

# **FORESIGHT ENTERPRISE VCT PLC DIVIDEND REINVESTMENT SCHEME**

## Summary and Key Features

The dividend reinvestment scheme (**Scheme**) is a convenient, easy and cost effective way to build your shareholding in Foresight Enterprise VCT plc (**Company**). Instead of receiving cash dividends you can elect to reinvest dividends and receive new shares in the Company.

The Scheme is available exclusively to existing holders of shares in the Company (**Shareholders**) and is operated by Computershare Investor Services plc (**Scheme Manager**).

Shareholders wishing to participate in the Scheme and whose shares are held in certificated form, i.e. not in CREST, should complete and sign a Mandate Form and return it to Computershare Investor Services plc, The Pavilions, Bridgwater Road, Bristol BS99 6ZZ.

Mandate forms can be obtained from Computershare Investor Services plc at the address above or by telephoning: 0370 703 6385. Lines are open 8.30 a.m. – 5.30 p.m. Mon – Fri. If calling from overseas please ring +44 370 703 6385).

Shareholders wishing to participate in the Scheme and whose shares are held in uncertificated form, i.e. in CREST should follow the CREST procedure as set out in condition 12 of the Terms & Conditions of the Scheme on page 6 of this document.

The key features set out below are a summary only of the Scheme and should be read in conjunction with the full terms and conditions of the Scheme attached.

### How does the Scheme work?

Participants in the Scheme will have their cash dividends reinvested to purchase new shares in the Company.

The new shares will be allotted as soon as practicable on or after the dividend payment date (**Payment Date**) at a price equal to the latest published net asset value (**NAV**) immediately prior to allotment (adjusted to take into account the relevant dividend to be paid unless the latest published net asset value already reflects the dividend to be paid).

A statement will be sent to each participant with each share certificate and income tax relief certificate for new shares showing full information as to new shares issued including:

- the total number of shares held at the record date for which a valid election was made;
- the number and class of shares allotted;
- the price at which the shares have been allotted;
- the cash equivalent of the shares which have been allotted; and
- any cash balance carried forward to the next dividend Payment Date.

A Shareholder's participation in the Scheme will continue until such a time as that Shareholder provides a cancellation notice. Participation in the Scheme can be cancelled at any time subject to the cancellation request being received by the Scheme Manager at least 15 days before the next Payment Date.

Participation in the Scheme shall be automatically cancelled if you cease to hold Shares. The Company retains the right to suspend or terminate the Scheme at any time.

If shares are held under multiple accounts, participation in the Scheme will be in relation to each account for which a valid election has been provided.

## **Election deadlines**

To give enough time for processing, the Scheme Manager must receive an election to participate at least 15 days before the Payment Date.

## **What happens to cash balances?**

Fractions of shares will not be allotted. Any cash balances remaining after a purchase of shares will be held by the Company and carried forward and added to the next dividend to be paid.

Cash balances in excess of £1 held by the Company will be returned on termination of participation in the Scheme.

## **VCT tax reliefs**

Shares issued pursuant to the Scheme will be new shares issued by the Company and will, subject to an individual Shareholder's particular circumstances, attract VCT tax reliefs applicable for the tax year in which the new shares are allotted.

The upfront income tax relief currently available to investors in new VCT shares is 30% of the amount invested (subject to annual restrictions on VCT investment and reducing an investor's income tax liability to nil).

## **Overseas shareholders**

Shareholders outside the UK are not permitted to join the Scheme.

**Information provided above should not be taken as a recommendation by the Company or the Scheme Manager to buy or hold shares in the Company. It is your decision whether or not to take part.**

**If you have any doubts you should seek advice from your independent financial adviser. The value of shares in the Company can go down as well as up and you may not get back the full amount of your investment. In addition, there is no certainty that the market price of Shares will fully reflect their underlying NAV nor that any dividends will be paid.**

## Dividend Reinvestment Scheme - Terms and Conditions

**These terms and conditions (Scheme Terms and Conditions) apply to the dividend reinvestment scheme (Scheme) made available by Foresight Enterprise VCT plc (Company). The administrator of the Scheme is Computershare Investor Services plc (Scheme Manager).**

- 1(a) Elections to participate in the Scheme should be addressed to the Scheme Manager, in accordance with condition 12, and will only be effective for dividends to be paid 15 days (or thereafter) following receipt of the election by the Scheme Manager.
- 1(b) Election to participate may be through a mandate form made available by the Scheme Manager, through an election contained in an offer for subscription application form, through a Dividend Election Input Message through CREST (in accordance with condition 12(b)) or as may otherwise be agreed with the Scheme Manager. In respect of CREST Participants, notwithstanding the provisions of conditions 2 and 3, elections to participate in the Scheme must be given through a Dividend Election Input Message in respect of each dividend in accordance with condition 12(b).
- 2(a) The Company, acting through the Scheme Manager, shall have absolute discretion to accept or reject elections. An applicant shall become a member of the Scheme upon acceptance of his or her election by the Scheme Manager on the Company's behalf (**Participants**). The Scheme Manager will provide written notification if an election is rejected. Only registered shareholders of the Company may join the Scheme (**Shareholders**).
- 2(b) Participants may only participate in the Scheme if all ordinary shares of 1p each in the Company (**Shares**) registered in their name are mandated to the Scheme in relation to each specific account holding for which an election has been made unless condition 2(c) applies. By joining the Scheme in relation to a specific account holding, Participants hereby instruct the Scheme Manager that the mandate shall apply to the full number of Shares held by them in relation to that account as entered onto the share register of the Company from time to time.
- 2(c) Shareholders who hold their shares as nominees (**Nominee Participants**) may make a partial election under the Scheme in respect of some of the Shares held in a specific account. A cash dividend will be paid in respect of the balance of Shares not included in the election. A partial election shall only apply to the relevant dividend for which the election has been received and will not apply to future dividends.
- 2(d) The Company shall use dividends to be paid to Participants on Shares in the subscription of further Shares of behalf of the Participants. The Scheme Manager shall not have the discretion, and Participants may not instruct the Scheme Manager, to apply those dividends (**funds**) towards any investments other than investment in Shares as set out in this condition 2(d).
- 2(e) New Shares under the Scheme will only be allotted to the registered Shareholder and not any beneficial holder. Nominee Participants shall not be entitled to instruct the Scheme Manager to allot shares to a beneficial holder (and Participants are advised to read condition 15 in respect of the consequences for VCT tax reliefs).
- 3(a) On or as soon as practicable after a day on which any dividend on the Shares is due to be paid to Shareholders or, if such day is not a dealing day on the London Stock Exchange, the dealing day thereafter (**Payment Date**), a Participant's funds held by the Company shall, subject to conditions 9, 11 and 19 below, the Company having the requisite shareholder authorities to allot Shares and any other statutory or regulatory requirements, be applied on

behalf of that Participant to subscribe for the maximum number of whole new Shares which can be allotted with the funds.

- 3(b) The number of Shares to be allotted to a Participant pursuant to condition 3(a) above shall be calculated by dividing the Participant's funds held by the last published net asset value per existing Share immediately prior to allotment (adjusted to take into account the relevant dividend to be paid unless the latest published net asset value already reflects the dividend to be paid). Shares will not be allotted at less than their nominal value.
- 3(c) Fractional entitlements will not be allotted and any cash balance will be held by the Company and carried forward and included in the funds available in calculating the number of Shares to be issued to the Participant on the next dividend entitlement. No interest shall accrue or be payable in respect of any such cash balances carried forward.
- 3(d) The Company shall not be obliged to allot Shares under the Scheme to the extent that the total number of Shares allotted by the Company pursuant to the Scheme in any rolling 12 month period would exceed 10% of the aggregate number of Shares at the beginning of that period. In such circumstances, the Company may allocate the availability of the Scheme as it sees fit.
4. The Scheme Manager shall as soon as practicable after the allotment of Shares in accordance with condition 3(a) procure (i) that the Participants are entered onto the share register of the Company as the registered holders of such Shares, (ii) that Share certificates (unless such Shares are to be uncertificated) and, where applicable, income tax relief certificates (**Tax Certificates**) are sent to Participants at their own risk and (iii) that Participants receive a statement detailing:
- (i) the total number of Shares held at the record date for which a valid election was made;
  - (ii) the number of Shares allotted;
  - (iii) the price per Share allotted;
  - (iv) the cash equivalent of the Shares allotted;
  - (v) the date of allotment of the Shares; and
  - (vi) any funds to be carried forward for investment on the next Payment Date.
- 5 All costs and expenses incurred by the Scheme Manager in administering the Scheme will be borne by the Company.
- 6 Each Participant warrants to the Scheme Manager that all information set out in any mandate form (or equivalent, including any electronic election) on which the election to participate in the Scheme is contained is correct and to the extent any of the information changes he or she will notify the changes to the Scheme Manager and that during the continuance of his or her participation in the Scheme he or she will comply with the provisions of condition 7 below.
- 7 The right to participate in the Scheme will not be available to any person who has a registered address in any jurisdiction outside the UK. No such person receiving a copy of the Scheme documents may treat them as offering such a right unless an offer could properly be made to such person. It is the responsibility of any Shareholder wishing to participate in the Scheme to be satisfied as to the full observance of the laws of the relevant jurisdiction(s) in connection therewith, including obtaining any governmental or other consents which may be required and observing any other formalities needing to be observed in any such jurisdiction(s).

- 8 Participants acknowledge that the Scheme Manager is not providing a discretionary management service. Neither the Scheme Manager nor the Company shall be responsible for any loss or damage to Participants as a result of their participation in the Scheme unless due to the negligence or wilful default of the Scheme Manager or the Company or their respective employees and agents.
- 9 Participants may at any time by notice to the Scheme Manager terminate their participation in the Scheme (in respect of all or some of their account holdings where multiple accounts are held) and withdraw any funds held by the Company on their behalf. Such notices shall not be effective in respect of the next forthcoming Payment Date unless it is received by the Scheme Manager at least 15 days prior to such Payment Date. Such notice will be deemed to have been served where, in respect of any specific account holding, the shareholding of the Participant reduces to nil. Upon receipt of notice of termination, all funds held by the Company on the Participant's behalf shall be returned to the Participant as soon as reasonably practical at the address set out in the register of members, subject to any deductions which the Company may be entitled or bound to make hereunder.
- 10 Cash balances of less than £1 held by the Company on behalf of Participants who have withdrawn from the Scheme will be dealt with at the discretion of the Company.
- 11 The Company shall be entitled at its absolute discretion, at any time and from time to time to:
- (i) suspend the operation of the Scheme;
  - (ii) terminate the Scheme without notice to the Participants; and/or
  - (iii) resolve to pay dividends to Participants partly by way of cash and partly by way of new Shares pursuant to the Scheme.
- 12(a) Save as set out in condition 12(b), all mandate forms (or equivalent) and notices and instructions (which shall be in writing) in connection with this Scheme shall be given to the Scheme Manager and delivered or posted to Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS99 6ZZ.
- 12(b) If a Participant's shareholding is in uncertificated form in CREST (and was in uncertificated form as at the relevant record date), the Participant can only elect to receive a dividend in the form of new Shares by means of the CREST procedure to effect such an election. No other method of election will be permitted under the Scheme and will be rejected. By doing so, such Shareholders confirm their election to participate in the Scheme and their acceptance of the Scheme terms and conditions. If a Participant is a CREST sponsored member, they should consult their CREST sponsor, who will be able to take appropriate action on their behalf. All elections made via the CREST system should be submitted using the Dividend Election Input Message in accordance with the procedures as stated in the CREST Reference Manual. The Dividend Election Input Message submitted must contain the number of Shares on which the election is being made. If the relevant field is left blank, or completed with zero, the election will be rejected. If a Participant enters a number of Shares greater than the holder in CREST on the relevant record date for the dividend the system will automatically amend this down to the record date holding. An *evergreen* election can be made and will apply to all dividends until cancelled. If a *single drip* election is selected, Participants who wish to receive new Shares instead of cash in respect of future dividends must complete a Dividend Election Input Message on each occasion otherwise they will receive the dividend in cash. Once an election is made using the CREST Dividend Election Input Message it cannot be amended. Therefore, if a CREST Shareholder wished to change their election, the previous election would have to be cancelled. Elections (or, as relevant, cancellations) via CREST should be received by CREST no later than 5.00 p.m. on such date

that is at least 15 days before the dividend payment date for the relevant dividend in respect of which you wish to make (or, as relevant, cancel) an election.

- 12(c) A written mandate form (or equivalent) will remain valid for all dividends paid to the Participant by the Company in respect of Shares held within the relevant account holding until such time as the Participant gives notice in writing to the Scheme Manager that he no longer wishes to participate in the Scheme.
- 13 The Company shall be entitled to amend the Scheme Terms and Conditions on giving one month's notice in writing to all Participants. Amendments arising as a result of any change in statutory or other regulatory requirements may be effected without notice unless in the Company's opinion the change materially affects the interests of participants. Amendments to these Scheme Terms and Conditions which are of a formal, minor or technical nature or made to correct a manifest error and which do not adversely affect the interests of Participants may also be effected without notice.
- 14 By completing and delivering the mandate form (or equivalent, including any electronic election), the Participant:
- (i) agrees to provide the Company with any information which it may request in connection with such application and to comply with legislation relating to venture capital trusts or other relevant legislation (as the same may be amended from time to time); and
  - (ii) declares that a loan has not been made to the Participant or, in the case of any Nominee Participant, the beneficial owner on whose behalf the Shares are held or any associate of either of them, which would not have been made or not have been made on the same terms but for the Participant electing to receive new Shares and that the Shares are being acquired for bona fide investment purposes and not as part of a scheme or arrangement the main purpose of which is the avoidance of tax.
- 15(a) Elections by individuals for VCT shares should attract applicable VCT tax reliefs (depending on the particular circumstances of a particular individual) for the tax year in which the Shares are allotted. Shares allotted to Nominee Participants should attract tax relief for their beneficial owners. Participants and beneficial owners are, however, responsible for ascertaining their own tax status and liabilities and should obtain tax advice in relation to their own particular circumstances. Neither the Scheme Manager nor the Company accepts any liability in the event that tax reliefs are not obtained.
- 15(b) The Tax Certificate can be used to claim any relevant income tax relief either by obtaining from HM Revenue & Customs an adjustment to a Participant's tax coding under the PAYE system or by waiting until the end of the year and using the Self Assessment Tax Return. Nominee Participants may need to provide supporting evidence as to the beneficial holder and that participation in the Scheme is on behalf of the beneficial owner.
- 15(c) Participants should be aware of the following:
- (i) Up-front income tax relief of up to 30% will only be available on amounts subscribed in VCT shares up to an aggregate amount of £200,000 in any one tax year (subject to reducing the Participant's income tax liability to nil).
  - (ii) A disposal of VCT shares will be subject to clawback by HMRC of any income tax relief originally obtained if such shares are sold within five years of issue. HMRC operate a first in, first out policy to shares disposed of.
  - (iii) The disposal of existing shares in a VCT within six months before or after subscription for new shares in the same VCT (or otherwise where the acquisition and subscription

is linked) will result in the amount of the investment in the new shares in the VCT to which VCT tax reliefs are available being reduced by an amount equal to the proceeds received on the disposal. Careful consideration should be given to participating in the Scheme where a Shareholder has also disposed of his or her shares (in particular through a buyback or tender offer).

- (iv) Whilst it is the intention of the Directors that the Company will continue to be managed so as to qualify as a VCT, there can be no guarantee that such status will be maintained
16. The Company will, save as otherwise provided in these Scheme Terms and Conditions, issue Shares in respect of the whole of any dividend payable (for the avoidance of doubt irrespective of whether the amount of allotment is greater than any maximum limits imposed from time to time to be able to benefit from any applicable VCT tax reliefs) unless the Scheme Manager has been notified to the contrary in writing at least 15 days before a Payment Date.
17. Shareholders electing to receive Shares rather than a cash dividend will be treated as having received a normal dividend. Shareholders qualifying for VCT tax reliefs should not be liable to income tax on Shares allotted in respect of dividends from qualifying VCT shares
18. For capital gains tax purposes, Shareholders who elect to receive Shares instead of a cash dividend are not treated as having made a capital disposal of their existing Shares. The new Shares will be treated as a separate asset for capital gains purposes.
19. The Company shall not be obliged to accept any application or issue Shares hereunder if the Directors so decide in their absolute discretion. The Company may do or refrain from doing anything which, in the reasonable opinion of the Directors, is necessary to comply with the law of any jurisdiction or any rules, regulations or requirements of any regulatory authority or other body, which is binding upon the Company or the Scheme Manager.
20. The amount of any claim or claims a Participant has against the Company or the Scheme Manager shall not exceed the value of such Participant's Shares in the Scheme. Nothing in these Scheme Terms and Conditions shall exclude the Company or the Scheme Manager from any liability caused by fraud, wilful default or negligence. Neither the Company nor the Scheme Manager will be responsible for:
- (i) acting or failing to act in accordance with a court order of which the Scheme Manager has not been notified (whatever jurisdiction may govern the court order); or
  - (ii) forged or fraudulent instructions and will be entitled to assume that instructions received purporting to be from a Shareholder (or, where relevant, a nominee) are genuine; or
  - (iii) losses, costs, damages or expenses sustained or incurred by a Shareholder (or, where relevant, a nominee) by reason of industrial action or any cause beyond the control of the Company or the Scheme Manager, including (without limitation) any failure, interruption or delay in performance of the obligations pursuant to these Scheme Terms and Conditions resulting from the breakdown, failure or malfunction of any telecommunications or computer service or electronic payment system or CREST; or
  - (iv) any indirect or consequential loss.
21. The Company reserves the right to interpret these Scheme Terms and Conditions and apply them as modified from time to time to be able to operate, and to achieve the intended principles of, the Scheme.



- 22(a) The Company respects the privacy of its Shareholders and Participants in the Scheme and is committed to protecting their personal information. If you would like to find out more about how the Company uses and looks after personal information, please refer to the privacy notice, which can be found at [www.foresightgroup.eu/privacy-cookies/](http://www.foresightgroup.eu/privacy-cookies/).
- 22(b) You have certain rights in relation to your personal information, including the right to receive a copy of the information that is held about you. For more details, please see the privacy notice referred to above.
- 22(c) Certain information may be shared with the Scheme Manager, the Registrars and/or other delegates for the purposes of processing elections, participation in the Scheme and in relation to a Shareholder's ongoing investment in the Company. Information may also be shared with regulatory bodies to the extent any of the above entities are required, or consider obliged, to do so in accordance with any statute or regulation or if governmental, judicial and law enforcement bodies require.
- 22(d) You authorise the Company and its delegates to provide any information as provided by or to you in connection with your participation in the Scheme to any authorised financial adviser notified to the Company (or on its behalf) from time to time. You acknowledge that any such communication may be sent to your financial adviser prior to or, where requested, in place of, being sent to you in such form as may be agreed with your authorised financial adviser.
- 23 These Scheme Terms and Conditions are for the benefit of a Participant only and shall not confer any benefits on, or be enforceable by, a third party and the rights and/or benefits a third party may have pursuant to the Contracts (Rights of Third Parties) Act 1999 are excluded to the fullest possible extent.
- 24 These Scheme Terms and Conditions shall be governed by, and construed in accordance with, English law and each Participant submits to the jurisdiction of the English courts and agrees that nothing shall limit the right of the Company to bring any action, suit or proceeding arising out of or in connection with the Scheme in any other manner permitted by law or in any court of competent jurisdiction.