC;

- (b) the Company will not control the companies in which it invests in such a way as to render them subsidiary undertakings;
- (c) none of the investments at the time of acquisition will represent more than 15 per cent. by value of the Company's investments; and
- (d) not more than 20 per cent. of the Company's gross assets will at any time be invested in the securities of property companies.

In the event of a breach of the investment restrictions which apply to the Company as described in this paragraph, Shareholders will be informed by means of the interim and/or the annual report or through a public announcement.

CO-INVESTMENT POLICY

Calculus Capital has a co-investment policy between its various funds whereby investment allocations are generally offered to each party in proportion to their respective funds available for investment, subject to: (i) a priority being given to any of the funds in order to maintain their tax status; (ii) the time horizon of the investment opportunity being compatible with the exit strategy of each fund; and (iii) the risk/reward profile of the investment opportunity being compatible with the target return for each fund. The terms of the investments may differ between the parties. In the event of any conflicts between the parties, the issues will be resolved at the discretion of the independent directors, designated members and committeees. It is not intended that the Company will co-invest with Directors or members of the Calculus Capital management team) including family members).

Funds attributable to separate share classes will co-invest (i.e. *pro rata* allocation per fund unless as otherwise approved by the Board). Any potential conflict of interest arising will be resolved on a basis which the Board believes to be equitable and in the best interests of all Shareholders.

SECTION B: ANALYSIS OF THE PORTFOLIO

THE PORTFOLIO AS AT 31 AUGUST 2015

	Ordinary Shares £'000	C Shares £'000	Total £'000	%
<i>Structured products</i>				
Investec Bank plc	920	521	1,441	35%
<i>Qualifying Investments</i>				
Human Race Group Limited	300	150	450	11%
AnTech Limited	323	–	323	8%
Hampshire Cosmetics Limited	153	162	315	8%
Terrain Energy Limited	173	81	254	6%
Metropolitan Safe Custody Limited	155	69	224	5%
Tollan Energy Limited	164	–	164	4%
Quai Administration Services Limited	–	150	150	4%
MicroEnergy Services Limited	147	–	147	3%
The One Place Capital Limited	–	127	127	3%
Scancell Holdings plc	–	119	119	3%
Brigantes Energy Limited	108	–	108	3%
Horizon Discovery Limited	–	83	83	2%
Pico's Limited	–	64	64	2%
Hembuild Group Limited	63	–	63	1%
Venn Life Sciences Limited	–	56	56	1%
Corfe Energy Limited	45	–	45	1%
Dryden Human Capital Group Limited	7	–	7	0%
<i>Other non-qualifying investments</i>				
Aberdeen Sterling Liquidity Fund	–	1	1	0%
	<hr/> <u>2,558</u>	<hr/> <u>1,583</u>	<hr/> <u>4,141</u>	<hr/> <u>100%</u>

Set out below are investments with a value of greater than 5% of the Company's gross assets and an aggregate value greater than 50% of the Company's portfolio. The portfolio relates to the Ordinary Shares and C Shares of the Company as no funds have yet been raised or invested for the D Shares. This unaudited investment portfolio is that carried by the Company as at the date of this document. The valuations below have been sourced from the Company's unaudited interim financial statements for the six months ended 31 August 2015, these being the most recent valuations of the relevant companies.

Venture Capital Investments

Human Race Group Limited ("Human Race") (Ordinary and C Share Funds)

Human Race operates over 60 mass participation sports events in the UK. The company's events include triathlon, cycling, running, duathlon, aquathlon and open water swimming for over 90,000 participants of all abilities and ages, making it the largest such operator in the UK. Two new flagship events have been successfully launched in 2015: the London Winter Run, the largest inaugural 10k run ever in the UK with 14,000 entries, and the Tour de Yorkshire, a 3 day pro ride in partnership with ASO (organisers of the Tour de France).

AnTech Limited ("AnTech") (Ordinary Share Fund)

AnTech is a specialist engineering company providing products and services to the upstream oil and gas industry. The company's Products Division offers specialist products across a range of applications including coiled tubing, completion equipment, wireline and drilling. It continues to grow and operate profitably; despite the oil price fall. Antech's Services Division has a new generation of directional coiled tubing drilling tools for effective intervention in existing wells to enhance production yield and extend well life. This is attractive in a low oil price environment.

Hampshire Cosmetics Limited ("Hampshire") (Ordinary and C Share Funds)

Hampshire Cosmetics manufactures fragrances, body treatments, skincare products and shampoos for third party customers including Bodyshop, Philip Kingsley and Penhaligon. Our investment was made to back a new management turning around this established manufacturer. This has been successfully achieved and the company is now seeking to further grow and diversify its revenue base, including the continuing integration of Mr Pets (an on-line retailer of veterinary and ancillary pet products).

Terrain Energy Limited ("Terrain") (Ordinary and C Share Funds)

Terrain currently has interests in nine petroleum licences; Keddington, Kirklington, Dukes Wood and Burton on the Wolds in the East Midlands, Larne and an offshore licence to the north of Larne in Northern Ireland, Brockham in Surrey and Egmatting and Starnberger See in Germany. Terrain has taken advantage of attractive prices in the current market and will shortly complete transactions to acquire interests in two new licences and increase its interest in one existing licence. The company is currently producing from wells at Keddington and Brockham. New wells at Larne and one of its new licences as well as sidetracks at Keddington and Brockham are due to be drilled in H1 2016.

Metropolitan Safe Custody Limited ("Metropolitan") (Ordinary and C Share Funds)

Metropolitan runs two safe custody sites, one in Knightsbridge, the other in St. John's Wood. These profitable, stable businesses serve several thousand customers providing access to the vaults seven days a week. The company has experienced strong year on year growth. Metropolitan upgraded systems and added capacity during the financial year just ended.

Structured Products

<i>Issuer</i>	<i>Strike Date</i>	<i>FTSE 100 Initial Index Level</i>	<i>Notional Investment</i>	<i>Price as at 30 September 2015</i>	<i>Maturity Date</i>	<i>Return/Capital at Risk ("CAR")</i>	
Investec Bank plc (Ordinary Share Fund)	14/05/2010	5,262.85	£500,000	£0.98	£1.840032	19/11/2015	185% if FTSE 100 higher*; CAR if FTSE 100 falls more than 50%
Investec Bank plc (C Share Fund)	05/08/2011	5,246.99	£328,000	£1.00	£1.588735	10/03/2017	182% if FTSE 100 higher*; CAR if FTSE 100 falls more than 50%

* The Final Index Level is calculated using 'averaging', meaning that the average of the closing levels of the FTSE 100 is taken on each Business Day over the last 2-6 months of the Structured Product plan term (the length of the averaging period differs for each plan). The use of averaging to calculate the return can reduce adverse effects of a falling market or sudden market falls shortly before maturity. Equally, it can reduce the benefits of an increasing market or sudden market rises shortly before maturity.

SECTION C: FINANCIAL INFORMATION ON THE COMPANY

1. Financial Information

Audited financial information on the Company is published in its annual reports for the last three financial years as set out below. The auditors, Grant Thornton UK LLP, made unqualified reports under section 495 of the 2006 Act for each of these financial years, and such reports did not contain any statements under section 498(2) or (3) of the 2006 Act.

The annual reports referred to above were all prepared in accordance with UK generally accepted accounting practice (GAAP) and in accordance with the Statement of Recommended Practice "Financial Statements of Investment Trust Companies and Venture Capital Trusts" January 2009 (SORP). The Company confirms that the annual financial statements of the Company for the years ended 28 February 2014 and 28 February 2015, which were prepared under UK GAAP, have been presented and prepared in a form which is consistent with that which will be adopted in the next annual financial statements to be published (which will be prepared under FRS 102) having regard to accounting standards, policies and legislation applicable to such annual financial statements, in so far as there are no material differences between the financial statements for this year prepared under these two accounting frameworks.

The annual reports contain a description of the relevant company's financial condition, changes in financial condition and results of operations for each relevant year. The annual reports (which contain the information as detailed below) and the unaudited half yearly report for the six months ended 31 August 2015 are incorporated in full by reference and can be accessed at the Calculus website (www.calculuscapital.com) and are available for inspection through the national storage mechanism, which can be accessed at www.morningstar.co.uk/uk/NSM.

<i>Description</i>	<i>2015 Unaudited</i>			
	<i>Half Yearly Report</i>	<i>2015 Annual Report</i>	<i>2014 Annual Report</i>	<i>2013 Annual Report</i>
Balance sheet	pages 20-23	page 46-47	page 49-50	page 41-42
Income statement (or equivalent)	pages 13-15	page 42-43	page 45-46	page 36
Statement showing all changes in equity (or equivalent)	pages 16-19	pages 44-45	pages 47-48	pages 38-40
Cash flow statement	pages 24-27	page 49	page 52-53	page 44-45
Accounting policies and notes	pages 28-35	pages 51-71	pages 54-74	pages 46-66
Auditors' report	N/A	pages 39-41	page 42-44	page 34-35

This information has been prepared in a form consistent with that which will be adopted in the Company's next published annual financial statements having regard to accounting standards and policies and legislation applicable to those financial statements.

A description of the changes in the performance of the Company, both capital and revenue, and changes to the Company's portfolio of investments is set out in the sections headed "Chairman's Statement", "Manager's Report" and "Portfolio Summary" in the published audited statutory accounts of the Company for the periods stated.

The annual reports also include operating/financial reviews as follows:

<i>Description</i>	<i>2015 Unaudited Half Yearly Report</i>	<i>2015 Annual Report</i>	<i>2014 Annual Report</i>	<i>2013 Annual Report</i>
Objectives	page 1	Inside front cover	Inside front cover	Inside front cover
Financial highlights	page 1	page 1	page 1	page 1
Chairman's statement	N/A	pages 2-3	pages 2-3	pages 2
Manager's report (Ordinary Shares)	pages 2-5	pages 4-17	pages 4-18	pages 3-13
Manager's report (C Shares)	pages 2-5	pages 4-17	pages 4-18	pages 3-13
Portfolio summary (Ordinary Shares)	pages 6-10	page 18	page 19	page 14
Portfolio summary (C Shares)	pages 11-12	page 19	page 20	page 15
Investment policy	page 1	pages 20-22	pages 21-23	pages 19-20

2. Working capital

In the opinion of the Company the working capital is sufficient for the Company's present requirements, being at least 12 months from the date of this document.

3. Net assets

The Offer will have a positive impact on the net assets of the Company by increasing its net assets by the same amount as the net funds raised and is expected to have a positive impact on earnings.

PART 3

DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection during usual business hours on weekdays at the Company's registered office and the offices of RW Blears LLP, 125 Old Broad Street, London EC2N 1AR whilst the Offer is open:

- Articles of the Company;
- the material contracts referred to in paragraph 4 of Part 2 of this document;
- the circular to shareholders dated 26 October 2015;
- the consent letters set out in paragraph 5 of Part 2 of this document; and
- this Prospectus (comprised of this document, the Summary and the Securities Note).

26 October 2015

