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If you are in any doubt as to any aspect of the proposals referred to in this document or as to the action you should take, you are recommended to seek your own financial advice immediately from a stockbroker, solicitor, accountant or other independent adviser authorised under FSMA.

If you have sold or otherwise transferred all of your Shares, please send this Circular at once to the purchaser, transferee or to the stockbroker, bank or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee. If you sell or have sold or otherwise transferred only part of your holding of Shares, you should retain this Circular and the accompanying documents.

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Circular to Shareholders of
Pembroke VCT plc

Registered in England and Wales under number 08307631

Recommended proposals for the amendment to the Company's articles of association to provide for the conversion of the Company's Ordinary Shares to B Ordinary Shares, changes to the provisions relating to Directors' fees and changes to the Company's investment management arrangements, including revised performance incentive fee arrangements

Your attention is drawn to the letter from the Chairman of the Company set out on pages 3 to 7 of this document which contains a unanimous recommendation to vote in favour of the relevant Resolutions to be proposed at the General Meeting and Ordinary Share Class Meeting.

Notices of the General Meeting and Ordinary Share Class Meeting, to be held at 9.00 a.m. and 9.15 a.m. on 14 August 2020 respectively, at 3 Cadogan Gate, London SW1X 0AS, to approve the Resolutions, are set out at the end of this document. All Shareholders will be able to vote at the General Meeting but only the holders of Ordinary Shares will be able to vote at the Ordinary Share Class Meeting.

All Shareholders will have received a blue form of proxy which relates to the two Resolutions to be proposed at the General Meeting. Holders of Ordinary Shares will also have received a green form of proxy which relates to the Resolution to be proposed at the Ordinary Share Class Meeting. If a Shareholder has not received the appropriate form of proxy they are requested to contact The City Partnership (UK) Limited, Suite 2 Park Valley House, Park Valley Mills, Meltham Road, Huddersfield, HD4 7BH. As an alternative to completing these hard-copy forms of proxy, Shareholders can appoint a proxy electronically on-line, as explained on page 19.

Please complete and return the forms of proxy, in accordance with the instructions printed on those forms of proxy, by 9.00 a.m. on 12 August 2020 in respect of the General Meeting or by 9.15 a.m. on 12 August 2020 in respect of the Ordinary Share Class Meeting or, if the meetings are adjourned, not later than close of 48 hours prior to the adjourned General Meeting and Ordinary Share Class Meeting. As a result of the Government restrictions on movement and gatherings imposed as a result of the COVID-19 pandemic, Shareholders will not be allowed to attend the General Meeting and the Ordinary Share Class Meeting in person. See note 1 to the General Meeting and the Ordinary Share Class Meeting on page 19. The right to vote at the General Meeting and Ordinary Share Class Meeting is determined by reference to the register of members at close of business two days prior to the General Meeting and Ordinary Share Class Meeting. Accordingly, to be entitled to vote, Shareholders must be entered in the register of members by close of business on 12 August 2020.

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PART I

Letter from the Chairman of Pembroke VCT plc

(Registered in England and Wales No. 08307631, an investment company under section 833 of the Companies Act 2006)

Directors

Jonathan Djanogly (Chairman)
Laurence Blackall
David Till

Registered office

3 Cadogan Gate
London
SW1X 0AS

16 July 2020

Dear Shareholder

Recommended proposals for an amendment to the Company's articles of association to provide for the conversion of the Company's Ordinary Shares to B Ordinary Shares, changes to the provisions relating to Directors' fees and changes to the Company's investment management arrangements, including revised performance incentive fee arrangements

Introduction

This Circular explains proposals to:

- (i) convert the Company's Ordinary Shares to B Ordinary Shares (and includes notices of a General Meeting and an Ordinary Share Class Meeting at which the Resolutions that are required under the Companies Act 2006 to amend the Company's articles of association to provide for the Ordinary Share Conversion will be proposed);
- (ii) approve changes to the Company's investment management arrangements with Pembroke Investment Managers LLP, the Company's investment manager, to vary the the length of the investment management agreement and the terms of the performance incentive fee arrangements; and
- (iii) amend the Company's articles of association in relation to Directors' fees.

Background to the Proposals relating to the Ordinary Share Conversion

The Company currently has 18,099,948 Ordinary Shares in issue, with an aggregate net asset value (unaudited) of £23,666,620 as at 30 September 2019. The Company also has 81,366,787 B Ordinary Shares in issue, with an aggregate net asset value (unaudited) of £62,835,528 as at 30 September 2019. The Ordinary Shares were issued in 2013 and 2014 and the B Ordinary Shares were issued on various dates between 2015 and 2019.

Each Ordinary Share and B Ordinary share shall have one vote and the right to vote on any matter of general relevance of application to the Company. The Ordinary Shares and the B Ordinary Shares also separately carry the right to vote on matters affecting their own Share class.

The Ordinary Shares and the B Ordinary Shares are represented by separate pools of assets (the "Ordinary Share Pool" and the "B Ordinary Share Pool" respectively), comprising primarily investments in private companies, with a high level of common investments, and liabilities. The Company identifies which assets and liabilities of the Company are to be allocated to the Ordinary Share Pool and the B Ordinary Share Pool and maintains separate records and accounts for each of those pools.

Costs and expenses which relate solely to one pool or the other will be allocated solely to that pool. Costs and expenses which relate to both pools will be allocated between the pools as the Board or the Manager believes most appropriate, which will generally be *pro rata* to the net asset value of the respective pools.

Holders of Ordinary Shares have the right to the assets in the Ordinary Share Pool and holders of B Ordinary Shares have the right to the assets in the B Ordinary Share Pool, whether on a winding-up, return of capital, payment of dividends or other distribution.

The rights of the Ordinary Shares and the B Ordinary Shares are the same, save for the fact, as set out above, that they relate to different pools of assets and liabilities.

The Directors believe that it would be beneficial for shareholders if the Ordinary Share class merged with the B Ordinary Share class, through a conversion of Ordinary Shares into B Ordinary Shares. It is proposed that this should happen in August 2020, after the announcement of the Company's financial results for the year ended 31 March 2020. Following the Ordinary Share Conversion, the Company will have one class of shares, the B Ordinary Shares. The conversion will be undertaken on a relative NAV basis as between the Ordinary Shares and the B Ordinary Shares.

The Ordinary Share conversion will combine the portfolio of the separate share classes to create a single share class with a combined value of over £100 million. The Ordinary Share Conversion will simplify reporting to Shareholders and make it easier for Shareholders to track the performance of their investment(s) in the Company. The Ordinary Share Conversion will also simplify the administration of the Company by removing the need to maintain accounting records and prepare accounts for two separate share classes, with attendant administrative cost savings for the Company, including company secretarial, accounting, legal and registrar services.

It is proposed that the Ordinary Share Conversion will take place based on the respective audited net asset values of the Ordinary Shares and B Ordinary Shares as at 31 March 2020 and adjusted for any amounts as the Directors may consider appropriate so as to be a fair value to be used in the Ordinary Share Conversion.

Details of the Ordinary Share Conversion

The Ordinary Shares shall convert into B Ordinary Shares and, if applicable, Deferred Shares on the Ordinary Share Conversion Date in accordance with the following provisions:

- (i) The Directors shall procure that within 91 days of the Ordinary Share Conversion Calculation Date:
 - (a) the Ordinary Share Conversion Ratio as at the Ordinary Share Calculation Date and the numbers of B Ordinary Shares and, if applicable, Deferred Shares to which each holder of Ordinary Shares shall be entitled on the Ordinary Share Conversion shall be calculated; and
 - (b) the Company's auditor shall be requested to confirm that such calculations as have been made by the Company have, in its opinion, been performed in accordance with the Articles and are arithmetically accurate whereupon such calculations shall become final and binding on the Company and all holders of Ordinary Shares and B Ordinary Shares.
- (ii) The Directors shall procure that, as soon as practicable following such information being available and in any event within 91 days of the Ordinary Share Calculation Date, a notice is sent to each holder of Ordinary Shares advising such Shareholder of the Ordinary Share Conversion Date, the Ordinary Share Conversion Ratio and the numbers of B Ordinary Shares and, if applicable, Deferred Shares to which such Shareholder will be entitled on the Ordinary Share Conversion.
- (iii) On the Ordinary Share Conversion, the Ordinary Shares shall automatically convert into such number of B Ordinary Shares and, if applicable, Deferred Shares as shall be necessary to ensure that, upon the Ordinary Share Conversion being completed:
 - (a) the aggregate number of B Ordinary Shares into which the Ordinary Shares are converted equals the number of Ordinary Shares in issue on the Ordinary Share Calculation Date multiplied by the Ordinary Share Conversion Ratio (rounded down to the nearest whole B Ordinary Share); and
 - (b) in the event that the Ordinary Share Conversion Ratio is less than 1, such number of Deferred Shares as is equal to the aggregate number of Ordinary Shares immediately prior to Conversion less the aggregate number of B Ordinary Shares resulting from the Ordinary Share Conversion.
- (iv) The B Ordinary Shares and, if applicable, Deferred Shares arising upon the Ordinary Share Conversion shall be divided amongst the former holders of Ordinary Shares *pro rata* according to their respective former holdings of Ordinary Shares (provided always that the Directors may deal in such manner as they think fit with fractional entitlements to B Ordinary Shares and Deferred Shares arising upon the Ordinary Share Conversion including, without prejudice to the generality of the foregoing, selling any such shares representing such fractional entitlements and retaining the proceeds for the benefit of the Company).

- (v) Forthwith upon the Ordinary Share Conversion, the share certificates relating to the Ordinary Shares shall be cancelled and the Company shall issue to each former holder of Ordinary Shares new certificates in respect of the B Ordinary Shares which have arisen upon the Ordinary Share Conversion to which he or she is entitled. Share certificates in respect of any Deferred Shares arising on the Ordinary Share Conversion will not be issued.
- (vi) Forthwith upon the Ordinary Share Conversion, the rights attaching to the Ordinary Shares under the Articles shall lapse and those attaching to the Deferred Shares resulting from the Ordinary Share Conversion shall lapse upon the repurchase by the Company of those Deferred Shares.

As the Ordinary Share Conversion will vary the rights of the holders of the Ordinary Shares, Resolution 2 at the General Meeting, which amends the Company's articles of association to provide for the Ordinary Share Conversion, is also required to be passed at the Ordinary Share Class Meeting.

Amendment to the Company's articles of association in relation to Directors' fees

The current cap on Directors' fees, as set out in the Articles, is £100,000 per year, which has not increased since the establishment of the Company in 2013. The Directors propose to increase this cap to £150,000 by amending the relevant provision in the Articles. This change has been proposed in light of the intention of the Board to make one or more appointments in the short to medium term to strengthen the composition of the Board and the recent increase of Jonathan Djanogly's and Laurence Blackall's fees to £30,000 and £25,000 per annum respectively, given that the Company now has net assets of over £100 million and those fees not having been increased since 2013. An increase in a Director's fee that requires the approval of Shareholders under the Listing Rules will only become effective after such approval has been obtained.

Resolution 2 to be proposed at the General Meeting, relating to the adoption of the New Articles as described above, will be conditional upon the passing of Resolution 1 at the General Meeting, relating to changes to the IMA, as described below.

Details of the proposed revisions to the investment management arrangements

The Directors and the Manager have been in discussions in relation to the operation of the current investment management arrangements (in particular the relevant performance incentive fee arrangements and the minimum period for which the Manager can provide management services to the Company). As a result of these discussions, the Company has agreed with the Manager that it would be in the best interests of Shareholders if revised investment management arrangements were introduced in order to further enhance alignment between the Shareholders, the Manager and the Company, helping to ensure the focus remains on the optimal outcome for Shareholders.

The current investment management arrangements are set out in paragraphs 2.5 to 2.7 of Part II of this Circular. The arrangements relating to the Ordinary Share class were put in place on the launch of the Company as a VCT in February 2013 and those relating to the B Ordinary Share class on the launch of the B Ordinary Share class in October 2014, with only small modifications since then. No performance incentive fees have been paid to date pursuant to these investment management arrangements.

The current performance incentive fee arrangements do not place any further investment performance hurdles on the Manager once £1 per share and the hurdle (currently 3% per annum on the B Ordinary Shares and 8% per annum on the Ordinary Shares) have been returned to Shareholders.

Your Board believes that the alignment between Shareholders, the Manager and the Company would be further enhanced by performance incentive fee arrangements that have a single calculation based on cumulative net realised investment gains, with an ongoing investment performance requirement which will provide Shareholders with an additional protection before performance incentive fees are paid to the Manager. This would also simplify the current performance incentive fee calculations which are on a Share by Share basis across approximately 100 million Shares with different issue dates, issue prices and dividends, with the attendant administrative cost savings for the Company in performing such calculations.

The Directors propose that the performance incentive fees are revised as follows:

- performance incentive fees are only payable to the Manager if the Company's cumulative realised gains are greater than its cumulative realised losses. This high watermark net realised gain approach requires all realised losses, past and future, to be recovered before any performance incentive fees are paid;
- a Total Return hurdle of 3 pence per year from the Ordinary Share Conversion Date must be achieved before a performance incentive fee is paid to the Manager (as opposed to the 3% and 8% annual return hurdles on the B Ordinary Shares and Ordinary Shares respectively referred to above);
- the relevant performance incentive fees remain unchanged at 20%, of the amount by which cumulative realised gains exceed cumulative realised losses, less previous performance incentive fees paid to the Manager;
- the relevant performance incentive fees will be calculated at each financial year end and half year balance sheet dates using information disclosed in the relevant year end or half year financial statements;
- unless all the above conditions are met, no performance incentive fee will be payable to the Manager; and
- no performance incentive fee earned by the Manager will be paid before 1 July 2021.

The Manager will continue to differentiate the Company from many other VCTs by not charging arrangement fees, monitoring fees, portfolio company directorship fees or exit fees to either the Company or to its underlying investee portfolio companies. This practice is very much to the benefit of the Company and its Shareholders.

In relation to the duration of the current IMA, there is still another three years to run on the initial fixed ten year term (after which the IMA is terminated on one-year's notice by either the Company or the Manager). The Directors propose that these arrangements are revised so that although the Company's current assets and funds will continue to be subject to a one year rolling notice period, in future the Manager will have the benefit of a five year term in relation to any new funds ("New Funds") raised by the Company (and any investments acquired from New Funds). This will revert to a rolling term with termination on one year's notice by either the Company or the Manager after the expiry of the relevant five year period, although notice to terminate in respect of New Funds given by the Manager will not take effect until such time as the Manager ceases to manage any New Funds.

Resolution 1 at the General Meeting, relating to the changes to the IMA in respect of the performance incentive fees and the minimum term of appointment of the Manager, as described above, is conditional upon the passing of Resolution 2 at the General Meeting, relating to the adoption of the New Articles.

Under the Listing Rules, the Manager is a related party of the Company and the proposals relating to the changes to the IMA as set out in the Deed of Amendment and Restatement constitute a related party transaction, requiring the approval of the Independent Shareholders. The Resolution approving the Deed of Amendment and Restatement (Resolution 1) will be proposed at the General Meeting. For the purpose of determining what action the Company is required to take in respect of the changes to the investment management arrangements, the Listing Rules require the Deed of Amendment and Restatement to be aggregated with a previous related party transaction concerning the Manager, relating to the fee payable to the Manager for promoting the 2019 Offer, details of which are set out in paragraph 2.1 of Part II of this Circular.

If Resolution 1 is not passed by the Independent Shareholders, the Deed of Amendment and Restatement will not take effect and the terms of the existing investment management arrangements (as described in paragraphs 2.5 to 2.7 of Part II of this Circular) will continue.

Risk factors

Shareholders should consider carefully the following risk factors in addition to the other information presented in this document which, if the risk were to occur, could have a material effect on the Company's performance. If you are in any doubt as to any aspect of the proposals referred to in this document or as to the action you should take you are recommended to seek your own financial advice immediately from a stockbroker, solicitor, accountant or other independent adviser authorised under the FSMA.

If Resolution 1 is not passed at the General Meeting the present performance incentive fee arrangements would not be replaced by arrangements which are focused on realised profits and which have an ongoing investment performance hurdle, which may be detrimental to the alignment of the interests of the Shareholders, the Company and the Manager.

If Resolution 2 is not passed at the General Meeting, or the Resolution is not passed at the Ordinary Share Class Meeting, the Company will continue to have two share classes and incur the additional administration costs that this entails.

Action to be taken in respect of the General Meeting and the Ordinary Share Class Meeting

All Shareholders will be able to vote at the General Meeting but only the holders of Ordinary Shares will be able to vote at the Ordinary Share Class Meeting.

All Shareholders will have received a blue form of proxy which relates to the two Resolutions to be proposed at the General Meeting. Holders of Ordinary Shares will also have received a green form of proxy which relates to the Resolution to be proposed at the Ordinary Share Class Meeting. If a Shareholder has not received the appropriate form of proxy they are requested to contact The City Partnership (UK) Limited, Suite 2 Park Valley House, Park Valley Mills, Meltham Road, Huddersfield, HD4 7BH. As an alternative to completing these hard-copy forms of proxy, Shareholders can appoint a proxy electronically on-line, as explained on page 19.

Shareholders are requested to complete and return the forms of proxy to The City Partnership (UK) Limited, Suite 2 Park Valley House, Park Valley Mills, Meltham Road, Huddersfield, HD4 7BH, so as to be received not later than 9.00 a.m. on 12 August 2020 in respect of the General Meeting or by 9.15 a.m. on 12 August 2020 in respect of the Ordinary Share Class Meeting or, if either of the meetings is adjourned, by not later than 48 hours prior to the adjourned General Meeting and Ordinary Share Class Meeting. As a result of the Government restrictions on movement and gatherings imposed as a result of the COVID-19 pandemic Shareholders will not be allowed to attend the General Meeting and the Ordinary Share Class Meeting in person. Please see note 1 to the General Meeting and the Ordinary Share Class Meeting on page 19.

Recommendation and intention

The Board considers that the Ordinary Share Conversion and the proposed changes to the investment management arrangements are in the best interests of the Shareholders as a whole and unanimously recommends that Shareholders vote in favour of the Resolutions. David Till is a member of Manager, which is a related party of the Company under the Listing Rules. Accordingly David Till has not taken part in the Board's consideration of the proposals relating to the changes to the investment management arrangements.

The Board, which has been so advised by Howard Kennedy as sponsor to the Company, considers that the proposed changes to the investment management arrangements set out in this Circular are fair and reasonable as far as the Shareholders are concerned. In providing its advice, Howard Kennedy, as sponsor, has taken into account the Board's commercial assessment of the proposed changes to the investment management arrangements.

Save in respect of David Till, who on account of his being a member of the Manager has agreed not to vote on Resolution 1 at the General Meeting, all the Directors intend voting in favour of the Resolutions in respect of their own beneficial shareholdings, which, at the date of this Circular, total 325,000 Ordinary Shares and 284,693 B Ordinary Shares (representing approximately 1.80% and 0.35% of the issued Ordinary Share capital and the B Ordinary Share capital respectively). The Manager will not, and has undertaken to take all reasonable steps to ensure that its Associates will not, vote on Resolution 1 at the General Meeting.

Yours sincerely



Jonathan Djanogly
Chairman

PART II

Additional information

1. Responsibility

The Directors, whose names appear on page 3, accept responsibility for the information contained in this document. To the best of the knowledge of the Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

2. Material contracts

Other than the contracts listed in paragraphs 2.1 to 2.9 below, the Company has not entered into (i) any contract (not being a contract entered into in the ordinary course of business) within the two years preceding the date of publication of this Circular which is or may be material or (ii) any other contract (not being a contract entered into in the ordinary course of business) which contains any provision under which the Company has any obligation or entitlement which is material to the Company as at the date of this Circular:

2.1 *Offer Agreement – 2019 Offer*

Under an offer agreement dated 2 September 2019 (the “2019 Offer Agreement”) and made between the Company (1), the Directors (2), Howard Kennedy (3) and the Manager (4), Howard Kennedy agreed to act as sponsor to the 2019 Offer and the Manager undertook as agent of the Company to use its reasonable endeavours to procure subscribers under the 2019 Offer. The Company was entitled to any interest earned on subscription monies prior to the allotment of B Ordinary Shares under the 2019 Offer. Under the 2019 Offer Agreement, the Manager was paid a promoter fee of 3.5% of the value of each application under the 2019 Offer accepted by the Company.

The Manager paid all costs and expenses of, or incidental to, the 2019 Offer and admission, excluding any annual trail commission but including commission payable to the Distributor. Total initial costs payable by the Company under the 2019 Offer Agreement were limited to 3.5% of the gross proceeds of the 2019 Offer.

Under the 2019 Offer Agreement, which could be terminated by the parties in certain circumstances, the Manager, the Company and the Directors gave certain warranties and indemnities. Warranty claims must be made by no later than 60 days after the date of the publication of the audited accounts of the Company for the accounting year ending 31 March 2021. The warranties and indemnities were in usual form for a contract of this type and the warranties are subject to limits of £2,000,000 (or 70% of gross funds raised under the 2019 Offer (whichever was higher)) for the Manager and one-half year's director's fees for each Director. The Company also agreed to indemnify Howard Kennedy in respect of its role as sponsor and under the 2019 Offer Agreement. The 2019 Offer Agreement could be terminated, *inter alia*, if any material statement in the prospectus relating to the 2019 Offer was untrue, any material omission from the prospectus relating to the 2019 Offer arose or any material breach of warranty occurred.

2.2 *Offer Agreement – 2018 Offer*

Under an offer agreement dated 29 August 2018 (the “2018 Offer Agreement”) and made between the Company (1), the Directors (2), Howard Kennedy (3) and the Manager (4), Howard Kennedy agreed to act as sponsor to the 2018 Offer and the Manager undertook as agent of the Company to use its reasonable endeavours to procure subscribers under the 2018 Offer. The Company was entitled to any interest earned on subscription monies prior to the allotment of B Ordinary Shares under the 2018 Offer. Under the 2018 Offer Agreement, the Manager was paid a promoter fee of 3.5% of the value of each application under the 2018 Offer accepted by the Company.

The Manager paid all costs and expenses of, or incidental to, the 2018 Offer and admission, excluding any annual trail commission but including commission paid to the Distributor. Total initial costs paid by the Company under the 2018 Offer Agreement were limited to 3.5% of the gross proceeds of the 2018 Offer.

Under the 2018 Offer Agreement, which could be terminated by the parties in certain circumstances, the Manager, the Company and the Directors gave certain warranties and indemnities. Warranty claims must be made by no later than 60 days after the date of the publication of the audited accounts of the Company for the accounting year ending 31 March 2020. The warranties and indemnities were in usual form for a contract of this type and the warranties are subject to limits of £2,000,000 (or 70% of gross funds raised under the 2018 Offer (whichever was higher)) for the Manager and one-half year's director's fees for each Director. The Company also agreed to indemnify Howard Kennedy in respect of its role as sponsor and under the 2018 Offer Agreement. The 2018 Offer Agreement could be terminated, *inter alia*, if any material statement in the prospectus relating to the 2018 Offer was untrue, any material omission from the prospectus relating to the 2018 Offer arose or any material breach of warranty occurred.

2.3 Offer Agreement – 2017 Offer

Under an offer agreement dated 1 December 2017 (the “2017 Offer Agreement”) and made between the Company (1), the Directors (2), Howard Kennedy (3), the Manager (4), Oakley (5) and Kin Capital Limited (6), Howard Kennedy agreed to act as sponsor to the 2017 Offer and Oakley and Kin Capital Limited undertook as agents of the Company to use their respective reasonable endeavours to procure subscribers under the 2017 Offer. The Company was entitled to any interest earned on subscription monies prior to the allotment of B Ordinary Shares under the 2017 Offer. Under the 2017 Offer Agreement, with the exception of those investors who made an application under the 2017 Offer that was received on or before 5 p.m. on 12 January 2018 (“2017 Early Applications”) (see below), Oakley was paid a promoter fee of 2.5% on accepted applications under the 2017 Offer (where it is not required to pay commission to an intermediary). If Oakley was required to pay commission to an intermediary, Oakley was paid a promoter fee of 5.5% on accepted applications.

In the case of investors under the 2017 Offer who made 2017 Early Applications (with no intermediary commission), Oakley received a promoter fee of 1.5% on any applications except those through direct investments (which attracted a promoter fee of 3%).

Oakley paid all costs and expenses of, or incidental to, the 2017 Offer and admission of B Ordinary Shares issued under the 2017 Offer including commission payable to Kin Capital Limited. The Company paid the promoter fee on the value of each application for B Ordinary Shares under the 2017 Offer accepted by the Company. Total initial costs payable by the Company under the 2017 Offer Agreement were limited to 5.5% of the gross proceeds of the 2017 Offer.

Under the 2017 Offer Agreement, which could be terminated by the parties in certain circumstances, the Manager, Oakley, Kin Capital Limited, the Company and the Directors gave certain warranties and indemnities. Warranty claims had to be made by no later than 60 days after the date of the publication of the audited accounts of the Company for the accounting year ending 31 March 2019. The warranties and indemnities were in usual form for a contract of this type and the warranties are subject to limits of £100,000 for Oakley, £100,000 for Kin Capital Limited and £2,000,000 (or 70% of gross funds raised under the 2017 Offer (whichever was higher)) for the Manager and one-half year's director's fees for each Director. The Company also agreed to indemnify Howard Kennedy in respect of its role as sponsor and under the 2017 Offer Agreement. The 2017 Offer Agreement could be terminated, *inter alia*, if any material statement in the prospectus relating to the 2017 Offer was untrue, any material omission from the prospectus relating to the 2017 Offer arose or any material breach of warranty occurred.

2.4 Offer Agreement – 2016 Offer

Under an offer agreement dated 30 November 2016 (the “2016 Offer Agreement”) made between the Company (1), the Directors (2), Howard Kennedy (3), the Manager (4), Oakley (5) and Kin Capital Limited (6), Howard Kennedy agreed to act as sponsor to the 2016 Offer and Oakley and Kin Capital Limited undertook as agents of the Company to use their respective reasonable endeavours to procure subscribers under the 2016 Offer. The Company was entitled to any interest earned on subscription monies prior to the allotment of B Ordinary Shares under the 2016 Offer. Under the 2016 Offer Agreement, the Company paid Oakley a commission of either 2% or 5% of the aggregate value of accepted applications for B Ordinary Shares received pursuant to the 2016 Offer.

Oakley paid all costs and expenses of, or incidental to, the 2016 Offer and subsequent admission of B Ordinary Shares issued under the 2016 Offer including commission payable to Kin Capital Limited. The Company paid a promoter fee on the value of each application for B Ordinary Shares accepted by the Company under the 2016 Offer. Total initial costs payable by the Company under the 2016 Offer Agreement were limited to 5% of the gross proceeds of the 2016 Offer.

Under the 2016 Offer Agreement, which could be terminated by the parties in certain circumstances, the Manager, Oakley, Kin Capital Limited, the Company and the Directors gave certain warranties and indemnities. Warranty claims had to be made by no later than 60 days after the date of the publication of the audited accounts of the Company for the accounting year ending 31 March 2018. The warranties and indemnities were in usual form for a contract of this type and the warranties were subject to limits of £100,000 for Oakley, £100,000 for Kin Capital Limited and £2,000,000 (or 70% of gross funds raised under the 2016 Offer (whichever was higher)) for the Manager and one-half year's director's fees for each Director. The Company also agreed to indemnify Howard Kennedy in respect of its role as sponsor and under the 2016 Offer Agreement. The 2016 Offer Agreement could be terminated, *inter alia*, if any material statement in the prospectus relating to the 2016 Offer is untrue, any material omission from the prospectus relating to the 2016 Offer had arisen or any material breach of warranty had occurred.

2.5 *Investment Management Agreement*

An agreement (the "IMA") dated 15 February 2013 and made between the Company and Oakley Capital Management Limited (the "Original Manager") whereby the Original Manager agreed to provide discretionary investment management and advisory services to the Company in respect of its portfolio of Qualifying Investments and Non-Qualifying Investments. On 1 July 2014 the IMA was novated to the Manager and on 3 October 2014 and 1 December 2017 the IMA was varied.

The Manager has agreed to act as Alternative Investment Fund Manager to the Company.

The Manager has agreed with the Company that it will indemnify the Company if the total Annual Running Costs of the Company, as defined in the IMA, are more than 2% of net asset value. Otherwise the Manager will receive an annual management fee only if, and to the extent that, the Annual Running Costs (disregarding any annual management fee payable) amount to less than 2% of the Company's net asset value, such management fee being equivalent to the difference. In such a case the management fee (exclusive of VAT) will be payable quarterly. The Manager is also entitled to reimbursement of expenses incurred in performing its obligations.

The Manager will also receive a performance incentive fee (exclusive of VAT) of 20% of any amounts distributed to Shareholders in excess of £1 per Share (the "Performance Fee"). As amended by the Investment Management Agreement Amendment Agreement, details of which are set out in paragraph 2.6 below, the Performance Fee is calculated separately on the Ordinary Shares and the B Ordinary Shares. The Performance Fee on the Ordinary Shares is conditional on holders of Ordinary Shares having received a return of 8% per annum per Ordinary Share (calculated on a daily basis and not compounded) on the amount subscribed per Ordinary Share as from 20 January 2014 in respect of the Ordinary Shares issued pursuant to the offer for subscription of Ordinary Shares pursuant to a prospectus issued by the Company on 15 February 2013 and as from 31 March 2014 in respect of Ordinary Shares issued under the subsequent top-up offer made by the Company in 2014. A 3% hurdle rate applies in relation to the Performance Fee in respect of amounts paid to the holders of B Ordinary Shares. Where, at the time of a distribution there have been previous distributions to Shareholders, the return will be calculated from the day after the previous distribution date on the total amount subscribed per Share by Shareholders, but reduced by the aggregate amount of such previous distributions made on a per Share basis. For the purposes of calculating performance related incentive fees, account will be taken of all forms of distributions that may be made by the Company and as well as dividends, will include 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 (excluding any income tax relief on subscription).

The Manager is entitled to receive and retain entirely for its own use and benefit all other transaction fees, directors' fees, monitoring fees, consultancy fees, corporate finance fees, introductory fees, syndication fees, exit fees, commissions and refunds of commission received by the Manager in connection with the management of the investment portfolio of the Company.

The appointment will continue until terminated on twelve months' notice in writing given by either party at any time after the tenth anniversary of the commencement date. The IMA is subject to earlier termination by either party in certain circumstances.

When conflicts occur between the Manager and the Company because of other activities and relationships of the Manager, the Manager will ensure that the Company receives fair treatment. Such conflicts will be disclosed to the Company.

The Manager may make investments on behalf of the Company in collective investment vehicles of which it is manager or in companies where the Manager has been involved in the provision of services to those companies and may receive commissions, benefits, charges or advantage from so acting.

Any fees arising in connection with investments made by the Company in Oakley Funds (if any) will be discharged by the Manager. There will be no duplication of fees in such situations.

2.6 *Investment Management Agreement Amendment Agreement*

On 3 October 2014, the Manager and the Company entered into an amendment agreement to the IMA providing the following:

- (a) the Performance Fee (as described in paragraph 2.5 above) would be applied on the B Ordinary Shares on the same basis as on the Ordinary Shares but with a hurdle rate of 3% per annum; and
- (b) the Manager agreed formally to act as Alternative Investment Fund Manager to the Company.

2.7 *Investment Management Agreement Further Amendment Agreement*

On 1 December 2017, the Manager and the Company entered into a further amendment agreement to the IMA providing that the definition of Annual Running Costs be amended so that it also excludes auditor's fees, administration, accounting and company secretarial costs, share registrars' fees, London Stock Exchange fees, printing and mailing costs in respect of the Audited Accounts, interim accounts and circulars to shareholders, fees in respect of regulatory announcements made through a Regulatory Information Service, corporate broking fees, insurance premiums, and remuneration of the Board (including employers' national insurance contributions) where the aggregate of such fees in any rolling period of 12 months, for such time as the Net Asset Value of the Company is £100,000,000 or less, is less than £350,000 and, for such time as the Net Asset Value of the Company exceeds £100,000,000, is less than £500,000.

2.8 *Deed of Amendment and Restatement*

A deed of amendment and restatement to the IMA dated 16 July 2020 made between the Company and the Manager, whereby, subject to the passing of Resolution 1 set out in the notice of General Meeting set out in Part IV of this Circular, the IMA will be varied as set out in the paragraph headed "Details of the proposed revisions to the investment management arrangements" in Part I of this Circular.

2.9 *Directors' Letters of Appointment*

Each of the Directors has entered into an agreement with the Company dated 15 February 2013, and David Till has entered into an agreement with the Company dated 28 August 2018, whereby he is required to devote such time to the affairs of the Company as the Board reasonably requires consistent with his role as non-executive Director. The Chairman of the Company is entitled to receive an annual fee of £20,000 and each other Director an annual fee of £15,000. Each party can terminate the relevant agreement by giving to the others at least three months' notice in writing to expire at any time on or after the date 15 months from the respective commencement date of the letter. In respect of the last reporting period to 31 March 2019, Jonathan Djanogly received £20,000, Laurence Blackall received £15,000 and David Till received £15,000. From 1 April 2020 the fees of Jonathan Djanogly and Laurence Blackall were increased to £30,000 and £25,000 per annum respectively in accordance with the terms of their respective agreements and David Till agreed to waive his fee from 1 April 2020.

2.10 Administration Agreement

An agreement dated 15 February 2013 (as varied on 3 October 2014) ("Administration Agreement") and made between the Company and The City Partnership (UK) Limited (the "Administrator") whereby the Administrator provides certain administration, accounting and company secretarial services to the Company in respect of the period from admission of the Ordinary Shares until the termination of the Administration Agreement. Further to an amendment agreement entered into between the Company and the Administrator on 3 October 2014, following the launch of the initial offer for subscription by the Company for B Ordinary Shares, the annual fee was increased to take into account the creation of the B Ordinary Share class (with it being agreed that the annual fee would be based upon gross funds raised by the Company under all of its offers). The administration fee is currently charged at a rate of £82,275 per annum (subject to increase by an amount equal to 0.05% of any further funds raised by the Company in any future share issues), plus VAT at the relevant rate. The annual fee is payable quarterly in advance and increases annually in line with RPI.

The Administration Agreement is terminable by either party giving six months' written notice, on or after the initial one-year period, but subject to early termination in certain circumstances.

3. No significant change

Save in respect of the sum of £34.5 million raised by the Company under the offer subscription that was launched on 2 September 2019, since 30 September 2019 (being the end of the last financial period of the Company for which unaudited financial information has been published), there has been no significant change in the financial or trading position of the Company.

4. Directors' interests in Shares

The interests of the Directors and their immediate families in the share capital of the Company, all of which are beneficial, at the date of this document and of persons connected to the Directors and their immediate families and the existence of which is known to, or could with reasonable diligence, be ascertained by that Director, is set out below:

Director	Number of Ordinary Shares	Percentage of Ordinary Shares in issue	Number of B Ordinary Shares	Percentage of B Ordinary Shares in issue
Jonathan Djanogly	25,000	0.14%	50,000	0.08%
Laurence Blackall	200,000	1.10%	100,000	0.16%
David Till	100,000	0.55%	134,693	0.21%

All the Ordinary Shares have the same rights relative to each other and all the B Ordinary Shares have the same rights relative to each other and there are no different rights attaching to the Shares held by the Directors within the relevant class attaching to the Shares in the table above.

5. Substantial Share interests

DTR 5 of the Disclosure Guidance and Transparency Rules requires a Shareholder to notify the Company of the percentage of its shares he holds if such percentage reaches, exceeds or falls below 3% or subsequent 1% thresholds. The Company will make such information public through a Regulatory Information Service. With the exception of Roy Nominees Limited, which as at 15 July 2020, being the last practicable date prior to publication of this document, held 3,603,000 Ordinary Shares and UBS Private Banking Nominees Limited which, as at 15 July 2020 held 11,891,002 B Ordinary Shares (being approximately 19.9% and 14.8% of the issued Ordinary Share and B Ordinary Share capital of the Company respectively), neither the Company nor the Directors are aware of any person who, not being a member of its administrative, management or supervisory bodies, as at the date of this document, directly or indirectly, jointly or severally, exercises control over the Company or who is interested directly or indirectly in 3% or more of the issued share capital of the Company.

6. Miscellaneous

- 6.1 The Company was incorporated and registered in England and Wales on 26 November 2012 under the name Pembroke VCT 2 plc with registered number 08307631 as a public company limited by shares under the CA 2006. On 28 November 2012 the name of the Company was changed to Pembroke VCT plc. The principal legislation under which the Company operates, and under which the Shares have been created, is the CA 2006 and the regulations made thereunder. The Company is not regulated to conduct investment business under FSMA, and is neither regulated nor authorised by any particular regulatory authority. By virtue of the fact that the Company is a VCT, it will be subject to the regulations of HMRC, the CA 2006, the FCA and other relevant regulations and legislation.
- 6.2 The issued share capital of the Company as at the date of this document is 18,099,948 Ordinary Shares and 81,366,787 B Ordinary Shares.
- 6.3 As at the date of this Circular, no warrants or options to subscribe for Shares are outstanding.
- 6.4 As at the date of this Circular, the Company does not hold any treasury Shares.
- 6.5 Save for the fees paid to the Directors of the Company as detailed in paragraph 2.9 above, the fees payable for investment adviser services under the IMA and the fees payable to the Manager under the 2019 Offer, there have been no related party transactions or fees paid by the Company to related parties since 30 September 2019, the date of the Company's latest published unaudited financial information, to the date of this document.
- 6.6 None of the Directors has a service contract with the Company and no such contract is proposed.
- 6.7 Howard Kennedy Corporate Services LLP has given and not withdrawn its consent to (i) the issue of this Circular with references to its name in the form and context in which such references appear and (ii) the inclusion of the statement on page 7 of this Circular that it has advised the Board that it considers that the proposed changes to the investment management arrangements set out in this Circular are fair and reasonable as far as the Shareholders are concerned.
- 6.8 The Company announced an updated net asset value of 111 pence per B-Ordinary share as at 18 March 2020 in response to COVID-19 pandemic. As at the date of this Circular any further impact of the COVID-19 pandemic is uncertain.

7. Documents available for inspection

The Articles, the New Articles and the Deed of Amendment and Restatement will be available for inspection, by prior appointment, from the date of this Circular at the registered office of the Company at 3 Cadogan Gate, London SW1X 0AS during normal business hours on any day (Saturdays, Sundays and public holidays excepted) until the conclusion of the General Meeting and Ordinary Share Class Meeting and will also be available for inspection at the place of the General Meeting and Ordinary Share Class Meeting during, and for at least 15 minutes before, the General Meeting and Ordinary Share Class Meeting, although see note 1 to the General Meeting and the Ordinary Share Class Meeting on page 19.

16 July 2020

PART III

Definitions

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

“2016 Offer”	the offer for subscription of B Ordinary Shares as described in the prospectus issued by the Company on 30 November 2016
“2017 Offer”	the offer for subscription of B Ordinary Shares as described in the prospectus issued by the Company on 1 December 2017
“2018 Offer”	the offer for subscription of B Ordinary Shares as described in the prospectus issued by the Company on 29 August 2018
“2019 Offer”	the offer for subscription of B Ordinary Shares as described in the prospectus issued by the Company on 2 September 2019
“Articles”	the articles of association of the Company (as amended from time to time)
“Associate”	has the meaning given in the Listing Rules
“Board” or “Directors”	the board of directors of the Company (and each a “Director”)
“B Ordinary Shares”	the B ordinary shares of 1p each in the capital of the Company
“CA 2006”	the Companies Act 2006
“Circular”	this document
“Company”	Pembroke VCT plc
“Deed of Amendment and Restatement”	the deed of amendment and restatement of the IMA dated 16 July 2020 between the Company and the Manager, varying certain terms of the IMA, the principal terms of which are summarised in Part I of this Circular
“Deferred Shares”	deferred shares of 1p each in the capital of the Company
“Disclosure, Guidance and Transparency Rules”	the disclosure, guidance and transparency rules of the FCA
“Distributor”	Portlight Limited
“FCA”	the Financial Conduct Authority
“FSMA”	the Financial Services and Markets Act 2000 (as amended)
“General Meeting”	the general meeting of the Shareholders of the Company convened in accordance with the notice set out at page 17 of this document, or any adjournment thereof
“HMRC”	Her Majesty's Revenue & Customs
“Howard Kennedy”	Howard Kennedy Corporate Services LLP
“Independent Shareholders”	Shareholders other than the Manager and its Associates
“IMA”	the investment management agreement between the Company and the Manager dated 15 February 2013 (as novated, amended and supplemented), as summarised in paragraphs 2.5 to 2.8 of Part II of this Circular
“ITA 2007”	Income Tax Act 2007 (as amended)

“Listing Rules”	the listing rules issued by the FCA in accordance with section 73A of FSMA
“Manager”	Pembroke Investment Managers LLP
“New Articles”	the articles of association of the Company proposed to be adopted at the General Meeting and the Ordinary Share Class Meeting
“Non-Qualifying Investments”	the assets of the Company that are not Qualifying Investments
“NAV”	net asset value
“Oakley”	Oakley Capital Limited
“Oakley Funds”	any funds managed by the Oakley group from time to time
“Oakley group”	together Oakley, Oakley Capital Management Limited, the Manager and their associated group of businesses from time to time
“Ordinary Shares”	the ordinary shares of 1p each in the capital of the Company
“Ordinary Share Conversion”	the conversion of the Ordinary Shares to B Ordinary Shares
“Ordinary Share Conversion Date”	a date following the Ordinary Share Conversion Calculation Date, being close of business on such business day as may be selected by the Directors and falling not more than 91 days after the Ordinary Share Conversion Calculation Date
“Ordinary Share Conversion Calculation Date”	such date as shall be determined by the Directors to be the calculation date for the purpose of the Ordinary Share Conversion
“Ordinary Share Conversion Ratio”	<p>means:</p> <p>(i) the ratio of the net asset value per Ordinary Share to the net asset value per B Ordinary Share, which is calculated as:</p> $\frac{A}{B}$ <p>Where</p> <p>A is the net asset value per Ordinary Share as at the Ordinary Share Conversion Calculation Date calculated in accordance with the Company’s usual accounting policies and adjusted for any amounts as the Directors may consider appropriate so as to be a fair value to be used in the Ordinary Share Conversion; and</p> <p>B is the net asset value per B Ordinary Share as at the Ordinary Share Conversion Calculation Date calculated in accordance with the Company’s usual accounting policies and adjusted for any amounts as the Directors may consider appropriate so as to be a fair value to be used in the Ordinary Share Conversion</p>
“Ordinary Share Class Meeting”	the class meeting of the holders of the Ordinary Shares convened in accordance with the notice set out at page 18 of this document, or any adjournment thereof
“Qualifying Investments”	a company satisfying the requirements of Chapter 4 of Part 6 of ITA 2007
“Regulatory Information Service”	a regulatory information service that is on the list of regulatory information services maintained by the FCA

“Resolutions”	the resolutions to be proposed at the General Meeting and the resolution to be proposed at the Ordinary Share Class Meeting
“Shareholders”	holders of Shares
“Shares”	shares in the Company, of whichever class, as the context requires
“Total Return”	NAV per B Ordinary Share adjusted for dividend 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 have been received by Shareholders since the Ordinary Share Conversion Date excluding performance incentive fee balance sheet provisions
“VCT” or “venture capital trust”	a company satisfying the requirements of Chapter 3 of Part 6 of ITA 2007 for venture capital trusts

PART IV

Notices of General Meeting and Ordinary Share Class Meeting

Pembroke VCT plc

AS A RESULT OF GOVERNMENT RESTRICTIONS ON MOVEMENT AND GATHERINGS IMPOSED AS A RESULT OF THE COVID-19 PANDEMIC, SHAREHOLDERS WILL NOT BE ALLOWED TO ATTEND THE GENERAL MEETING IN PERSON. SHAREHOLDERS ARE URGED TO COMPLETE THEIR FORM OF PROXY TO INDICATE HOW THEY WOULD WISH TO VOTE AT THE GENERAL MEETING. SEE NOTE 1 TO THE GENERAL MEETING ON PAGE 19 CONCERNING THE VENUE AND FORMAT OF THE GENERAL MEETING.

Notice of General Meeting

Notice is hereby given that a general meeting of Pembroke VCT plc (the “**Company**”) will be held at 3 Cadogan Gate, London SW1X 0AS on 14 August 2020 at 9.00 a.m. for the purposes of considering and, if thought fit, passing the following resolutions which will be proposed as resolution 1 as an ordinary resolution and resolution 2 as a special resolution:

Ordinary Resolution

1. THAT, subject to the passing of Resolution 2 at the General Meeting, the Deed of Amendment and Restatement, as defined in, and details of which are set out in, the circular issued to the Company’s shareholders dated 16 July 2020, be and is hereby approved.

Special Resolution

2. THAT, subject to the passing of Resolution 1 at the General Meeting and the Resolution at the Ordinary Share Class Meeting, the articles of association produced to the meeting and initialled by the Chairman for the purpose of identification be adopted as the articles of association of the Company in substitution for, and to the exclusion of, the existing articles of association.

For the purpose of the above resolutions, words and expressions defined in the circular issued to Company’s shareholders dated 16 July 2020 shall have the same meanings in these resolutions, save where the context requires otherwise.

By order of the Board of Pembroke VCT plc

The City Partnership (UK) Limited

Company Secretary

16 July 2020

Note: See the notes set out on pages 19 and 20 which contain important information about the General Meeting

Pembroke VCT plc

AS A RESULT OF GOVERNMENT RESTRICTIONS ON MOVEMENT AND GATHERINGS IMPOSED AS A RESULT OF THE COVID-19 PANDEMIC, SHAREHOLDERS WILL NOT BE ALLOWED TO ATTEND THE ORDINARY SHARE CLASS MEETING IN PERSON. SHAREHOLDERS ARE URGED TO COMPLETE THEIR FORM OF PROXY TO INDICATE HOW THEY WOULD WISH TO VOTE AT THE ORDINARY SHARE CLASS MEETING. SEE NOTE 1 TO THE ORDINARY SHARE CLASS MEETING ON PAGE 19 CONCERNING THE VENUE AND FORMAT OF THE ORDINARY SHARE CLASS MEETING.

Notice of Ordinary Share Class Meeting

Notice is hereby given that a class meeting of the holders of Ordinary Shares in Pembroke VCT plc (the “**Company**”) will be held at 3 Cadogan Gate, London SW1X 0AS on 14 August 2020 at 9.15 a.m. for the purposes of considering and, if thought fit, passing the following resolution which will be proposed as a special resolution:

Special Resolution

THAT the articles of association produced to the meeting and initialled by the Chairman for the purpose of identification be adopted as the articles of association of the Company in substitution for, and to the exclusion of, the existing articles of association.

By order of the Board of Pembroke VCT plc

The City Partnership (UK) Limited

Company Secretary

16 July 2020

Note: See the notes set out on pages 19 and 20 which contain important information about the Ordinary Share Class Meeting

NOTES TO THE NOTICE OF GENERAL MEETING AND ORDINARY SHARE CLASS MEETING

As a result of the Government restrictions on movement and gatherings imposed as a result of the COVID-19 pandemic, Shareholders will not be allowed to attend the General Meeting and the Ordinary Share Class Meeting in person.

Appointment of proxies

1. The Board has been closely monitoring the impact of the Coronavirus in the United Kingdom and has decided that in view of the measures that are likely to be in effect as at the date of the General Meeting and the Ordinary Share Class Meeting, that the General Meeting and the Ordinary Share Class Meeting will proceed as set out in those notices with a quorum being present which will be made up of Shareholders who are Directors. To minimise this impact, the Board actively encourages Shareholders to vote by proxy, and where possible, to vote by proxy online, to indicate how they would wish to vote at the Meetings.
2. As a member of the Company, you are entitled to appoint a proxy to exercise all or any of your rights to attend, speak and vote at the General Meeting and if you are a holder of Ordinary Shares you are entitled to appoint a proxy to exercise all or any of your rights to attend, speak and vote at the Ordinary Share Class Meeting.

For this purpose, all Shareholders will have received a blue form of proxy which relates to the two Resolutions to be proposed at the General Meeting. Holders of Ordinary Shares will also have received a green form of proxy which relates to the Resolution to be proposed at the Ordinary Share Class Meeting. If you have not received the appropriate form of proxy you are requested to contact The City Partnership (UK) Limited, Suite 2 Park Valley House, Park Valley Mills, Meltham Road, Huddersfield, HD4 7BH. As an alternative to completing these hard-copy forms of proxy, Shareholders can appoint a proxy electronically on-line, as explained on page 19.

You can only appoint a proxy using the procedures set out in these notes.

3. A proxy does not need to be a member of the Company. Details of how to appoint the chairman of the meetings or another person as your proxy using the forms of proxy are set out in these notes.
4. You may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares. You may not appoint more than one proxy to exercise rights attached to any one share. To appoint more than one proxy, please complete a form of proxy for each proxy specifying which of your shares the proxy will be acting in respect of.
5. If you do not give your proxy an indication of how to vote on the Resolutions, your proxy will vote or abstain from voting at his or her discretion. Your proxy will vote (or abstain from voting) as he or she thinks fit in relation to any other matter which is put before the meeting.

Appointment of proxy using hard copy form of proxy

6. These notes explain how to direct your proxy to vote on the Resolutions or withhold their vote.

To appoint a proxy using the form of proxy, the form must be:

- completed and signed;
- sent or delivered to The City Partnership (UK) Limited, Suite 2 Park Valley House, Park Valley Mills, Meltham Road, Huddersfield, HD4 7BH; and
- received by The City Partnership (UK) Limited no later than 9.00 a.m. on 12 August 2020 in respect of the General Meeting or by 9.15 a.m. on 12 August 2020 in respect of the Ordinary Share Class Meeting, or, if the meetings are adjourned, by no later than 48 hours prior to the adjourned General Meeting and Ordinary Share Class Meeting.

In the case of a member which is a company, the form of proxy must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company.

Any power of attorney or any other authority under which the form of proxy is signed (or a duly certified copy of such power or authority) must be included with the form of proxy.

Electronic appointment of proxies

7. As an alternative to completing the hard-copy form of proxy, you can appoint a proxy electronically via the registrar's on-line Proxy Voting App at <https://proxy-pembroke.cpip.io>. You will need your City Investor Number (CIN) and your Access Code which are shown at the top of the hard-copy forms of proxy enclosed.

For an electronic proxy appointment to be valid, your appointment must be received by The City Partnership (UK) Limited no later than 48 hours prior to the time of the meeting i.e. by 9.00 a.m. on 12 August 2020 in the case of the General Meeting and by 9.15 a.m. on 12 August 2020 in the case of the Ordinary Share Class Meeting.

Appointment of proxy by joint members

8. In the case of joint shareholders, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company's register of members in respect of the joint holding (the first-named being the most senior).

Changing proxy instructions

9. To change your proxy instructions simply submit a new proxy appointment using the methods set out above. Note that the cut-off time for receipt of proxy appointments (see above) also applies in relation to amended instructions; any amended proxy appointment received after the relevant cut-off time will be disregarded.

Where you have appointed a proxy using the hard-copy form of proxy and would like to change the instructions using another hard-copy form of proxy, please contact The City Partnership (UK) Limited, Suite 2 Park Valley House, Park Valley Mills, Meltham Road, Huddersfield, HD4 7BH.

If you submit more than one valid proxy appointment, the appointment received last before the latest time for the receipt of proxies will take precedence.

Termination of Proxy Appointments

10. In order to revoke a proxy instruction you will need to inform the Company using one of the following methods:

- By sending a signed hard copy notice clearly stating your intention to revoke your proxy appointment to The City Partnership (UK) Limited, Suite 2 Park Valley House, Park Valley Mills, Meltham Road, Huddersfield, HD4 7BH. In the case of a member which is a company, the revocation notice must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company. Any power of attorney or any other authority under which the revocation notice is signed (or a duly certified copy of such power or authority) must be included with the revocation notice.
- By sending an e-mail to proxies@city.uk.com with a signed revocation attached to the email such that the revocation would have been valid had it been sent by ordinary mail. This email address should not be used for any other purpose unless expressly stated.
- By amending your proxy vote via the Proxy Voting App at <https://proxy-pembroke.cpip.io>.

In either case, the revocation notice must be received by the Company no later than 9.00 a.m. on 12 August 2020 in respect of the General Meeting or by 9.15 a.m. on 12 August 2020 in respect of the Ordinary Share Class Meeting, or, if the meetings are adjourned, by no later than 48 hours prior to the adjourned General Meeting and Ordinary Share Class Meeting.

If you attempt to revoke your proxy appointment but the revocation is received after the time specified then, subject to the paragraph directly below, your proxy appointment will remain valid.

Communication

11. Except as provided above, members who have general queries about the meetings should contact the Company Secretary by post at The City Partnership (UK) Limited, 110 George Street, Edinburgh EH2 4LH, or by email at doreen.nic@city.uk.com (no other methods of communication will be accepted).

You may not use any electronic address provided either:

- in the notices of the General Meeting or the Ordinary Share Class Meeting; or
- any related documents (including the forms of proxy),

to communicate with the Company for any purposes other than those expressly stated.

