

INVESTED IN SUCCESS



GUINNESS **VCT**

PROSPECTUS

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt about the action to be taken, you should immediately consult a person authorised under the Financial Services and Markets Act 2000 ("FSMA") who specialises in advising on the acquisition of shares and other securities.

This document, which comprises a prospectus dated 18 October 2022 relating to Guinness VCT plc (the "Company") has been prepared in accordance with the Prospectus Regulation Rules of the Financial Conduct Authority ("FCA") made under section 73A of FSMA (the "Prospectus Regulation Rules"). This document has been approved by the FCA as competent authority under the UK version of Regulation (EU) 2017/1129 as it forms part of UK law by virtue of the European Union (Withdrawal) Act 2018 (the "UK Prospectus Regulation"). The FCA only approves this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the UK Prospectus Regulation. Such approval should not be considered an endorsement of the Company that is, or the quality of the securities that are, the subject of this Prospectus. Investors should make their own assessment as to the suitability of investing in the securities.

The contents of this document and the information incorporated herein by reference should not be construed as legal, business or tax advice. Neither the Company nor any of its Directors or representatives are making any representation to any offeree or purchaser or acquirer of the Ordinary Shares regarding the legality of an investment in the Ordinary Shares by such offeree or purchaser or acquirer under the laws applicable to such offeree or purchaser or acquirer.

Your attention is drawn to the risk factors set out on pages 12 to 15 of this document. Prospective investors should read the whole text of this document and should be aware that an investment in the Company involves a high degree of risk and should make the decision to invest only after careful consideration and, if appropriate, consultation with an independent financial adviser. All statements regarding the Company's business, financial position and prospects should be viewed in light of such risk factors.

The Directors of the Company whose names appear on page 19 of this document, together with the Company, accept responsibility for the information contained herein. To the best of the knowledge of the Directors and the Company, the information contained in this document is in accordance with the facts and this document makes no omission likely to affect its import. To the extent information has been sourced from a third party, this information has been accurately reproduced and, as far as the Company is aware and is able to ascertain from information published by the relevant third parties, no facts have been omitted which may render the reproduced information inaccurate or misleading. Where such information has been included in this document, the source of that information has been identified.

In connection with this document, no person is authorised to give any information or make any representation other than as contained in this document.

Guinness VCT plc

(incorporated in England and Wales with registered number 14220882)

Prospectus relating to:

an Offer for Subscription of up to £10,000,000 of Ordinary Shares of £0.01 each, payable in full on application, together with an over-allotment facility of up to £20,000,000 of Ordinary Shares of £0.01 each

Application will be made for all the Ordinary Shares in the Company in issue and to be issued pursuant to the offer for subscription ("Offer"), to be admitted to a premium listing on the Official List of the Financial Conduct Authority. Application will also be made to the London Stock Exchange for the Ordinary Shares to be traded on its main market for listed securities. It is expected that admission will become effective and that dealings in the Ordinary Shares will commence within 10 Business Days of allotment. Applications for admission of Ordinary Shares may be made at any time after the date of publication of this document and on or prior to the Closing Date. Your attention is drawn to the section entitled 'Risk Factors' set out on pages 12 to 15 of this document.

Subject to FSMA, the Prospectus Regulation Rules and applicable laws, the delivery of this document shall not, under any circumstances, create any implication that there has been no change in the affairs of the Company since the date of this document or that the information in this document is correct as at any time after this date.

Howard Kennedy Corporate Services LLP is acting as sponsor and Guinness Asset Management Limited is acting as promoter in connection with the Offer, both of whom are authorised and regulated by the Financial Conduct Authority. Howard Kennedy is not advising any other person or treating any other person as a customer or client in relation to the Offer, nor, subject to the responsibilities and liabilities imposed by FSMA or the regulatory regime established thereunder, will they be responsible to any such person for providing the protections afforded to their respective customers or clients or for providing advice in connection with the Offer.

The Offer will be open from 18 October 2022 until the earlier of 3.00 p.m. on the Initial Closing Date and the date on which the maximum subscription is reached. The Directors may close the Offer before the Initial Closing Date at their discretion or extend the Initial Closing Date and the deadline for receipt of applications to a date no later than 31 August 2023. The Offer is not underwritten. The procedure for, and the Terms and Conditions of Application under, the Offer are set out at the end of this document together with an Application Form. The minimum Application Amount per investor is £5,000, which included any initial Adviser Charges being facilitated. Completed Application Forms should be completed in accordance with the Application Procedures set out on pages 78 to 81 and submitted online, sent by post or delivered by hand (during normal business hours only) to The City Partnership (UK) Limited.

This Prospectus does not constitute an offer of, or the solicitation of an offer to subscribe for or buy, any Ordinary Shares to any person in any jurisdiction to whom it is unlawful to make such an offer or solicitation in such jurisdiction. The Offer is not being made, directly or indirectly, in or into the United States, Canada, Australia, New Zealand, Japan, the Republic of South Africa or their respective territories or possessions or in any other jurisdiction where to do so would be unlawful, and documents should not be distributed, forwarded or transmitted in or into such territories. The Ordinary Shares have not been and will not be registered under the United States Securities Act of 1933 (as amended) and may not be offered, sold or delivered, directly or indirectly, in or into the United States, Canada, Australia, New Zealand, Japan, the Republic of South Africa or in any other jurisdiction where to do so would be unlawful.

Copies of this document may be obtained, free of charge, from the Company's registered office and at the offices of Guinness Asset Management Limited at 18 Smith Square, London, SW1P 3HZ, until the closing of the Offer. A copy of this document has been submitted to the National Storage Mechanism and is available to the public for viewing online at the following website address: <http://www.morningstar.co.uk/uk/NSM>.

This document is not a KID (key information document) for the purposes of the UK PRIIPS Laws ("**PRIIPS**").

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SUMMARY

Introduction and Warnings

Name and ISIN of Securities	Ordinary Shares of £0.01 each (ISIN: GB00BQD0HG35).
Identity and Contact Details of Issuer	Guinness VCT plc (the “ Company ”), incorporated and registered in England and Wales on 7 July 2022 with registered number 14220882, whose registered address is at 18 Smith Square, London, SW1P 3HZ (LEI: 213800XCDAOPJBNOI483). The Company can be contacted at the above address or on 020 7222 3475.
Competent Authority approving the Prospectus	The Financial Conduct Authority, 12 Endeavour Square, London E20 1JN, telephone 0207 066 1000.
Date of Approval of the Prospectus	18 October 2022.
Warnings	<ul style="list-style-type: none"> (a) The summary should be read as an introduction to the Prospectus. (b) Any decision to invest in the securities should be based on a consideration of the Prospectus as a whole by the Investor. (c) An Investor could lose all or part of their invested capital. (d) Civil liability attaches only to those persons who have tabled the summary, but only where the summary is misleading, inaccurate or inconsistent, when read together with the other parts of the Prospectus, or where it does not provide, when read together with the other parts of the Prospectus, key information in order to aid Investors when considering whether to invest in the securities.

Key information on the Issuer

Who is the Issuer of the Securities?

Domicile and legal form	The Company is domiciled in England and was incorporated and registered in England and Wales on 7 July 2022 as a public company limited by shares under the Companies Act 2006 (“CA 2006”) with registered number 14220882 (LEI: 213800XCDAOPJBNOI483) and is registered as an investment company under section 833 of CA 2006. The principal legislation under which the Company operates, is the CA 2006 and the regulations made thereunder.
Principal Activities	The Company is a generalist VCT focused on investments in growth companies in a range of sectors including technology, education, healthcare, manufacturing, retailing, leisure and food & drink.
Major Shareholders	As at the date of this document there are no persons who directly or indirectly, jointly or severally, exercise control over or own the Company.

Directors

The Directors of the Company (all of whom are non-executive) are:
 Ewen Hamilton Gilmour (Chair)
 Joanna Lesley Santinon
 Andrew Everard Martin Smith

Statutory Auditors

The statutory auditors of the Company are BDO LLP

What is the key financial information regarding the issuer?

The Company has not published any financial information as it has not commenced trading operations.

What are the key risks that are specific to the issuer?

Set out below is a summary of the most material risk factors specific to the issuer:

- The current hostilities in the Ukraine and the resulting sanctions imposed on the Russian Federation by various countries around the world may have unforeseen, long term and far-reaching consequences for the global economy and the Company's portfolio of investments, which in turn may have an adverse effect on the future investment returns of the Company and the market value of the Shares. In particular, the interruption and/or limitation in the supply of certain natural resources (such as oil and gas) could have a negative impact on the performance of the Company's portfolio of investments.
- The COVID-19 pandemic is likely to continue have a significant impact on the UK and global economy, affecting workers and businesses of all sizes. Despite the UK Government's fiscal measures and additional tax and other benefits to support small businesses, the Company's portfolio businesses may be adversely impacted by the ramifications of the pandemic, as may be the returns for investors.
- It is anticipated that interest rates will continue to rise over the near term, which may have an adverse effect on the Company's investee companies and, potentially, their value and have a negative impact on the NAV of the Company, which in turn may have an adverse effect on the future investment returns of the Company and the market value of the Shares.
- Investments in smaller unquoted companies, (usually with limited trading records which require venture capital) carry substantially higher risks than would an investment in larger or longer-established businesses.
- There can be no guarantee that the Company will meet all its objectives or that suitable investment opportunities will be identified. The past performance of members of the investment management team is no indication of future performance.
- The market for shares in smaller companies is often less liquid than that for shares in larger companies, bringing with it potential difficulties in acquiring, valuing and disposing of such shares. There may also be constraints imposed on the realisation of investments to maintain the VCT tax status of the Company.

- The Company may be unable to maintain its VCT status, which could result in loss of certain tax reliefs.
- In 2015 a sunset clause for VCT income tax relief was introduced. This was a condition of the European Commission's State Aid approval of the UK's VCT and EIS schemes, namely a retirement date for the schemes of midnight on 5 April 2025. The Government have announced an intention to extend the relevant legislation but the detail has not yet been announced. The Company is monitoring this risk and the potential impact on the Company.

Key Information on the Securities

What are the main features of the securities?

Types, class and ISIN of securities	The Company will issue new ordinary shares of £0.01 each (" Ordinary Shares ") under the Offer. The ISIN of the Ordinary Shares is GB00BQD0HG35.
Currency, par value and number to be issued	The currency of the Ordinary Shares is Sterling. The Shares are ordinary shares of £0.01 each and, pursuant to the Offer, the Company will issue up to £10 million of Ordinary Shares with an over-allotment facility for up to a further £20 million of Ordinary Shares.

Rights attaching to the securities

As regards Income	The Shareholders are entitled to receive such dividends as the Directors resolve to pay out in accordance with the Articles of Association.
As regards Capital	On a return of capital on a winding up or otherwise (other than on redemption or purchase of shares) the assets of the Company available for distribution shall be divided amongst the holder of Shares <i>pro rata</i> to their respective holdings of such shares, in accordance with the Articles of Association.
As regards Voting and General Meetings	Subject to any special terms as to voting upon which any shares may have been issued, or may for the time being be held, each holder of Shares present in person or by proxy shall on a poll have one vote for every Share of which they are a holder.
As regards Redemption	The Ordinary Shares are not redeemable.
Restrictions on the free transferability of the securities	There are no restrictions on the free transferability of the Shares.

Dividend policy

The Company is targeting: i) a regular annual dividend commencing in the financial year beginning in 2026 equivalent to 5% of the Company's Net Asset Value and (ii) special dividends, where appropriate, from the proceeds of successful exits of portfolio companies that are not reinvested. The Company's ability to pay dividends is subject to the existence of realised profits, legislative requirements and the available cash reserves of the Company. No forecast or projection is implied or inferred.

Where will the securities be traded?

Application will be made to the FCA for the Ordinary Shares to be admitted to the premium segment of the Official List and to the London Stock Exchange to be admitted to trading on the London Stock Exchange's main market for listed securities. It is expected that each such admission will become effective, and that dealings in those Ordinary Shares will commence within 10 Business Days of allotment.

What are the key risks that are specific to the securities?

Set out below is a summary of the most material risk factors specific to the securities:

- Although it is anticipated that the Ordinary Shares will be admitted to the premium segment of the Official List and admitted to trading on the London Stock Exchange's main market for listed securities, shares in VCTs are inherently illiquid, and Shareholders may find it difficult to realise their investment
 - The Company is targeting paying a regular annual dividend from 2026 of 5% of the Company's Net Asset Value per annum (see dividend policy above). The ability to pay the intended dividends may also be constrained by, in particular, the existence of realised profits, regulations and the available cash reserves of the Company.
 - The value of an Ordinary Shares depends on the performance of the Company's underlying assets and that value and the income derived from those assets may go down as well as up and an Investor may not get back the amount invested.
 - Levels, bases of, and reliefs from taxation are subject to change, which could be retrospective, and this could affect the VCT status of the Company and the VCT tax benefits available to Shareholders.
 - If a Shareholder disposes of their shares within five years of issue they will be subject to a clawback by HMRC of any income tax relief claimed.
-

Key Information on the Offer of Securities to the Public and Admission to Trading on a Regulated Market

Under which conditions and timetable can I invest in this security?

Amount of Offer

Up to £10 million of Ordinary Shares are being made available under the Offer, with an over-allotment facility for up to a further £20 million Ordinary Shares. The Ordinary Shares are payable by an Applicant in full upon application. The minimum subscription is £3 million (net of Offer costs).

Offer Timetable

The subscription for the Offer will open on 18 October 2022 and may close at any time thereafter but, in any event, not later than 3.00 p.m. on 3 April 2023, in the case of the 2022/2023 offer, and at 3.00 p.m. on 31 August 2023, in the case of the 2023/2024 offer (unless, in either case, the Offer has been fully subscribed by an earlier date). The closing date of the Offer, and the deadline for receipt of applications for the final allotment with respect to the 2023/2024 offer, may be extended by the Directors at their absolute discretion to a date no later than 31 August 2023. Subject to the Minimum Subscription being reached, it is expected that such admission will become effective and that trading will commence in respect of the Ordinary Shares within 10 Business Days of their allotment.

Admission to trading on a regulated market

Application will be made to the FCA for the Ordinary Shares to be admitted to the premium segment of the Official List and to trading on the London Stock Exchange's main market for listed securities. It is expected that each such admission will become effective, and that dealings in the Ordinary Shares will commence within 10 Business Days of allotment.

Expenses of the Offer

Total initial expenses of the Offer are up to 5.5% of the gross proceeds of the Offer.

Dilution

There are no potentially dilutive securities in issue (other than 1 subscriber share and 50,000 redeemable preference shares which are intended to be redeemed in full once fully paid up and on reaching the Minimum Subscription), nor potentially dilutive transactions in contemplation.

Expenses Charged to the Investor

Initial Fees

The costs of the Offer to be met by the Company will vary depending on whether an Investor has come direct, through an execution-only intermediary ("Execution-only") or through their Financial Adviser. These costs include the Initial Fees payable to the Manager by the Company as follows:

Investor	Initial Fee
Direct Investors	5.5%
Execution-only Investors	5.5%
Advised Investors	3.0%

Initial Fees are calculated on each Application Amount. For Execution-only Investors, the Manager will pay an initial commission of 2.5% to the intermediary from the Initial Fee.

Early Bird Discount

An Early Bird Discount of 1% will be deducted from the Initial Fee for all accepted valid applications that are submitted with appropriate payment and are received by 31 January 2023.

Adviser Charges

A fee will usually be agreed between a financial adviser and an Investor for the advice ("Adviser Charge"). This fee can either be paid directly by the Investor or, up to 4.5% of the Application Amount by the Investor, can be facilitated by the Company. If the payment is to be facilitated by the Company, then the Investor is required to specify this amount on the Application Form. The Investor will be issued fewer Shares (to the equivalent value of the Adviser Charge) through the Pricing Formula.

Management Fee

The Manager will provide investment management services in accordance with the Investment Management Agreement for which it will receive a management fee of 2.0% of the Company's NAV per annum.

Performance Fee

The Manager will be incentivised with a Performance Fee to align the interests of the Manager and Shareholders. This fee is set at 20% of dividends (or other returns of capital) paid in a financial year in which the Total Return is above the Hurdle.

For the Hurdle to be met, the Shares must achieve a Total Return in excess of £1.00 for the year ended 31 March 2024. For subsequent years, for the Hurdle to be met, the Hurdle increases by 3p per annum such that for the year ending 31 March 2025 the Hurdle will be £1.03, for the year ending 31 March 2026 the Hurdle will be £1.06 and so on.

The Performance Fee will be due on both ordinary and special dividends.

Number of Shares to be issued

The number of Shares to be issued to each Investor will be determined by the following Pricing Formula and rounded down to the nearest whole number of Shares:

Number of Shares issued = Application Amount less (i) Initial Fee and (ii) Adviser Charges (if any), divided by the latest published NAV per Share*

* Assumed to be 100p per Share or last published NAV per Share, if any, such revised NAV is announced during the Offer.

Example 1 – Direct Investor

A direct investor subscribes £10,000 under the Offer. An Initial Fee of 5.5% is payable. There are no Adviser Charges.

Number of Shares issued = $(£10,000 - £550 - £0) / £1.00$
= 9,450 Shares

Example 2 – Direct Investor with 1% Early Bird Discount

A direct investor subscribes £10,000 under the Offer. With an Early Bird Discount, an Initial Fee of 4.5% is payable. There are no Adviser Charges.

Number of Shares issued = $(£10,000 - £450 - £0) / £1.00$
= 9,550 Shares

Example 3 – Execution-only Investor

An investor through an Execution-only broker subscribes £10,000 under the Offer. An Initial Fee of 5.5% is payable which includes 2.5% initial commission that the broker chooses to waive in favour of the Investor. There are no Adviser Charges.

Number of Shares issued = $(£10,000 - £300 - £0) / £1.00 = 9,700$ Shares

Example 4 – Advised Investor

An advised investor subscribes £10,000 under the Offer. An Initial Fee of 3.0% is payable, and an Adviser Charge of 3.0% is facilitated.

Number of Shares issued = $(£10,000 - £300 - £300) / £1.00 = 9,400$ Shares

For Investors whose applications are accepted after the first allotment of Shares has been made, the NAV per Share at the time of allotment may be higher or lower than £1.00 and the number of Shares they would receive would be adjusted accordingly, on the basis of the Pricing Formula set out above.

Subject to any applicable Early Bird Discount, the Initial Fee is 5.5% of the Application Amount for applications received through execution only brokers and direct investors and 3% of the Application Amount for applications introduced by a Financial Adviser.

The Initial Fee is not payable by investors but is payable by the Company. However, the Initial Fee will be reflected in the price per Share paid by investors as a result of a reduction in the number of Shares issued to them in accordance with the Pricing Formula set out above. The Manager may agree to reduce the Initial Fee, in whole or in part, in respect of specific investors and in circumstances where any initial commission has been waived by an intermediary in favour of the Investor.

Why is this Prospectus being produced?

The reason for the Offer is to enable the Company to raise funds and then use a minimum of 80% of the proceeds of the Offer to acquire over a period not exceeding three accounting years (and subsequently maintain) a portfolio of Qualifying Investments in accordance with its published investment policy.

The Offer is not subject to an underwriting agreement.

No conflict of interest is material to the Offer or to admission to trading on the London Stock Exchange's main market for listed securities.

The Company is proposing to raise up to £10 million pursuant to the Offer (and up to £30 million if the over-allotment facility is fully utilised). The total expenses of the Offer (assuming full subscription with the over-allotment facility not utilised and with all applications made by direct Investors only) will be 5.5% of the gross proceeds and the total net proceeds are, therefore, estimated to be £9.45 million.

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RISK FACTORS

Prospective Investors should consider carefully the following material risk factors, as well as the other information in this Prospectus, before investing. Prospective Investors should read the whole of this Prospectus and not rely solely on the information in this section entitled “Risk Factors”. The business and financial conditions of the Company could be adversely affected if any of the following risks were to occur and as a result the market price of the Ordinary Shares could decline and Investors could lose part or all of their investment.

Prospective Investors should be aware that the value of Ordinary Shares can fluctuate and that they may not get back the full amount they invest. In addition, there is no certainty that the market price of Ordinary Shares will fully reflect the underlying net asset value, that Shareholders will be able to realise their shareholding or that any dividends will be paid. An investment in the Company should be viewed as a higher risk, longer-term investment.

The Directors draw the attention of potential Investors to the following risk factors which may affect an investment, the Company's performance and/or the availability of tax reliefs. The Company and the Directors consider the following risks to be material for prospective Investors, but the risks listed below do not necessarily comprise all those associated with an investment in the Company. Additional risks and uncertainties currently unknown to the Company and the Directors (such as changes in legal, regulatory or tax requirements), or which the Company and the Directors currently believe are immaterial, may also have a materially adverse effect on the financial condition or prospects of the Company or on the market price of Ordinary Shares.

Issuer Risks:

- The current hostilities in the Ukraine and the resulting sanctions imposed on the Russian Federation by various countries around the world may have unforeseen, long term and far-reaching consequences for the global economy and the Company's portfolio of investments, which in turn may have an adverse effect on the future investment returns of the Company and the market value of the Shares.
- In particular, the interruption and/or limitation in the supply of certain natural resources (such as oil and gas) and the present and future cost of energy could have a negative impact on the performance of the Company's portfolio of investments.
- It is anticipated that interest rates will continue to rise over the near term, which may have an adverse effect on the Companies' investee

companies and, potentially, their value and have a negative impact on the NAV of the Companies, which in turn may have an adverse effect on the future investment returns of the Company and the market value of the Shares.

- The COVID-19 pandemic is likely to continue have a significant impact on the UK and global economy, affecting workers and businesses of all sizes. Despite the UK Government's fiscal measures and additional tax and other benefits to support small businesses, the Company's portfolio businesses may be adversely impacted by the ramifications of the pandemic, as too the returns for investors.
- The Company will invest in unquoted companies in accordance with its investment policy and objectives. Investments in smaller unquoted companies, (usually with limited trading records which require venture capital) carry substantially higher risks than would an investment in larger or longer-established businesses. Small companies often have limited product lines, markets or financial resources and may be dependent for their management on a small number of key individuals and may be more susceptible to political, exchange rate, taxation and other regulatory changes. All of these factors could negatively affect the financial performance of the Company, and therefore, the Net Asset Value of the Company and the potential returns available to Shareholders.
- There can be no guarantee that the Company will meet all its objectives or that suitable investment opportunities will be identified and failure to achieve its objectives may negatively affect the financial performance of the Company, and therefore, the Net Asset Value of the Company and the potential returns available to Shareholders. The past performance of members of the investment management team is no indication of future performance.
- The market for shares in smaller companies is often less liquid than that for shares in larger companies, bringing with it potential difficulties in acquiring, valuing and disposing of such shares. There may also be constraints imposed on the realisation of investments to maintain the VCT tax status of the Company. All of these factors could also negatively affect the financial performance of the Company, and therefore, the Net Asset Value of the Company and the potential returns available to Shareholders.

- The Company may be unable to maintain its VCT status, which could result in loss of certain tax reliefs. There can be no guarantee that the Company will fulfil the conditions to obtain, or to enable it to maintain full VCT status. If the Company loses its approval as a VCT before Investors have held their Shares for five years, the 30% income tax relief obtained will have to be repaid by such Investors. Following a loss of VCT status, an Investor will be taxed on dividends paid by the Company, and in addition, a liability to capital gains tax may arise on any subsequent disposal of Shares.
- In 2015 a sunset clause for VCT income tax relief was introduced. This was a condition of the European Commission's State Aid approval of the UK's VCT and EIS schemes, namely a retirement date for the schemes of midnight on 5 April 2025. The Government have announced an intention to extend the relevant legislation but the detail has not yet been announced. The Company is monitoring this risk and the potential impact on the Company.
- The return received by Shareholders will be dependent on the performance of the underlying investments of the Company. The companies in which the Company invests may not produce the expected returns and the value of such investments, and the interest income and dividends they generate, may fall and adversely affect the performance of the Company and the returns to investors.
- The Company intends, but cannot guarantee, to pay a regular annual dividend commencing in 2026 equivalent to 5% of the Company's Net Asset Value and, where appropriate, to pay special dividends from the proceeds of successful exits of portfolio companies that are not reinvested. The ability to pay the intended dividends may also be constrained by, in particular, the existence of realised profits, regulations and the available cash reserves of the Company.
- The Finance Act 2018 introduced a "risk-to-capital" condition for Qualifying Investments, designed to focus investments towards earlier stage, growing businesses, and away from investments which could be regarded as lower risk and these factors could affect the financial performance of the Company, and the returns for Shareholders. The Company may not make any prohibited non-qualifying investments, including those which breach the "risk-to-capital" condition, and the potential penalty for contravention of these rules can include loss of VCT status with a resultant clawback of VCT tax reliefs from investors. Whilst HMRC have stated that VCT status will not be withdrawn where an investment is ultimately found to be non-qualifying if, after taking reasonable steps including seeking advice, a VCT considers that an investment is qualifying, a breach of any of these conditions could result in the loss of VCT status by the Company or HMRC requiring rectification of the breach, which may mean the Company is forced to dispose of the investment at a loss and this could adversely affect investor returns
- The tax rules, or their interpretation, in relation to an investment in the Company and/or the rates of tax may change during the life of the Company and may apply retrospectively, which may adversely affect an investment in the Company.
- The Company's ability to successfully implement its investment policy is dependent on the efforts, abilities and services of the Manager. The departure of a number of members of the Manager could adversely affect the Company's ability to implement its investment policy, and, therefore, the performance of the Company.
- The Company relies upon third party service providers to perform certain functions. In particular, the Investment Manager, Administrator and Registrar will perform services that are integral to the Company's operations and financial performance. The Company is dependent on the skills of the Investment Manager to manage its investments. If the Investment Manager ceases to act as investment manager or if key personnel cease to be employed by the Investment Manager or be involved in the management of the Company's portfolio, there is no assurance that suitable replacements will be found. If this occurs, there may be an adverse effect on the performance of the Company and the value of the Ordinary Shares. The Company is also dependent on third party service providers to protect against breaches of legal and regulatory obligations of the Company, including those in relation to data protection. Failure by any service provider to carry out its obligations to the Company in accordance with the terms of its appointment, to exercise due care and skill, or to perform its obligations to the Company at all as a result of insolvency, fraud, breaches of cybersecurity, failures in business continuity plans or other causes, could have a material adverse effect on each of the Companies'

operations and performance and on returns to Shareholders. The termination of any of the Company's relationships with any third-party service provider, or any delay in appointing a replacement for any such service provider, could materially disrupt the business of the Company and could have a material adverse effect on the Company's operations and performance and on returns to Shareholders.

- The Company, its existing and future portfolio companies, and its service providers are susceptible to operational and information security and related risks of cyber security incidents. In general, cyber incidents can result from deliberate attacks or unintentional events. Cyber security attacks include, but are not limited to, gaining unauthorised access to digital systems (e.g., through "hacking" or malicious software coding) for purposes of misappropriating assets or sensitive information, corrupting data or causing operational disruption. Cyber security attacks also may be carried out in a manner that does not require gaining unauthorised access, such as causing denial-of-service attacks on website (i.e., efforts to make services unavailable to intended users). Cyber security incidents affecting any of the Company, its portfolio companies, Directors, Investment Manager, and / or other service providers such as financial intermediaries have the ability to cause disruptions and impact business operations, potentially resulting in financial losses, including by interference with the Company's ability to calculate its NAV, impediments to trading by portfolio companies, the inability of Shareholders to transact business with the Company, violations of applicable privacy, data security or other laws, regulatory fines and penalties, reputational damage, reimbursement or other compensation or remediation costs, legal fees; or additional compliance costs. Similar adverse consequences could result in cyber security incidents affecting counterparties with which the Company or any of its portfolio companies engages in transactions, governmental and other regulatory authorities, exchange and other financial market operators, banks, brokers, dealers, insurance companies, and other financial institutions and other parties. Any such breaches of cybersecurity could have a material adverse effect on the Company's operations and performance and on returns to Shareholders

Securities Risks:

- It is anticipated that the Ordinary Shares issued pursuant to the Offer will be admitted to the premium segment of the Official List and will be traded on the London Stock Exchange's market for listed securities. The secondary market for VCT shares is generally illiquid and there may be a limited market in the Ordinary Shares. Investors may, therefore, find it takes longer to realise their investment, or that they cannot obtain a price for their Shares that reflects the underlying NAV of the Ordinary Shares, or that they cannot realise their investment.
- The Company intends, but cannot guarantee, to pay a regular annual dividend commencing in 2026, equivalent to 5% of the Company's Net Asset Value, and, where appropriate, to pay special dividends from the proceeds of successful exits of portfolio companies that are not reinvested. The ability to pay the intended dividends may also be constrained by, in particular, the existence of realised profits, regulations and the available cash reserves of the Company.
- The value of an Ordinary Shares depends on the performance of the Company's underlying assets and that value and the income derived from those assets may go down as well as up and an Investor may not get back the amount invested.
- Levels, bases of, and reliefs from taxation are subject to change, which could be retrospective. Where VCT tax relief is revoked, the value of the securities may be negatively affected as, for example, any future dividends would be subject to income tax and any future disposal of Shares could be subject to capital gains tax.
- If a Shareholder disposes of their shares within five years of issue they will be subject to a clawback by HMRC of any income tax relief claimed.
- Any purchaser of existing Shares in the secondary market will not qualify for the then (if any) available upfront tax reliefs afforded only to subscribers of Ordinary Shares on the amount invested.
- Investors who sell their Ordinary Shares within five years of allotment will have to repay some or all of their initial 30% income tax relief depending on the sale proceeds and it is, therefore, probable that the market in the Ordinary Shares will be illiquid for at least five years.

- If the Company loses its approval as a VCT before Investors have held their shares for five years, the income tax relief obtained will have to be repaid by such Investors. Following a loss of VCT status, an Investor will be taxed on dividends paid by the Company and, in addition, a liability to capital gains tax may arise on any subsequent disposal of their Ordinary Shares.

IMPORTANT INFORMATION

Forward Looking Statements

Investors should not place undue reliance on forward-looking statements. This Prospectus includes statements that are (or may be deemed to be) “forward looking statements”, which can be identified by the use of forward-looking terminology including the various terms “believes”, “continues”, “expects”, “intends”, “aims” “may”, “will”, “would”, “should” or, in each case, their negative or other variations or comparable terminology. These forward-looking statements include all matters that are not historical facts. Forward looking statements involve risk and uncertainty because they relate to future events and circumstances. Save in relation to statements concerning working capital adequacy, forward-looking statements contained in this Prospectus, based on past trends or activities, should not be taken as a representation that such trends or activities will continue in the future. These statements will be updated as and when required by the Prospectus Regulation Rules, the Listing Rules and the Disclosure Guidance & Transparency Rules.

Governing Law

Unless otherwise stated, statements made in this Prospectus are based on the law and practice currently in force in England and Wales.

Non-Mainstream Pooled Investment Status and UK MIFID Laws

As the Company is a closed-ended investment company, the Ordinary Shares will be “excluded securities” under the FCA’s rules on non-mainstream pooled investments. Accordingly, the promotion of the Ordinary Shares is not subject to the FCA’s restriction on the promotion of non-mainstream pooled investments. The Company intends to conduct its affairs so that its Ordinary Shares can be recommended by financial advisers to retail investors in accordance with the rules on the distribution of financial instruments under the UK MiFID Laws. The Directors consider that the Ordinary Shares should be considered “non-complex” for the purposes of the UK MiFID Laws.

Market Abuse Regulation

UK MAR sets out requirements relating to insiders, director dealings and market soundings. In particular, directors, Persons Discharging Managerial Responsibilities (PDMRs) and Persons Closely Associated (PCAs) with them must notify the Company of any transaction in the Company’s shares. There is also a restriction on dealing in the Company’s shares during a closed period. UK MAR also stipulates that public disclosure of inside information by the Company must be done without delay (other than in limited circumstances). The FCA must be formally notified following the announcement of any delay.

The Directors are aware of their obligations under UK MAR and the Company will have a share dealing policy and a procedure to comply with the requirements set out in UK MAR.

Websites

Without limitation, neither the contents of the Company’s or the Manager’s website (or any other website referred to in this Prospectus) nor the content of any website accessible from hyperlinks on the Company’s or the Manager’s website (or any other website referred to in this Prospectus) is incorporated into, or forms part of this Prospectus.

Withdrawal

The Company may update the information provided in this Prospectus by means of a supplement if a significant new factor that may affect the evaluation by prospective investors occurs after the publication of this Prospectus or if this Prospectus contains any material mistake or substantial inaccuracy. Any such supplement will be subject to approval by the FCA and will be made public in accordance with the Prospectus Regulation Rules. In the event that the Company is required to publish a supplement prospectus prior to Admission, applicants who have applied for Ordinary Shares under the Offer shall have the right to withdraw their applications for Shares made prior to the publication of the supplement prospectus. Such withdrawal must be made within the time limits and in the manner set out in any such supplement prospectus (which shall be at least two clear Business Days following the publication of the relevant supplement prospectus). If the application is not withdrawn within the stipulated period, any offer to apply for Ordinary Shares under the Offer will remain valid and binding.

Performance Data, and Track Record

This Prospectus includes information regarding the track record and performance data of Guinness Asset Management Limited. Such information is not necessarily comprehensive and prospective investors should not consider such information to be indicative of the possible future performance of the Company or any investment opportunity to which this Prospectus relates. The past performance of the Investment Manager is not a reliable indicator of, and cannot be relied upon as a guide to, the future performance of the Company and/or the Investment Manager. Investors should not consider the track record information and performance data (particularly the past returns) contained in this Prospectus to be indicative of the Company's future performance. Past performance is not a reliable indicator of future results and the Company will not make the same investments reflected in the track record information and performance data included herein. Prospective investors should be aware that any investment in the Company is speculative, involves a high degree of risk, and could result in the loss of all or substantially all of their investment.

The Company has not traded and therefore has no investment history. For a variety of reasons, the comparability of the track record information and performance data to the Company's future performance is by its nature very limited. The Company's results can be positively or negatively affected by market conditions outside of the control of the Investment Manager and the Company. These market conditions may be different from those prevailing at present time or in the future and, accordingly, the performance of renewable energy assets now may be significantly different from those of the past. No representation is being made by the inclusion of examples of the past performance or track record of the Investment Manager, and/or the strategies presented herein that the Company will achieve performance similar to such examples and strategies herein. There can be no assurance that the track record and past performance of the Investment Manager and/or the strategies described herein will assist the Company in meeting its objectives generally or avoid losses.

EXPECTED TIMETABLE AND STATISTICS OF THE OFFER

Timetable of the Offer

Offer opens	18 October 2022
Early Bird Discount ends	31 January 2023
First allotment	as soon as practicable after the Minimum Subscription is reached
Share and tax certificates expected to be dispatched	within 10 Business Days of each allotment
Initial Closing Date	no later than 30 June 2023, to be determined at the Directors' absolute discretion ¹
Dealings expected to commence	within 10 Business Days of allotment

Statistics of the Offer

Price per Ordinary Share	As per Pricing Formula
Estimated initial net asset value per Ordinary Share	100p ²
Expected maximum number of Ordinary Shares in issue following close of the Offer assuming full subscription ²	9,450,000
Estimated net proceeds of the Offer, assuming maximum subscription (and no utilisation of the over-allotment facility)	£9,450,000
Minimum Application Amount	£5,000
Estimated expenses of the Offer assuming full subscription ²	£550,000

¹ The closing date is subject to the Offer not being fully subscribed or closed at the Directors' discretion at an earlier date. Closing dates may be extended to a date no later than 31 August 2023 or brought forward at the Directors' discretion, in which case the date of admission and commencement of dealings will be revised accordingly

² Assuming all subscriptions are through the introduction of an execution only broker.

DIRECTORS AND ADVISERS

Directors (all non-executive)

Ewen Hamilton Gilmour (Chair)
Joanna Lesley Santinon
Andrew Everard Martin Smith

Sponsor

Howard Kennedy Corporate Services LLP
No.1 London Bridge
London
SE1 9BG

Secretary

The City Partnership (UK) Limited
The Mending Rooms, Park Valley Mills
Meltham Road
Huddersfield
HD4 7BH

Solicitors

Howard Kennedy LLP
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London
SE1 9BG

VCT Tax Adviser

Philip Hare & Associates LLP
6 Snow Hill
London
EC1A 2AY

Auditor

BDO LLP
55 Baker Street
London
W1U 7EU

AIFM, Manager and Promoter

Guinness Asset Management Limited
18 Smith Square
London
SW1P 3HZ

Registrars and Receiving Agents

The City Partnership (UK) Limited
The Mending Rooms, Park Valley Mills
Meltham Road
Huddersfield
HD4 7BH

Administrator

The City Partnership (UK) Limited
The Mending Rooms, Park Valley Mills
Meltham Road
Huddersfield
HD4 7BH

PART 1

LETTER FROM THE CHAIR

Guinness VCT plc
18 Smith Square
London
SW1P 3HZ

18 October 2022

Dear Investor,

I would like to introduce you to Guinness VCT plc, a new VCT managed by Guinness Asset Management Limited, a London based specialist fund management company that manages a range of listed and private funds. The objective of the Company is to invest into outstanding growth companies that are Qualifying Investments and will deliver capital appreciation while enabling Investors to benefit from the attractive VCT tax benefits.

The Manager

Guinness is a specialist fund management company based in London, since its inception in 2003. It has over 60 employees and as at 31 August 2022 had over £5.4 billion in assets under management. Guinness Ventures is a trading name of Guinness Asset Management Limited.

In addition to managing a range of actively managed income and growth funds, Guinness has established itself as a leading growth company investor, having invested over £255 million of EIS funds into more than 180 companies since 2010 across its Guinness EIS and Guinness AIM EIS portfolios.

The Company will invest in growth stage companies that require scale-up capital across a range of sectors including technology, education, healthcare, manufacturing, retailing, leisure and food & drink. To be considered for investment, companies should have a product, service or technology that has already gained traction in the market such that they are now looking to raise scale-up funds to further commercialise their product or service.

The Manager's Track Record

The Manager has invested in a portfolio of scale-up growth companies through its Guinness EIS. Further details of the Manager's track record can be found in Part 3 of this prospectus.

The Offer

The Offer is seeking to raise up to £30 million and will be open from 18 October 2022 until 30 June 2023, unless the Offer is fully subscribed before this date or the Directors (at their discretion) decide to bring forward the Initial Closing Date or unless the Directors (at their discretion) decide to extend the Initial Closing Date, in which case the Offer will be open until no later than 31 August 2023. It is expected that applications will be made for the Ordinary Shares of the Company allotted under the Offer to be listed on the premium segment of the Official List and to be traded on the London Stock Exchange's main market for listed securities shortly after the Minimum Subscription is reached. The Directors have undertaken to invest £90,000 under the Offer.

The Tax Benefits

Subscriptions for Ordinary Shares in Guinness VCT plc should attract income tax relief at the rate of 30% of the Investment Amount for eligible UK taxpayers. In addition, as long as the VCT maintains its status as a VCT, the VCT can make tax-free distributions to shareholders and gains made within the VCT are free from capital gains tax. The availability of tax reliefs depends on the individual circumstances of investors and can be subject to change.

Prospective Investors should consult with their own independent financial adviser before making an investment in a VCT.

Yours sincerely,

Ewen Gilmour
Chairman

Guinness VCT plc

PART 2

INFORMATION ON THE COMPANY

Introduction

VCTs were introduced by the UK Government in 1995 to encourage individuals to invest in UK smaller companies. According to the Association of Investment Companies (AIC), VCTs drew in over £1 billion of investment in the 2021/2022 tax year, a record year for fundraising since VCT tax rules were introduced in 1995 and a 65% increase on fundraising from the 2020/2021 tax year.

Guinness VCT plc has been launched to invest in growth companies that require scale-up capital across a wide range of sectors including technology, education, healthcare, manufacturing, retailing, leisure and food and drink.

The Company is seeking to raise up to £10 million (with an over-allotment facility of up to a further £20 million).

The Directors believe that the VCT will be in a strong position to co-invest in follow-on rounds in businesses which have already received funding from the EIS Services managed by the Company's Manager, Guinness Ventures, benefiting from the deep knowledge, experience and past data on these companies. Alongside this, the Manager has an extensive personal and professional network of contacts that will help to ensure an ongoing pipeline of potential investment opportunities which can be considered by the Company for investment.

The Company will consider co-investing in initial investments made by Guinness's EIS Services in growth stage companies. In future years, the Company expects to continue to back its most promising, high performing, portfolio companies through follow-on funding rounds, whilst continuing to invest in new opportunities.

Under current VCT legislation, the Company must hold at least 80% of its assets by value in Qualifying Investments by the start of the accounting period in which the third anniversary of the date the shares were issued falls. At least 30% of all new funds raised by the Company must be invested in Qualifying Investments within 12 months of the end of the accounting period in which the Company issued the shares. Qualifying Investments will be made in companies which are carrying out a qualifying trade, and have a permanent establishment in the UK, although some may trade overseas. The Qualifying Companies in which investments are made must have no more than £15 million of gross assets immediately prior to the investment (or £16 million immediately after the investment), fewer than 250 employees (or fewer than 500 employees in the case of a Knowledge Intensive Company) and generally cannot have been trading for more than seven years (or ten years in the case of a Knowledge Intensive Company) at the time of the Company's investment. It must also meet several other conditions to be classed as a VCT qualifying investment, further details of which are set out on pages 48 to 51.

The Company will apply for the Ordinary Shares issued under the Offer to be listed on the Official List and to be admitted to trading on the London Stock Exchange's main market of listed securities. The Offer will open on 18 October 2022 until 3.00 pm on 30 June 2023. The Offer may close in advance of this date if the maximum subscription is reached or the Directors (at their discretion) decide to bring forward the Initial Closing Date. The closing date of the Offer, and the deadline for receipt of applications for the final allotment with respect to the Offer, may be extended by the Directors to a date no later than 31 August 2023.

The Manager

Guinness Asset Management Limited was appointed as the Company's Manager on 18 October 2022 and is authorised and regulated by the Financial Conduct Authority.

Guinness is a specialist fund management company based in Westminster, London, since its inception in 2003. It now has over 60 employees and as at 31 August 2022 had over £5.4 billion in assets under management. In addition to managing a range of actively managed income and growth equity funds for long term investors, Guinness has established itself as an award winning, leading growth investor, having raised and invested over £255 million of EIS funds into more than 180 portfolio companies since 2010 across its Guinness EIS and Guinness AIM EIS portfolios (Source: Guinness Asset Management).

AIFM

The Company is classified by the FCA as an alternative investment fund (an “AIF”). Under the UK’s post-Brexit rendering of the Alternative Investment Fund Management Directive (the “AIFM Directive”), each AIF managed within the scope of the AIFM Directive has a single alternative investment fund manager (an “AIFM”) responsible for ensuring compliance with the AIFM Directive. As at the date of this Prospectus, Guinness Asset Management Limited is the Company’s AIFM. The Company has also applied to the FCA to be registered as a self-managed AIF (a “Self-Managed Authorisation”). Pursuant to the Investment Management Agreement, upon receipt of its Self-Managed Authorisation, the Company will replace Guinness Asset Management Limited as the Company’s AIFM, with investment management services being provided to the Company by the Investment Manager on the same terms as prior to the receipt by the Company of the Self-Managed Authorisation.

For more information on Guinness’s team and experience, please see Part 4 of this document headed “Information on the Board, Manager, Expenses and Administration” on pages 38 to 44.

Dividend Policy

The Company will target an annual dividend equivalent to 5 per cent of its Net Asset Value as well as special dividends, where appropriate, from the proceeds of successful exits of portfolio companies that are not reinvested. It is envisaged that dividends will be paid from 2026 onwards, subject to the existence of realised profits, legislative requirements and the available cash reserves of the Company.

Share Liquidity

It is anticipated that the Ordinary Shares will be admitted to the premium segment of the Official List and will be admitted to trading on the London Stock Exchange’s market for listed securities. The secondary market for VCT shares is generally illiquid (which may be partly attributable to the fact that initial subscription tax reliefs are not available for VCT shares bought in the secondary market and because VCT shares typically trade at a discount to NAV per share). There may not, therefore, be a liquid market and Shareholders may find it difficult to realise their investment. Shareholders should not rely upon any share buyback policy to offer any certainty of selling their shares at prices that reflect the underlying NAV per Share. An investment in the Company should, therefore, be considered as a long-term investment.

VCT Tax Relief

The Directors intend to manage the Company’s affairs in order that it complies with the legislation applicable to VCTs from time to time. In this regard Philip Hare & Associates LLP has been appointed to advise on tax matters generally and, in particular, on VCT status. Approval will be sought as soon as possible, but will only be granted by HMRC once at least 80% by value of the Company’s investments are represented by Qualifying Investments and the Company has complied with the other requirements relating to VCT qualification. Where requested, Philip Hare & Associates LLP (or other suitably qualified professional advisers) will assist Guinness (but report directly to the Board) on ascertaining the qualifying status of each investment as a Qualifying Investment or by seeking advance assurance from HMRC where appropriate and where requested will advise on the status of VCT approval. Once full VCT approval has been attained, the Company must continue to satisfy the requirements of HMRC in relation to VCTs, or it is likely to lose full VCT approval.

VCTs offer significant tax advantages to individual investors when compared to many other investment products. The income tax relief available on subscriptions for shares is currently 30% up to a maximum of £200,000 invested per individual per tax year. The shares in the VCT need to be held for a minimum of five years to maintain this initial tax relief (as well as the VCT itself maintaining its VCT status).

A summary of the tax reliefs for UK taxpayers who invest into a VCT are:

- Income tax relief of 30% of the amount subscribed for shares up to £200,000 per tax year, subject to a minimum holding period of five years;
- Dividends received by Investors from the VCT are tax free;
- Capital gains made upon the disposal of the shares are tax free.

VCT tax reliefs are available for investments of up to £200,000 per tax year and can be subject to change and are dependent on an individual’s circumstances.

Share Buyback Policy

The Shares are intended to be traded on the London Stock Exchange's main market for listed securities. Although it is likely that there will be an illiquid market for such shares and, in such circumstances, shareholders may find it difficult to sell their Shares in the market, the Company intends to pursue an active buy back policy to improve the liquidity in the Shares where the Company may repurchase Shares which shareholders wish to sell at a discount of up to 5% to the latest published Net Asset Value per Share, subject to applicable regulations, market conditions at the time and the Company having both the necessary funds and distributable cash resources available for the purpose. The making and timing of any share buybacks will remain at the absolute discretion of the Board. The Directors expect that there will be limited demand for share buybacks from Shareholders within the first five years because the only sellers are likely to be deceased Shareholders' estates and those Shareholders whose circumstances have changed (to such extent that they are willing to repay the 30% income tax relief in order to gain access to the net proceeds of the sale).

Shareholder Reporting

The Directors believe that communication with Shareholders is important. Shareholders will have access to a copy of the Company's annual report and accounts (expected to be published each July) and a copy of the Company's interim results (expected to be published each December). These will be made available on Guinness's website.

In order to reduce the administrative burden and cost of communicating with Shareholders, the Company intends to publish all notices, documents and information to be sent to Shareholders generally ("**Shareholder Documents**") on Guinness's website (www.guinnessgi.com). Increased use of electronic communications will deliver significant savings to the Company in terms of administration, printing and postage costs, as well as speeding up the provision of information to Shareholders. The reduced use of paper will also have general environmental benefits. Shareholders will be notified when Shareholder Documents are published on Guinness's website.

Such notification will be delivered electronically (or by post where no email address has been provided for that purpose) and, unless Investors complete the relevant section of the Application Form to receive hard copy Shareholder Documents or, as Shareholders, they subsequently notify the Company of the same, Shareholders will not receive hard copies of the Shareholder Documents.

All Qualifying Subscribers will automatically be provided with certificates enabling them to claim income tax relief.

Valuation Policy

Unquoted investments will be valued at fair value in accordance with the IPEV Guidelines. The Net Asset Value will be notified through a Regulatory Information Service announcement immediately upon calculation. Any AIM or other quoted investment will be valued at the closing bid price of its shares, in accordance with generally accepted accounting practice. To ensure the effective management of the portfolio of investments, Guinness will undertake an evaluation of the Net Asset Value on a quarterly basis.

Fair value is the amount for which an asset could be exchanged between knowledgeable, willing parties in an arm's length transaction.

In estimating fair value for an investment, the methodology applied must be appropriate to the nature, facts and circumstances of the investment and its materiality based on reasonable assumptions and estimates. Such methodology, including earnings multiple, cost, cost less a provision or net assets, should be applied consistently.

Guinness will be responsible for the determination and calculation of the net asset value of the Company in accordance with the policies set out above. The Company does not anticipate any circumstances arising under which valuations may be suspended. However, if this was to occur, the suspension would be announced through a Regulatory Information Service.

PART 3

INVESTMENT POLICY, INVESTMENT STRATEGY AND MANAGER'S TRACK RECORD

Investment Policy

The Company is a generalist VCT seeking to invest in a diversified portfolio of businesses that the Manager believes will provide the opportunity for value appreciation. The Company will focus on investments in growth companies in a range of sectors including technology, education, healthcare, manufacturing, retailing, leisure and food and drink. These businesses will mostly be unquoted, but the Company will also consider businesses listed on Qualifying Exchanges such as AIM. The Company will typically make initial investments of £0.1 million to £10 million and may also make follow-on investments into existing portfolio companies. Concentration risk is mitigated by ensuring that at the point of investment no more than 15% of the Company by value will be in any one investment.

Qualifying Investments

Qualifying Investments comprise investments in companies which are carrying out a qualifying trade (as defined under the relevant VCT legislation), and have a permanent establishment in the UK, although some may trade overseas. The Qualifying Companies in which investments are made must have no more than £15 million of gross assets immediately prior to the investment (or £16 million immediately after the investment), fewer than 250 employees (or fewer than 500 employees in the case of a Knowledge Intensive Company) and generally cannot have been trading for more than seven years (or ten years in the case of a Knowledge Intensive Company) at the time of the Company's investment. Several other conditions must be met for an investment to be classed as a VCT Qualifying Investment.

The Company intends to invest the net proceeds of the Offer in acquiring a portfolio of Qualifying Investments complying with VCT legislation and in accordance with its stated investment policy. At least 30% of the funds raised will be invested in Qualifying Investments within 12 months of the end of the Company's accounting period in which the relevant Shares were allotted, and at least 80% of its net assets will, by the start of the Company's accounting period in which the third anniversary of the date the relevant Shares are allotted falls and continuously thereafter, be invested in Qualifying Investments.

Non-Qualifying Investments

Subject to the rules applicable to VCTs, funds not employed in Qualifying Investments will be invested in short term liquid instruments, principally other funds which can be easily exited (e.g. money market funds, government and corporate bonds, term deposits, equity funds) including any appropriate funds managed by Guinness, to generate additional return for investors and mitigate against a rise in value of competing companies. These must be easily liquidated as cash. Such investments are subject to market fluctuations.

Borrowing Policy

The Company has no present intention of utilising gearing as a strategy for improving or enhancing returns. Under the Company's Articles of Association, the borrowings of the Company will not, without the previous sanction of the Company in general meeting, exceed 25% of the aggregate total amount received from time to time on the subscription of Shares in the Company.

Risk Diversification and Maximum Exposures

It is intended that diversification will be achieved across both sector and stage by investing in a broad range of high-growth opportunities across many sectors in line with the Company's Investment Policy. Although the preferred investment strategy will be to invest at a "series A" stage, investment stage risk is diversified by balancing earlier stage investment opportunities with investments in more mature companies, including follow-on investments where the Company has already made a previous investment. The Company will also consider AIM-listed Qualifying Investment opportunities as well as businesses listed on other Qualifying Exchanges. The Manager may also make investments in companies that has received investment from other investment vehicles, including investment vehicles managed by the Company's Manager. The maximum amount invested in any one company (inclusive of any related group company) is limited to 15% of the value of the portfolio in accordance with the VCT legislation at the time of investment or addition to that investment.

Target Asset Allocation

Initially, the majority of funds will be invested in Non-Qualifying Investments. These will be progressively reduced to provide funds for Qualifying Investments in accordance with VCT Rules requiring at least 80% of the Company's assets to be invested in Qualifying Investments.

Changes to the Investment Policy

The Company will not make any material changes to its Investment Policy without Shareholder approval.

Investment Strategy

The Company will invest in growth stage companies that require scale-up capital across a range of sectors including technology, education, healthcare, manufacturing, retailing, leisure and food and drink. Although there is inherent risk with investing in VCTs, this generalist strategy will allow the Company to mitigate risk to a degree by diversifying its target portfolio companies for investors. The Manager will build a pipeline of investment opportunities with a focus on companies that have at least £1 million of historic or run-rate revenues.

The Manager seeks to identify businesses that have demonstrated the ability to raise and appropriately employ seed stage funding and who now require further funding to accelerate growth and deliver shareholder returns.

When assessing investment opportunities, Guinness looks for:

- experienced and competent management teams with a strong understanding of their market and competitive position, and with a track record of building and selling companies;
- a realistic business plan supported by good operations and technology;
- the investee company's ability to sustain a competitive advantage;
- the company's prospects of being sold or floated in the future, at a multiple on the initial cost of investment; and
- a valuation and structure that provides alignment between all shareholders.

Guinness also has an extensive track record of investing in AIM-listed companies and will consider investing up to 20% of the funds raised into AIM-listed companies as well as businesses listed on other Qualifying Exchanges.

Every company that is selected for potential investment will be required to pass through a comprehensive due diligence exercise which aims to test its business plan, technology and financials as well as reviewing VCT eligibility.

Investment process

The Manager's investment process from origination to exit follows five key stages, as follows:

• Origination

Guinness reviews hundreds of business plans every year, received through the team's extensive network of advisers and business introducers. In addition, the team receive many direct approaches from entrepreneurs and business owners. Guinness has invested in over 180 EIS and VCT qualifying companies since 2010 and has consequently established a broad pipeline of investment opportunities and introducers. All origination leads will be discussed at the Manager's regular pipeline meetings where they will be prioritised according to the investment strategy.

• Due Diligence

Origination leads that have been prioritised are initially screened internally. The Manager will usually secure a period of exclusivity while due diligence is completed. This may involve external advisers and the findings will be compiled into an investment paper, which are discussed with the team at regular meetings.

- Transaction

Where the Manager agrees to proceed to a potential investment, they set a time frame for completing the transaction and if necessary engage third parties such as lawyers and accountants for transaction support.

- Monitoring

The Manager usually seeks board positions in unquoted Investee Companies and seeks to establish regular formal communication with management teams. Each Investee Company is closely monitored throughout the life of an Investment. Unquoted Investee Companies will also be required to provide the Manager with regular management reports and financial statements.

- Exit

The Manager will actively monitor opportunities for exits of individual investments. Any potential exit strategy will be described in a short-form memorandum and submitted for final approval by the team prior to the commencement of any sale process.

Deal Flow

The Company will have access to Guinness's extensive deal flow pipeline of growth companies. The Company may consider co-investing with the Guinness EIS Services as well as co-investing with other investors in growth stage companies.

Due Diligence

In order to assess the validity of their internally developed investment thesis, Guinness undertake due diligence on potential investments, and often engage third-party providers to carry out in-depth due diligence projects on their behalf. In addition to this assessment, the diligence projects can identify any previously unidentified risks and opportunities for Guinness and the business to consider. This enables Guinness and the business to deploy capital most effectively.

The scope of work undertaken varies on a deal-by-deal basis. To ensure that each scope is most relevant to the specific transaction, Guinness perform a detailed analysis internally to identify key areas for the diligence providers to focus on during their work. In addition, Guinness make use of a network of industry experts to understand where best to focus the diligence.

Potential third-party diligence projects include commercial, technical, management, operational, legal, financial, tax, sales and marketing.

Adding Value

Guinness is able to provide value to its portfolio companies by drawing on the extensive investment management, venture capital and private equity experience of its fund managers, collectively totalling over 150 years of combined experience working with growth stage businesses. Guinness works with management teams, and seeks to maximise value, by focusing on the following 10 pillars:

- Management Information – Developing key performance indicators and reporting to enhance evidence-based decision making;
- Professionalisation – Improving middle-office and back-office systems and processes;
- Hiring Strategy – Helping companies identify the best talent;
- Strategic Planning – Bringing our generalist support and connections to help refine decision making;
- Value Creation – Implementing the plans to maximise value for all shareholders;
- Digital Marketing – Monitoring and boosting marketing ratios;
- Sales Strategy – Ensuring a coherent sales playbook and effective targeting;
- Introductions – Potential customers, strategic advisors, specialist support and industry experts;
- Workshops – Recent workshops include digital marketing, sales strategy, pricing and financial tools; and
- Future Fundraising – As well as follow on investment from Guinness managed funds, active support in sourcing additional debt and equity.

Manager's Track Record

Over £255 million has been invested into companies from the Guinness EIS and Guinness AIM EIS services since 2010 and £95 million has already been returned to investors.

The Manager has invested into 42 unlisted growth companies across 14 sectors from the Guinness EIS service which would have met the Company's stated invested policy. 76% of unlisted growth companies invested in by the Manager are, on a blended basis, currently (as at 31 August 2022) valued at or above cost with the remaining 24% held below cost, including 5 companies written off. Some examples of these are detailed below and are typical of the type of investment the Manager will recommend for investment by the Company.



Learning enablement platform

BibliU has developed and now operates a platform for the distribution of academic textbooks online. The company has established relationships with all of the major academic publishers and sells its platform at an enterprise level to universities in the UK and the US. Notable customers in the UK include Oxford University, University College London, Imperial College and Coventry University. BibliU completed a £12 million Series B investment round in June 2022.

Guinness EIS Investment to Date:

£3.5 million

Current Valuation:

1.3x

Sector: **Education**

Website: www.bibliu.com





Measuring advertising performance

Dragonfly AI is a predictive analytics platform which uses cutting edge neuroscience to help clients improve the quality and effectiveness of their content across any format, channel and market. The company has a number of high-profile clients and has already established a presence in the US.

Guinness EIS Investment to Date:

£2.1 million

Current Valuation:

1.0x

Sector: **Advertising & Marketing**

Website: www.dragonflyai.co



Quality driven tech teams. On demand.

Distributed enables enterprises to work with fully managed, globally distributed software development teams. It provides companies with access to top quality developer talent by eliminating cultural, language, and geographical barriers, giving freelancers greater access to work and opportunities for career progression.

Guinness EIS Investment to Date:

£4.4 million

Current Valuation:

1.7x

Sector: **Technology**

Website: www.distributed.co



Verified reviews of healthcare specialists

Doctify is a review platform for medical professionals and institutions with a similar core business to TripAdvisor, Trustpilot or Glassdoor. Doctify's cloud-based portal collects verified reviews either at source or by email. Individuals and institutions pay a monthly fee to be on the platform, access reviews and add the Doctify logo and score onto their website.

Guinness EIS Investment to Date:

£2.9 million

Current Valuation:

1.3x

Sector: **Healthcare**

Website: www.doctify.com

fifty.

A human first approach to marketing

Fifty Technology allows customers to combine their audience insight with targeted advertising, two activities that are traditionally performed by separate companies. It has partnered with two of the five largest media data buying networks, and customers include The North Face, Bentley and Save the Children.

Guinness EIS Investment to Date:

£6.5 million

Current Valuation:

1.4x

Sector: **Advertising & Marketing**

Website: www.fifty.io



forestreet

Automated market research platform

Forestreet has created an automated research platform powered by Artificial Intelligence that provides businesses with continually updated and granular information on markets. The company provides services for some of the leading consultancies and investment firms.

Guinness EIS Investment to Date:

£2.8 million

Current Valuation:

1.0x

Sector: **Business Services**

Website: www.forestreet.com



neighbourly

Where businesses help local good causes

Neighbourly is a software platform that helps large corporates meet their Environmental, Social and Corporate Governance (ESG) objectives through the donation of surplus products, time, or money to charities. Customers include M&S, Aldi, Lidl, Samsung, and Starbucks.

Guinness EIS Investment to Date:

£4.5 million

Current Valuation:

1.2x

Sector: **Business Services**

Website: www.neighbourly.com





Photobooks created in minutes

Popsa is a photobook application for iOS and Android that, through the use of proprietary machine learning algorithms, has reduced the time it takes for customers to produce photobooks from 2 hours to an average of just 6 minutes. Popsa now has a team of more than 40 people and receives tens of thousands of orders per month.

Guinness EIS Investment to Date:

£3.9 million

Current Valuation:

2.8x

Sector: **eCommerce**

Website: www.popsa.com

SESSIONS

Connecting food-loving customers with authentic, chef-led brands

Sessions Market has a mission is to redefine the hospitality industry and provide a platform for food brand founders to expand across the UK market. It provides chef partners with both physical and virtual spaces to market and sell their brands, and positions itself as a platform to aid the growth of Britain's independent food scene.

Guinness EIS Investment to Date:

£2.9 million

Current Valuation:

1.0x

Sector: **Food & Drink**

Website: www.sessionsmarket.co.uk





Take health into your own hands

Thrive is a customisable blood testing business that allows customers to track key metrics to help them better understand their health and achieve lifestyle goals, such as better sleep or health. In 2022, Thrive was ranked 3rd in The Sunday Times' 100 fastest growing companies in Britain and 6th in the FT's 1000 fastest growing companies in Europe.

Guinness EIS Investment to Date:

£2.5 million

Current Valuation:

1.6x

Sector: **Healthcare**

Website: www.thrive.co



WOLF & BADGER

A platform for independent brands

Wolf & Badger is a retailer of premium and independent fashion, jewellery, beauty and homeware brands that it sells through its e-commerce site alongside its physical stores located in London, New York and LA.

Guinness EIS Investment to Date:

£9.7 million

Current Valuation:

2.6x

Sector: **eCommerce**

Website: www.wolfandbadger.co.uk



Examples of Exits made out of the Guinness EIS funds since 2019



PASTA
EVANGELISTS

The freshest artisan pasta

Pasta Evangelists is a luxury pasta delivery service. The company delivers pasta direct to customer's homes nationwide and prides itself on using the freshest ingredients and recipes sourced from various regions in Italy. In January 2021, Pasta Evangelists was acquired by the Barilla Group for £40 million.

Full Exit

Guinness EIS Investment to Date:

£3.0 million

Returned to investors:

£9.0 million

Money multiple:

3.0x

 **ContentCal**

Social media made simple

ContentCal is a content management and publishing workflow tool that allows marketing teams to plan, co-ordinate and efficiently deliver marketing content to target audiences. ContentCal was acquired by Adobe in December 2021.

Full Exit

Guinness EIS Investment to Date:

£2.0 million

Returned to investors:

£8.5 million

Money multiple:

4.3x





Revolutionising Care at Home

Cera Care uses technology to provide better and more affordable care for elderly and vulnerable patients in the comfort of their own home. In August 2022, Cera Care raised £260 million through equity and debt to further expand its offering in the UK and overseas.

Partial Exit

Guinness EIS Investment to Date:
£6.3 million

Current Valuation:
8.2x

Returned to investors:
£4 million



Vertical farming rooted in innovation

Jones Food Company was set up to develop, build and manage 'high care' hydroponics systems. JFC designed and has now patented its vertical farming in a controlled environment.

Partial Exit

Guinness EIS Investment to Date:
£4.9 million

Current Valuation:
2.1x

Returned to investors:
£6.3 million





Market leading apprenticeship delivery software

MWS Technology is the company behind the award-winning Aptem vocational training and employability products. Aptem, is used by training and employability providers, universities, colleges, tutors, assessors and importantly, learners and jobseekers. Aptem Apprentice is one of the market leading apprenticeship and vocational training delivery platform.

Partial Exit

Guinness EIS Investment to Date:

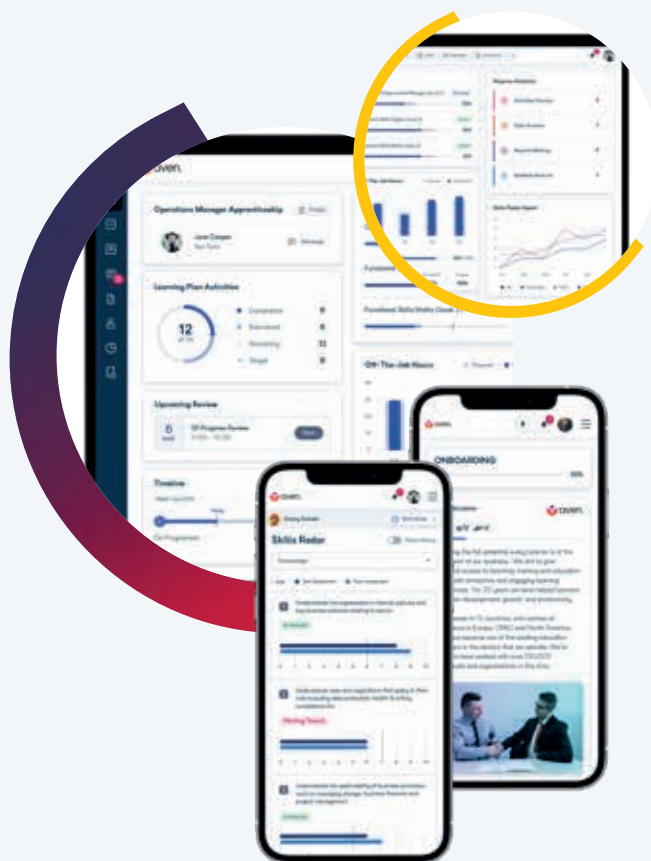
£2.5 million

Current Valuation:

2.2x

Returned to investors:

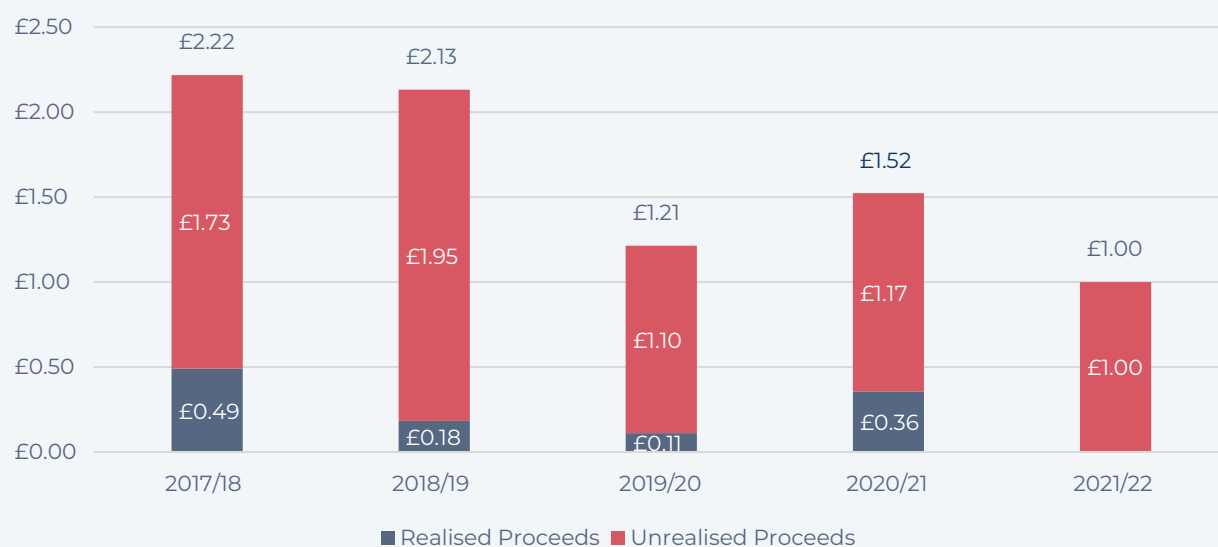
£1 million



Guinness EIS Past Performance

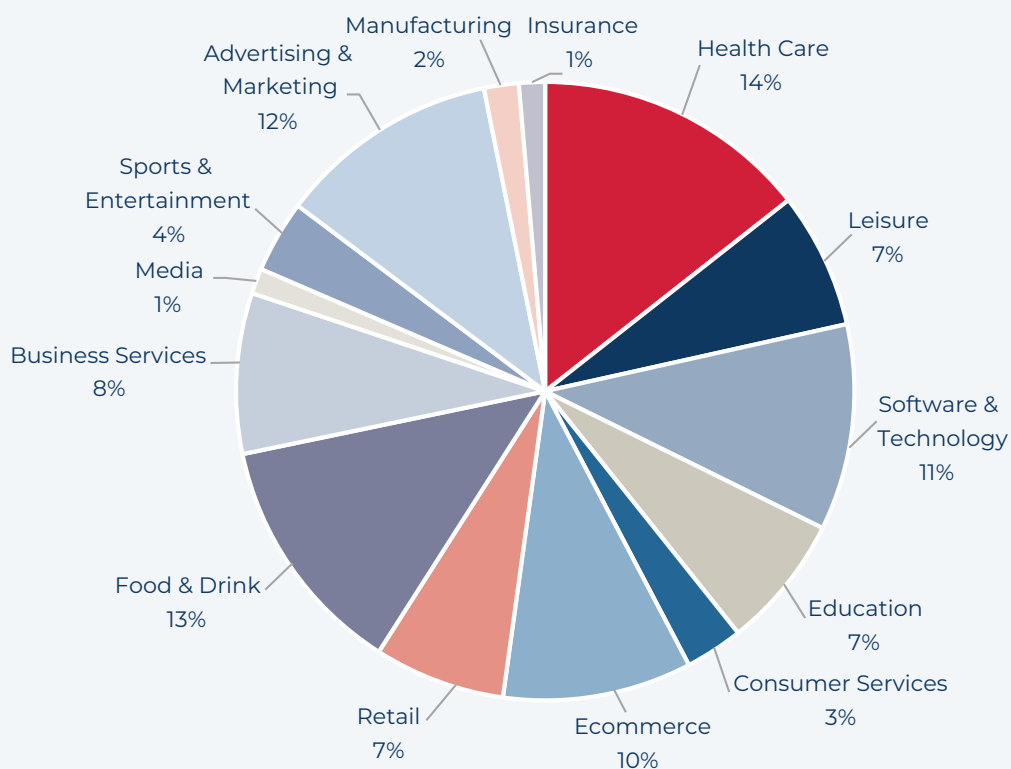
This chart refers to historic data from the Guinness EIS Service. Past performance is not a reliable indicator of future results. You may not get back the amount you invested.

Valuation of Growth Companies per Tax Year per £ Invested



Source: Guinness Asset Management, 31 August 2022

Guinness EIS Growth Company Sectors



Source: Guinness Asset Management, 31 August 2022

PART 4

INFORMATION ON THE BOARD, MANAGER, EXPENSES AND ADMINISTRATION

Board of Directors

The Board has overall responsibility for the Company's affairs, including determining its investment policy and having overall control, direction and supervision of the Manager. The Board comprises three non-executive directors, two of whom act independently of the Manager. Accordingly, the majority of the Board, including the Chairman, are independent of the Manager.

Ewen Hamilton Gilmour (Independent non-executive Chair)

Ewen is the former chief executive of Chaucer Holdings plc, a listed Lloyd's insurer. He joined Chaucer three months prior to its stock market flotation in 1998; he was initially finance director, and then managing director/ chief executive officer from 1999 to 2009. While there, he also chaired Lloyd's Market Processes Committee and the Chaucer Pension Fund and served on the Council of Lloyd's, including being deputy chairman of Lloyd's from 2006 to 2010.

After graduating from Cambridge University, his early career was as an accountant at KPMG between 1974 and 1980, followed by 13 years as a corporate financier at Charterhouse Bank, the merchant banking subsidiary of Royal Bank of Scotland. He has served as non-executive chairman of three Lloyd's Agents: Antares Managing Agency Limited; Hampden Agencies Limited; and Starstone Underwriting Limited. Currently, he is chairman of Soteria Insurance Limited. He has also been a member of the Lloyd's Enforcement Board since February 2012.

Joanna Lesley Santinon (Independent non-executive Director)

Joanna is a chartered accountant and chartered tax adviser. She specialised in tax, transactions and private equity, and has wider experience including mergers and acquisitions, strategic investments, capital raisings and listings from a career spanning 24 years at Ernst & Young ("EY") where she was a member of the London Markets Board and led the Private Tax team in London through a transformation and growth period. During her time with EY Joanna played key roles in transactions in the UK and Europe. Joanna also led the EY UK Entrepreneur of The Year Programme. Joanna was a founder member of the 30% Club in the UK. She is an independent non-executive director of Octopus Future Generations VCT plc and a trustee of The Centre For Entrepreneurs.

Andrew Everard Martin Smith (Non-independent non-executive Director)

Andrew was Chief Executive of Hambros Fund Management when it merged with Guinness Flight in 1997. In 2000 he joined Berkshire Capital Securities, a corporate adviser to the fund management industry, before joining Guinness Asset Management in 2005 as a senior adviser. He is a non-executive director of several companies including Church House Investment Management and has been a director of several public listed investment trusts including, TR European Growth, M&G High Income and Atlantis Japan. He is a director of Guinness Asset Management and is the lead manager of the Guinness AIM EIS Service.

Corporate Governance

The UK Corporate Governance Code published by the Financial Reporting Council in July 2018 (the "Code") applies to the Company. The Directors note that the Code does not set out a rigid set of rules and that some provisions may have less relevance for investment companies and, in particular, considers some areas inappropriate to the size and nature of the business of the Company.

Accordingly, the Company will comply with all provisions of the Code save that (i) the Company will not conduct on an annual basis a formal review as to whether there is a need for an internal audit function as the Directors do not consider that an internal audit would be an appropriate control for a VCT and (ii) as all of the Directors are non-executive, it is not considered appropriate to appoint a nomination or remuneration committee and (iii) in light of the responsibilities delegated to the Manager, its VCT status adviser and Company secretary, the Company has not appointed a chief executive or deputy chairman. The Directors will not be obliged to comply with the Code recommendation that they stand for re-election on an annual basis.

Audit Committee

The Company has established an audit committee which comprises Joanna Lesley Santinon (Audit Chair) and Ewen Hamilton Gilmour (both independent directors). The committee meets at least twice a year. The Company's auditors may be required to attend such meetings. The Committee will prepare a report each year addressed to shareholders for inclusion in the Company's annual report and accounts. The duties of the committee are *inter alia*:

- to review and report to the Board on significant financial reporting issues and judgements which the financial statements, interim reports, preliminary announcements and related formal statements contain;
- to monitor, review and report to the Board on internal control and risk management systems;
- to consider the appointment of the external auditor, to monitor its independence and objectivity, the level of audit fees and to discuss with the external auditor the nature and scope of the audit; and
- to prepare a formal report to Shareholders on its activities to be included in the Company's annual report, which includes all information and requirements set out in the UK Corporate Governance Code.

The Company does not have a remuneration committee or a nomination committee.

The Directors have committed to invest an aggregate of £90,000 under the Offer.

The Manager: Guinness Asset Management Limited

The Company appointed Guinness Asset Management Limited as its investment manager and AIFM on 18 October 2022 to originate and manage its investments. On behalf of the Company the Investment Manager will be pursuing an active investment strategy. Guinness is authorised by the FCA to manage investments and undertakes the fund management of the Company.

Guinness is a specialist fund management company based in Westminster, London, since its inception in 2003. It now has over 60 employees and as at 31 August 2022 had over £5.4 billion in assets under management. Guinness Ventures is a trading name of Guinness Asset Management Limited.

In addition to managing a range of actively managed income and growth equity funds for long term investors, Guinness has established itself as an award winning, leading growth company investor, having raised and invested over £255 million of EIS funds into more than 180 portfolio companies since 2010 across its Guinness EIS and Guinness AIM EIS portfolios.

Guinness' EIS Services, run by a team of 11 investment professionals, have adopted a generalist sector-agnostic approach investing in growth stage companies looking for scale-up capital. Since 2010 the Guinness EIS Services have successfully exited more than 70 private and AIM-listed EIS qualifying companies (including 11 private businesses exited through trade sales) and returned over £95 million to investors via these exits.

Guinness plans to continue its growth over the coming years, with its VCT and EIS Services being a core part of that expansion. Guinness has visibility of hundreds of exciting companies that are looking for growth capital in the UK each year making it well placed to act as Manager for the VCT. Guinness will carefully vet new opportunities as well as existing, high-performing portfolio companies for investment by the Company, sometimes co-investing with its EIS portfolios.

Investment Management Team

The Manager has an experienced and talented core team that will support the Company in making solid investment decisions and monitoring and supporting portfolio companies, each in accordance with the Company's published investment policy. This core team will draw on the wider members of the Manager's group. This approach reduces reliance on a single individual, and ensures the experience to make high quality, well evidenced investment decisions that align with the published investment policy of the Company. The investment management team is as follows:



Shane Gallwey CFA
Head of Ventures

Shane set up the Guinness Ventures team in 2010, having previously worked for Northland Capital Partners, where his focus was on advising growth companies. From 2002 to 2006 Shane was based in Gibraltar with Trafalgar Financial Futures. In 1996 he joined HSBC Investment Bank where he worked in the Telecoms & Technology Team. Shane has a Master's degree from the University of Edinburgh and is a CFA Charterholder.



Dr Malcolm King
Fund Manager

Malcolm joined the Guinness Ventures team as a Fund Manager in October 2013. Prior to joining Guinness, Malcolm worked for the Carbon Trust and its subsidiary CT Investment Partners where he led or managed transactions in the cleantech and renewables sector. From 2006 to 2008 Malcolm worked as a Consultant for Angle Technology plc where he was heavily involved in the management of the Carbon Trust Angle Incubator, the leading cleantech incubator of its kind in Europe. Malcolm has a PhD in Physical Chemistry from Cambridge University and a BSc (Hons) in Chemistry from the University of Pretoria.



Bridget Hallahane
Portfolio Manager

Bridget joined the Guinness Ventures team to lead the portfolio management function. Previously she worked as the Chief Financial Officer at Active Partners who focus on investment in high growth SMEs. During this time, she developed both the finance and portfolio management function. For 12 years she worked at PricewaterhouseCoopers across a range of teams including assurance, transaction services and business recovery. Bridget has international experience across a broad range of sectors and size of companies. She graduated from University College London and is a qualified as a Chartered Accountant.



Hugo Vaux
Fund Manager

Hugo joined the Guinness Ventures team in October 2012 and works across the private and AIM-focused EIS and IHT funds. Before joining Guinness, he worked at SandAire multi-family office undertaking macro-economic analysis in the investment team. He has previously gained corporate finance experience at Lend Lease and investment experience at Aldersgate Investment Managers. He has an MSc in Finance and Investment from the University of Bristol and a BA in Economics from the University of Exeter.



Ashley Abrahams
Fund Manager

Ashley joined the Guinness Ventures team in 2018 as a Fund Manager. Prior to joining Guinness Asset Management, Ashley gained experience working for CBPE Capital and CIL Management Consultants. He has worked with companies in a range of sectors and has a focus on helping develop and support growth strategies for SMEs. Ashley graduated from the University of Cambridge and has a joint honours MA (Cantab.) in Management Studies and History. In 2018 Ashley completed an MBA with the Quantic School of Business and Technology, a disruptive learning platform. Outside of work Ashley represents England and Great Britain at Match Rifle.



Sabina Pasha
Associate

Sabina joined Guinness Ventures in 2021 and works as an Associate in the Ventures team. Prior to joining Guinness, Sabina completed her ACA qualification at BDO in their Transaction Services team. During this time, she completed financial due diligence on mid-sized businesses, working on a number of private transactions as well as preparing capital markets reports for IPOs. Sabina graduated from the University of Warwick with a degree in History in 2016 and qualified as a Chartered Accountant with BDO in 2019.



Adam Barker
Associate

Adam is responsible for sourcing, screening, structuring, and managing the due diligence of investment opportunities for the Guinness Ventures fund. Prior to joining Guinness in 2018, Adam completed internships in various financial services roles including venture capital and equity analysis. Adam graduated in 2016 from UWE Bristol with a degree in Mathematics.



James Fox
Associate

James joined as an Associate in the Guinness Ventures team in July 2021, working both within the portfolio management and investment teams. Coming from a physics background, James enjoys finding and working with businesses which use Artificial Intelligence and machine learning to innovate and push the boundaries of today's tech. He works with a diverse portfolio of companies, ranging from software businesses within advertising, sport and education through to food and drink. James graduated from the University of Nottingham, with a Master's Degree in Physics & Astronomy and is a Chartered Accountant.



George Whear
Analyst

George joined as an Analyst in the Guinness Ventures team in 2022, working on the Guinness AIM EIS and Guinness EIS services. George graduated with a First Class Degree in History from the University of Durham and gained experience with an internship in venture capital.



Will Clark
Business Development

Will is responsible for distributing the Guinness suite of tax advantaged investments. His focus is managing and growing our relationships with intermediaries including financial advisers, wealth managers and private banks across the UK. He also works closely with our investor relations and operations team to ensure investors and advisers received a high standard of service throughout the life of their investment. Prior to joining Guinness in 2019 he has worked at Mariana Capital, The Ingenious Group, Barclays Wealth and UBS Wealth. He holds a B.A (Hons) degree in Philosophy and Economics from the University of Southampton.

Geri Jacks
Marketing

Geri is the head of Ventures Marketing and joined in February 2022. She has specialised in financial services for the last 15 years within wealth management, investment management, structured products, prime broking, wealth technology and clearing. Prior to joining Guinness, Geri worked at Panmure Gordon, GPP Group and Walker Crips Structured Investments.



Tim Guinness
Founder and Chair

Tim has over 35 years' investment experience. He founded Guinness Flight Global Asset Management Limited in 1987 and was CEO (or joint CEO) from 1987 to 1999 and a portfolio manager of the Global Equity Fund. After Investec acquired Guinness Flight in 1998, he was Chairman of the company during the transition into Investec, as well as lead manager of the Investec Global Energy Fund. In 2003 he left Investec to set up Guinness Global Investors, which was appointed the outsource manager of Investec Global Energy Fund. Tim graduated from Cambridge University with a degree in engineering. He then completed a Master's Degree in Management Science at the Sloan School M.I.T. in the United States.



Edward Guinness
Chief Executive

Prior to joining Guinness, Edward worked from 2002 as a merger arbitrage analyst for the Arbitrage Associates Fund at the Tiedemann Investment Group in New York. In 1998 he joined HSBC Investment Bank, where he worked in the Corporate Finance Department in the Energy & Utilities Team and in the Telecoms & Technology Team. Edward graduated from the University of Cambridge with a Master's degree in Engineering and Management Studies.

Expenses and Administration

Commissions

Commission may be paid to intermediaries in respect of Execution only clients. An initial commission of 2.5% will be payable by the Manager out of the Initial Fee, and, provided that the intermediary continues to act for the Investor and the Investor continues to be the beneficial owner of the Shares, the Company may pay ongoing commission to intermediaries up to 0.5% per annum of the net asset value of a Share for a period of up to eight years.

Adviser Charges

A fee will usually be agreed between a financial adviser and an Investor for the advice ("Adviser Charge"). This fee can either be paid directly by the Investor or, up to 4.5% of the Application Amount by the Investor, can be facilitated by the Company. If the payment is to be facilitated by the Company, then the Investor is required to specify this amount on the Application Form. The Investor will be issued fewer Shares (to the equivalent value of the Adviser Charge) through the Pricing Formula.

Initial Fee

Guinness will charge the Company an Initial Fee, for its role as promoter as follows:

- for direct investors and Execution-only investors, 5.5% (plus VAT, if applicable) of the Application Amount; and
- for investors receiving financial advice, 3% of the Application Amount,

An Early Bird Discount of 1% will be deducted from the Initial Fee for all accepted valid applications that are submitted with appropriate payment and are received by 31 January 2023.

Investment management and administration

Guinness is paid an annual investment management fee of 2.0% of Net Asset Value (plus VAT if applicable). The fee is payable quarterly in arrears.

The Company is responsible for its normal third-party costs including (without limitation) listing fees, audit and taxation services, legal fees, sponsor fees, registrars' fees, receiving agent fees, Directors' fees and other incidental costs. The Directors anticipate that the total Annual Running Expenses will be approximately 3.5% of Net Asset Value per annum. In any event Guinness has agreed to cap the total Annual Running Expenses to a maximum of 3.5% of Net Assets and any excess above this will be borne by Guinness.

A maximum of 75% of the Company's management expenses will be capable of being charged against capital reserves with the balance charged against revenues.

Transaction Fees

Guinness is entitled to charge the underlying portfolio companies fees for arrangement, structuring, monitoring of board directors and, to the extent that other services are provided, additional fees may be agreed. For the avoidance of doubt, these fees are not borne by the Company. Subject to FCA inducement and conflict of interest rules, fees may be paid to introducers in respect of the introduction of transactions.

Performance Fee

The Manager will be incentivised with a Performance Fee in the event that returns exceed a hurdle. This fee is set at 20% of dividends paid (or other returns of capital) in a financial year in which the Total Return is above the Hurdle. The Performance Fee will be due on both ordinary and special dividends.

For the Hurdle to be met, the Shares must achieve a Total Return (based on audited year end results) in excess of £1.00 for the year ending 31 March 2024. For each subsequent year the Hurdle increases by 3p per annum such that for the year ending 31 March 2025 the Hurdle will be £1.03, for the year ending 31 March 2026 the Hurdle will be £1.06 and so on.

The Directors believe that the performance fee structure aligns the interests of the Manager with the Shareholders and incentivises the Manager to make distributions as high and as soon as possible.

PART 5 THE OFFER

Reasons for the Offer

The Offer has been launched to provide Investors with the opportunity to invest in a company with exposure to high-growth portfolio companies with the benefit of VCT tax reliefs. The Company will use the proceeds of the Offer to invest in growing businesses in accordance with its stated investment policy, for general working capital purposes and to cover the costs of the Offer.

Number of Shares to be issued

The number of Shares to be issued to each Investor will be calculated by reference to the latest published NAV per Share and determined by the following Pricing Formula (rounded down to the nearest whole number of Shares):

Number of Shares = Application Amount less (i) Initial Fee and (ii) Adviser Charges (if any), divided by the latest published NAV per Share*.

* Assumed to be 100p per Share or last published NAV per Share, if any, such revised NAV is announced during the Offer

For example, if an advised investor subscribes £10,000 under the Offer, agrees a fee with their adviser of £300 (resulting in an Initial Fee of 3% being payable by the Company to the Promoter), and the NAV per Share at the time of allotment is £1, they will receive 9,400 Shares (i.e. $\frac{£10,000 - (£300 + £300)}{£1.00} = 9,400$ Shares).

For Investors whose applications are accepted after the first allotment of Shares has been made, the NAV per Share at the time of allotment may be higher or lower than £1.00 and the number of Shares they would receive would be adjusted accordingly on the basis of the Pricing Formula set out above.

Subject to any applicable Early Bird Discount, the Initial Fee is 5.5% of the Application Amount for applications received from Direct Investors and Execution-only Investors and 3.0% for applications introduced through a Financial Adviser.

The Initial Fee is not payable by investors, but by the Company. However, the Initial Fee will be reflected in the price per Share paid by investors as a result of a reduction in the number of Shares issued to them in proportion to the amount of the Initial Fee that is applicable to their application, in accordance with the Pricing Formula set out above. The Promoter may agree to reduce the Initial Fee in whole or in part in respect of specific Investors.

By way of example as to the application of the Pricing Formula:

Example 1 – Direct Investor

A direct investor subscribes £10,000 under the Offer. An Initial Fee of 5.5% is payable. There are no Adviser Charges.

Number of Shares issued = $(£10,000 - £550 - £0) / £1.00 = 9,450$ Shares

Example 2 – Direct Investor with 1% Early Bird Discount

A direct investor subscribes £10,000 under the Offer. With an Early Bird Discount, an Initial Fee of 4.5% is payable. There are no Adviser Charges.

Number of Shares issued = $(£10,000 - £450 - £0) / £1.00 = 9,550$ Shares

Example 3 – Execution-only Investor

An investor through an Execution-only broker subscribes £10,000 under the Offer. An Initial Fee of 5.5% is payable which includes 2.5% initial commission that the broker chooses to waive in favour of the Investor. There are no Adviser Charges.

Number of Shares issued = $(£10,000 - £300 - £0) / £1.00 = 9,700$ Shares

Example 4 – Advised Investor

An advised investor subscribes £10,000 under the Offer. An Initial Fee of 3.0% is payable, and an Adviser Charge of 3.0% is facilitated.

Number of Shares issued = $(£10,000 - £300 - £300) / £1.00 = 9,400$ Shares

Allotment, dealings and settlement

Application will be made to the Financial Conduct Authority for the Ordinary Shares in issue and to be issued pursuant to the Offer to be admitted to the premium segment of the Official List and to trading on the London Stock Exchange's main market for listed securities.

Subject to the receipt of the Minimum Subscription by the Company, it is intended that an initial allotment of Ordinary Shares will be made on or around 31 January 2023. Successful Applicants will be notified by post. Dealings may commence prior to notification.

Dealings are expected to commence within 10 Business Days of each allotment.

Ordinary Shares will be issued in registered form and will be freely transferable in both certificated and uncertificated form and it is anticipated that definitive share certificates will be issued within 10 Business Days of each allotment.

Ordinary Shares will be capable of being transferred by means of the CREST system. Investors who wish to take account of the ability to trade their Ordinary Shares in uncertificated form (and who have access to a CREST account) may arrange through their professional adviser to convert their holding into dematerialised form.

The Offer may not be withdrawn after dealings in the Ordinary Shares have commenced. In the event of any requirement for the Company to publish a supplementary prospectus, Applicants who have yet to be entered into the Company's register of members will be given two days to withdraw from their subscription. Applicants should note, however, that such withdrawal rights are a matter of law that is yet to be tested in the courts of England and Wales and applicants should, therefore, rely on their own legal advice in this regard. In the event that notification of withdrawal is given by post, such notification will be effected at the time the Applicant posts such notification rather than at the time of receipt by the Company.

ISAs

The Ordinary Shares will, following Admission, be "qualifying investments" for the stocks and shares component of an ISA (subject to applicable subscription limits) provided that they have been acquired by purchase in the market (which, for these purposes, will include any Ordinary Shares acquired directly under the Offer). Save where Ordinary Shares are being acquired using available funds in an existing ISA, an investment in Ordinary Shares by means of an ISA is subject to the usual annual subscription limits applicable to new investments into an ISA. Individuals wishing to hold their Ordinary Shares in an ISA should contact their professional advisers regarding their eligibility.

Profile of Typical Investor

A typical Investor for whom the Company is designed is a retail investor and/or sophisticated investor and/or high net-worth individual who is a UK tax resident with sufficient income and capital available to be able to commit to an investment for over 5 years and who is attracted by the expected income tax relief available for a VCT investment.

Fees, charges and pricing of the Offer

Commission

Commission is permitted to be paid to authorised financial intermediaries under the rules of the Financial Conduct Authority in respect of execution only clients where no advice or personal recommendation has been given. Such authorised financial intermediaries who, acting on behalf of their clients, return valid Application Forms bearing their stamp and Financial Conduct Authority number will usually be entitled to an initial commission of 2.5% in respect of the Shares allocation for each such Application Form. Provided that the intermediary continues to act for the Investor and the Investor continues to be the beneficial owner of the Shares, the Company may pay ongoing commission to intermediaries up to 0.5% per annum of the net asset value of a Share for a period of up to eight years.

Adviser Charge

Commission is generally not permitted to be paid to Financial Advisers who provide a personal recommendation to UK retail clients on investments in VCTs. Instead of commission being paid by the Company, a fee of up to 4.5% will usually be agreed between the adviser and Investor for the advice and related services ("Adviser Charge"). This fee can either be paid directly by the Investor to the intermediary or, if it is a one-off fee, the payment of such fee may be facilitated by the Company. The Investor is required to specify the amount of the charge on the Application Form.

Initial Fee

Guinness will charge the Company the Initial Fee, for its role as promoter, of:

- for direct investors and Execution-only investors, 5.5% (plus VAT, if applicable) of the Application Amount; and
- for investors receiving financial advice, 3% of the Application Amount.

An Early Bird Discount of 1% will be deducted from the Initial Fee for all accepted valid applications that are submitted with appropriate payment and are received by 31 January 2023. The Initial Fee is paid by the Company and not the investor, but the amount of the Initial Fee will adjust the number of Shares issued to an investor under the Offer in accordance with the Pricing Formula described on pages 45 and 46.

The fee structure is based on the relevant applicable rules of the FCA and HMRC as they apply at the date of this document. In the event that there is a change in these rules that affect this fee structure, the Directors reserve the right to make amendments to the fee structure outlined in this document.

PART 6

TAXATION

The following information is only a summary of the current law concerning the tax position of individual Qualifying Subscribers in VCTs. Therefore, potential Investors are recommended to consult a duly authorised financial adviser (and, where appropriate, an accountant or tax adviser) as to the taxation consequences of an investment in the Company. All tax reliefs referred to in this document are UK tax reliefs dependent on companies maintaining their VCT qualifying status. Tax relief may be subject to change and will depend on individual circumstances.

Taxation of a VCT

VCTs are exempt from corporation tax on chargeable gains, with no restriction on the distribution of realised capital gains by a VCT, subject to the requirements of company law. VCTs will be subject to corporation tax on their income (generally excluding dividends received from UK companies) after deduction of attributable expenses.

Qualification as a VCT

To qualify as a venture capital trust, a company must be approved as such by HMRC. To maintain approval, the conditions summarised below must continue to be satisfied throughout the life of the VCT:

- i. (after its first accounting period) the VCT's income must have been derived wholly or mainly from shares and securities (in the case of securities issued by a company, meaning loans with a five-year or greater maturity period);
- ii. (after its first accounting period) no holding in a company (other than a VCT or a company which would, if its shares were listed, qualify as a VCT) by the VCT may represent more than 15%, by value, of the VCT's total investments at the time of investment;
- iii. (after its first accounting period) the VCT must not have retained more than 15% of the income derived from shares or securities in any accounting period;
- iv. the VCT must not be a close company. Its ordinary share capital must be listed on the main list of the London Stock Exchange or a regulated European market by no later than the beginning of the accounting period following that in which the application for approval is made;
- v. (from the beginning of the accounting period during which the third anniversary of the issue of Shares falls) at least 80%, by value, of its investments is represented by shares or securities comprising Qualifying Investments. Funds raised by a further share issue are disregarded in judging whether this condition has been met for accounting periods ending no later than three years after the new issue;
- vi. at least 30% of the funds from those share issues must be invested in qualifying holdings by the anniversary of the end of the accounting period in which those shares were issued;
- vii. (from the beginning of the accounting period during which the third anniversary of the issue of Shares falls) for funds included in the requirement at (v) above, at least 70%, by value, of the VCT's Qualifying Investments must be in "eligible shares", that is shares which carry no preferential rights to assets on a winding up and no rights to be redeemed although they may have certain preferential rights to dividends so long as those rights are non-cumulative and are not subject to discretion;
- viii. the VCT must not make an investment in a company which causes that company to receive more than £5 million of State Aid investment in the 12 months ending on the date of the investment (no more than £10 million for a Knowledge Intensive Company);
- ix. the VCT must not return capital to shareholders (or make any payment from share capital or share premium) before the third anniversary of the end of the accounting period during which the subscription for shares occurs;
- x. no investment can be made by the VCT into a company which causes that company to receive more than £12 million (£20 million if the company is deemed to be a Knowledge Intensive Company) of State Aid investment (including from VCTs) over the company's lifetime. A subsequent acquisition by the company of another company that has previously received Risk Finance State Aid can cause the lifetime limit to be exceeded in certain circumstances;

- xi. no investment can be made by the Company in a company whose first commercial sale was more than 7 years prior to date of investment, (10 years from the first commercial sale or the end of the accounting period where revenue first exceeded £200,000 for a Knowledge Intensive Company) except where previous Risk Finance State Aid was received by the company within 7 years of it commencing to trade commercially (10 years from the first commercial sale or the end of the accounting period where revenue first exceeded £200,000 for a Knowledge Intensive Company) or where the company is entering a new product market or new geographic market and a turnover test is satisfied;
- xii. no funds received from an investment into a company can be used to acquire shares in another company nor another existing business or trade nor any intellectual property or goodwill previously employed in a trade; and
- xiii. the VCT must not make a non-Qualifying Investment other than those specified in section 274 ITA 2007.

“Qualifying Investments” comprise shares or securities (including some loans with a five year or greater maturity period but excluding guaranteed loans and securities) issued by unquoted trading companies which exist wholly or mainly for the purpose of carrying on one or more qualifying trades. Companies on the AIM market of the London Stock Exchange, or on another Qualifying Exchange, are treated as unquoted companies. The trade must be carried on by, or be intended to be carried on by, the investee company or a qualifying subsidiary at the time of the issue of the shares or securities to the VCT (and by such company or by any other subsidiary in which the investee company has not less than a 90% interest at all times thereafter). A company intending to carry on a qualifying trade must begin to trade within two years of the issue of shares or securities to the VCT and continue it thereafter. The definition of a qualifying trade excludes dealing in property, shares, securities, commodities or futures. It also, amongst other things, excludes banking, insurance, receiving royalties or licence fees in certain circumstances, leasing, the provision of legal and accounting services, farming and market gardening, forestry and timber production, property development, shipbuilding, coal and steel production, operating or managing hotels or guest houses, generation of any form of energy, production of fuel, nursing and residential care homes. The funds raised by the investment must be used for the purposes of the qualifying trade within certain time limits.

A qualifying investment can also be made in a company which is a parent company of a trading group where the activities of the group, taken as a whole, consist of carrying on one or more qualifying trades. Investee companies must have a permanent establishment in the UK. The investee company cannot receive more than £5 million (subject to UK legislation £10 million for a Knowledge Intensive Company) from VCTs or other State Aid investment sources during the 12-month period which ends on the date of the VCT's investment. The investee company's gross assets must not exceed £15 million immediately prior to the investment and £16 million immediately thereafter. The investee company must have fewer than 250 employees or 500 employees in the case of a Knowledge Intensive Company. Neither the VCT nor any other company may control the investee company, nor can the investee company control any company which is not a qualifying subsidiary. The investee company cannot be in financial difficulty. At least 10% of the VCT's total investment in the investee company must be in eligible shares, as described above. The company cannot receive more than £12 million (£20 million if the company is deemed to be a Knowledge Intensive Company) of State Aid investment (including from VCTs) over the company's lifetime. The company's first commercial sale must be no more than 7 years (10 years from the first commercial sale or the end of the accounting period where revenue first exceeded £200,000 for a Knowledge Intensive Company) prior to the date of the VCT's investment, except where previous Risk Finance State Aid was received by the company within 7 years (10 years from the first commercial sale or the end of the accounting period where revenue first exceeded £200,000 for a Knowledge Intensive Company) or where the company is entering a new product market or new geographic market and a turnover test is satisfied. Funds received from an investment by a VCT cannot be used to acquire shares in another company nor another existing business or trade.

Companies whose shares are traded on AIM are treated as unquoted companies for the purposes of calculating qualifying investments. Shares in an unquoted company which subsequently becomes listed may still be regarded as a qualifying investment for a further five years following listing, provided all other conditions are met.

The risk-to-capital condition introduced in Finance Act 2018 requires that a Qualifying Company has long term growth plans and that the investment made by the VCT is at risk.

Tax reliefs for individual Investors

In order to benefit from the tax reliefs outlined below, individuals who subscribe must be aged 18 or over.

Relief from Income Tax

Relief from income tax of 30% will be available on subscriptions for shares in a VCT, subject to the Qualifying Limit (currently £200,000 in each tax year). The relief, which will be available in the year of subscription, cannot exceed the amount which reduces the income tax liability of the Qualifying Subscriber in that year to nil. Relief may not be available if there is a loan linked with the investment. Relief will not be available, or, where given, will be withdrawn, either in whole or in part, where there is any disposal (except on death) of the shares (or of an interest in them or right over them) before the end of the period of five years beginning with the date on which the shares were issued to the Qualifying Subscriber.

Relief is restricted or not available where a Subscriber disposes of shares in the same VCT (or in another VCT which is known to be merging with the VCT) within six months of their subscription, whether the disposal occurs before or after the subscription.

Income tax relief is available on the Investment Amount (including the amounts used to pay the Initial Fee but not including the amount of the Adviser Charge settled by the Company through the Receiving Agent prior to subscription for Shares), subject to VCT Rules, personal circumstances and changes in the availability of tax reliefs.

Dividend Relief

Any Qualifying Subscriber, who has acquired shares in a VCT of a value of no more than £200,000 in any tax year, will not be liable for UK income tax on any dividends paid out on those shares by the VCT. There is no withholding tax on dividends.

Capital Gains Tax Relief

A disposal by a Qualifying Subscriber of his or her shares in a VCT will give rise to neither a chargeable gain nor an allowable loss for the purposes of UK capital gains tax. This relief is limited to the disposal of shares acquired within the £200,000 limit for any tax year.

Loss of Tax Reliefs

Relief from corporation tax on capital gains will be withdrawn should a company that has been granted approval or provisional approval as a VCT fails to maintain the conditions required to keep its qualifying status. After such a status is lost, all gains will fail to benefit from tax exemption.

For investors, loss of VCT status could result in:

- claw-back of the 30% tax relief previously obtained on the subscription for new VCT shares;
- any payments of dividends made by the company during the accounting period in which the company loses VCT status, and thereafter, being subject to income tax; and
- a liability to tax on capital gains as would normally occur on the disposal of shares, except for any part of the gain that could be attributed to the time when the company had VCT status.

Qualifying Investors investing in a company that has provisional approval as a VCT, but fails to obtain full unconditional approval as a VCT may experience the following consequences:

- claw-back of the 30% tax relief previously obtained on the subscription for new VCT shares and interest on any overdue tax;
- any payments of all dividends by the company being subject to income tax; and
- any gain from the disposal of any shares being subject to capital gains tax and losses on the shares being allowable losses for capital gains tax purposes.

The impact of the death of an investor

Initial Income Tax

Should any investor die having made an investment in a VCT, the transfer of shares on his or her death will not be viewed as a disposal of shares and so there will not be any claw-back of the income tax relief obtained on the subscription for those shares. However, the shares transferred will become part of the estate of the deceased for inheritance tax purposes.

Tax implications for the beneficiary

The beneficiary of any VCT shares inherited from a deceased investor will continue to be entitled to tax-free dividends and tax-relief on disposal, provided the beneficiary is at least 18 years of age and acquires the shares within their annual £200,000 limit but will not be entitled to any initial income tax relief because they have not subscribed for those shares.

The impact of a transfer of shares between spouses

As it is not deemed a disposal of shares, any transfer of shares between spouses will continue to benefit from all tax reliefs.

General

Investors not residing in the UK

Investors who are not resident in the UK or who may become a non-resident should seek their own professional advice as to the consequences of making an investment in a VCT, as they may be subject to tax in other jurisdictions as well as in the UK.

Stamp Duty and Stamp Reserve Tax

No stamp duty or stamp duty reserve tax is payable on the issue of shares. The transfer on the sale of shares is usually liable to *ad valorem* stamp duty or stamp duty reserve tax. Such duties would be payable by the individual who purchases the shares from the original subscriber.

Purchasing shares after listing

Any qualifying purchaser of existing VCT shares, rather than new VCT shares, will not qualify for income tax relief on investments, but may be able to receive exemption from tax on dividends and capital gains tax on disposal of his or her VCT shares if those shares are acquired within the investor's annual £200,000 limit.

The information in this Part 6 is based on current legislation, including taxation legislation. The tax legislation of the UK and of any other jurisdiction to which an Investor is subject may have an impact on the income received from the securities. The tax reliefs described are those currently available. Levels and bases of, and relief from taxation are subject to change and such change could be retrospective.

PART 7

ADDITIONAL INFORMATION

1. The Company

- 1.1 The Company was incorporated and registered in England and Wales on 7 July 2022 under the name Guinness VCT plc with registered number 14220882 as a public company limited by shares under the Act. The principal legislation under which the Company operates is the Act. The legal and commercial name of the Company is Guinness VCT plc.
- 1.2 On 3 October 2022 the Company gave notice to the Registrar of Companies of its intention to carry on business as an investment company under section 833 of the Act. On 12 October 2022 the Registrar of Companies issued the Company with a trading certificate under section 761 of the Act.
- 1.3 The Company has not traded since incorporation. The Company is domiciled in England. The LEI of the Company is 213800XCDAOPJBNOI483.

2. Share capital

- 2.1 The Company was incorporated with one ordinary share issued fully paid to the subscribers to the memorandum of the Company ("**the Subscriber Shares**") which is held by HK Nominees Limited.
- 2.2 By ordinary and special resolutions passed on 3 October 2022:

Ordinary Resolution

- 2.2.1 the Directors were generally and unconditionally authorised in accordance with section 551 of the Act to exercise all the powers of the Company to allot shares in the Company or to grant rights to subscribe for or to convert any security into shares in the Company. This power was limited to the allotment of relevant securities up to an aggregate nominal amount of £500,000;

Such authority was to expire on the later of 15 months from the date of the resolution or the next annual general meeting of the Company (unless previously revoked, varied or extended by the Company in general meeting);

Special Resolutions

- 2.2.2 that, subject to the passing of the resolution referred to in paragraphs 2.2.1 above, the Directors were empowered (pursuant to section 570(1) of the Act) to allot or make offers or agreements to allot equity securities (as defined in section 560(1) of the Act) for cash pursuant to the authority referred to in paragraph 2.2.1 above as if section 561 of the Act did not apply to any such allotment, such power to expire at the conclusion of the Company's next annual general meeting, or on the expiry of 15 months following the passing of the resolution, whichever was the later (unless previously renewed or extended by the Company in general meeting). This power was limited to the allotment of equity securities in connection with:
 - 2.2.2.1 the allotment of equity securities in connection with the issue of 50,000 Redeemable Preference Shares of £1 each in the capital of the Company;
 - 2.2.2.2 the Offer;
 - 2.2.2.3 an offer of equity securities by way of rights; and
 - 2.2.2.4 otherwise than pursuant to paragraphs 2.2.2.1 to 2.2.2.3, an offer of equity securities up to an aggregate nominal amount of 20% of the issued ordinary share capital of the Company immediately following closing of the Offer;
- 2.2.3 the Company adopted new articles of association, details of which are set out in paragraph 3 below.
- 2.2.4 that, the Directors were authorised to make one or more market purchases (within the meaning of section 693(4) of the Act) of Ordinary Shares provided that:
 - 2.2.4.1 the maximum aggregate number of Ordinary Shares authorised to be purchased is an amount equal to 14.99% of the issued ordinary share capital of the Company following the Offer;

2.2.4.2 the minimum price which can be paid for an Ordinary Share is £0.01;

2.2.4.3 the maximum price which can be paid for an Ordinary Share, exclusive of expenses, is the higher of (i) an amount equal to 105% of the average of the middle market prices shown in the quotations for an Ordinary Share in the Daily Official List of the London Stock Exchange for the five Business Days immediately preceding the day on which that Ordinary Share is purchased and (ii) the amount stipulated by Article 5(6) of the Market Abuse Regulation; and

2.2.4.4 unless renewed, the authority thereby conferred was to expire either at the conclusion of the next annual general meeting of the Company or on the expiry of 15 months from the passing of this resolution, whichever is the later to occur, save that the Company may, prior to such expiry, enter into a contract to purchase Ordinary Shares which will or may be completed or executed wholly or partly after such expiry;

2.2.5 subject to approval by the High Court of Justice, the amount standing to the credit of the share premium account of the Company at the date an order is made confirming such cancellation by the Court will be cancelled.

2.3 On 3 October 2022, 50,000 Redeemable Preference Shares in the Company were allotted and issued to Guinness VCT plc and paid up as to one-quarter so as to enable the Company to obtain a certificate under section 761 of the Act. Once fully paid up and upon the Minimum Subscription being reached, the Redeemable Preference Shares will be redeemed by the Company out of the proceeds of the Offer. Each of the Redeemable Preference Shares which is redeemed shall automatically be cancelled.

2.4 Save as disclosed in paragraphs 2.1 and 2.3, since the date of its incorporation, no share or loan capital of the Company or any subsidiary has been issued or agreed to be issued, or (except pursuant to the Offer) is now proposed to be issued, for cash or any other consideration. No commissions, discounts, brokerages, or other special terms have been granted by the Company in connection with the issue or sale of any share or loan capital since its incorporation.

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

2.6 The Shares will be in registered form and temporary documents of title will not be issued. The ISIN of the Ordinary Shares is GB00BQD0HG35 and the SEDOL code is BQD0HG3.

2.7 The issued share capital of the Company, assuming full subscription under the Offer by Investors through an execution-only platform and with the over-allotment facility fully utilised, will be as follows:

<i>Issued Ordinary Shares of £0.01 each</i>	
<i>Number</i>	<i>Nominal Value</i>
28,350,000	£283,500

2.8 The Company will be subject to the continuing obligations of the Financial Conduct Authority and the London Stock Exchange with regard to the issue of securities for cash and the provisions of section 561 of the Act (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 Company to the extent any such issues are not subject to the dis-application referred to in sub-paragraph 2.2.2 above.

3. Articles of Association

3.1 The articles of association of the Company provide that its principal object is to carry on the business of a Venture Capital Trust and that the liability of members is limited.

3.2 The articles of association of the Company, which were adopted by special resolution on 3 October 2022, contain, *inter alia*, provisions to the following effect:

3.2.1 Voting Rights

Subject to any disenfranchisement as provided in paragraph 3.2.5 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 being a corporation, present by 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 Shares shall rank *pari passu* as to rights to attend and vote at any general meeting of the Company.

3.2.2 Rights Attaching to the Redeemable Preference Shares

Each of the Redeemable Preference Shares carries the right to a fixed, cumulative, preferential, dividend of 0.1% per annum (exclusive of any imputed tax credit available to shareholders) on the nominal amount thereof, but confers no right to vote except as otherwise agreed by the holders of a majority of the Shares. On a winding-up, the Redeemable Preference Shares confer the right to be paid the nominal amount paid on such shares. The Redeemable Preference Shares are redeemable at any time by the Company and by the holder at any time after the Minimum Subscription is raised under the Offer. Each Redeemable Preference Share which is redeemed, shall, thereafter, be cancelled without further resolution or consent.

3.2.3 Transfer of Shares

The Ordinary Shares are in registered form and will be freely transferable. All transfers of Ordinary Shares must be effected by a transfer in writing in any usual form or any other form approved by the Directors. The instrument of transfer of an Ordinary Share shall be executed by or on behalf of the transferor and, in the case of a partly paid share by or on behalf of the transferee. The Directors may refuse to register any transfer of a partly paid Share, provided that such refusal does not prevent dealings taking place on an open and proper basis and may also refuse to register any instrument of transfer unless:

3.2.3.1 it is duly stamped (if so required), is lodged at the Company's registered office or with its registrars or at such other place as the Directors may appoint and is accompanied by the certificate for the shares to which it relates and such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer;

3.2.3.2 it is in respect of only one class of share; and

3.2.3.3 the transferees do not exceed four in number.

3.2.4 Dividends

The Company may in general meeting by ordinary resolution declare dividends in accordance with the respective rights of the members, provided that no dividend shall be payable in excess of the amount recommended by the Directors. The Directors may pay such interim dividends as appear to them to be justified. No dividend or other monies payable in respect of an Ordinary Share shall bear interest as against the Company. There are no fixed dates on which entitlement to a dividend arises.

All dividends unclaimed for a period of twelve years after being declared or becoming due for payment shall be forfeited and shall revert to the Company.

3.2.5 Disclosure of Interest in Ordinary Shares

If any member or other person appearing to be interested in shares of the Company is in default after the date of service of a notice requiring such member or other person to supply to the Company in writing all or any such information as is referred to in section 793 of the Act within the time period specified by such notice, the Directors may, for such period as the default shall continue, impose restrictions upon the relevant shares.

The restrictions available are the suspension of voting or other rights conferred by membership in relation to meetings of the Company in respect of the relevant shares and additionally in the case of a shareholder representing at least 0.25% by nominal value of any class of shares of the Company then in issue, the withholding of payment of any dividends on, and the restriction of transfer of, the relevant shares.

3.2.6 Distribution of Assets on Liquidation

On a winding-up, any surplus assets of the Company will be divided amongst the holders of its Shares according to the respective numbers of Shares held by them in the Company and in accordance with the provisions of the Act, subject to the rights of any shares which may be issued with special rights or privileges. The Company's articles of association provide that the liquidator may, with the sanction of a resolution and any other sanction required by the Act, divide amongst the members in specie the whole or any part of the assets of the Company in such manner as he may determine.

3.2.7 Changes in Share Capital

- 3.2.7.1 Without prejudice to any rights attaching to any existing shares, any share may be issued with such rights or restrictions as the Company may by ordinary resolution determine or in the absence of such determination, as the Directors may determine. Subject to the Act, the Company may issue shares, which are, at the option of the Company or the holder, liable to be redeemed.
- 3.2.7.2 The Company may by ordinary resolution increase its share capital, consolidate and divide all or any of its share capital into shares of larger amount, sub-divide its shares or any of them into shares of smaller amounts, or cancel or reduce the nominal value of any shares which have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount so cancelled or the amount of the reduction.
- 3.2.7.3 Subject to the Act, the Company may by special resolution reduce its share capital, any capital redemption reserve and any share premium account, and may also, subject to the Act (and to any rights for the time being attached to any shares of the Company), purchase its own shares.

3.2.8 Variation of Rights

Whenever the capital of the Company is divided into different classes of shares, the rights attached to any class may (unless otherwise provided by the terms of issue of that class) be varied or abrogated either with the consent in writing of the holders of not less than 75% of the nominal amount of the issued shares of that class or with the sanction of a resolution passed at a separate meeting of such holders.

3.2.9 Directors

Unless and until otherwise determined by the Company in general meeting, the number of Directors shall not be less than two nor more than six. The continuing Directors may act notwithstanding any vacancy in their body, provided that, if the number of the Directors be less than the prescribed minimum, the remaining Director or Directors shall forthwith appoint an additional Director or additional Directors to make up such minimum or shall convene a general meeting of the Company for the purpose of making such appointment.

Any Director may in writing under his hand appoint (a) any other Director, or (b) any other person who is approved by the Board of Directors as hereinafter provided, to be his alternate. A Director may at any time revoke the appointment of an alternate appointed by him. Every person acting as an alternate Director shall be an officer of the Company, and shall alone be responsible to the Company for his own acts and defaults, and he shall not be deemed to be the agent of or for the Director appointing him.

Subject to the provisions of the Act, the Directors may from time to time appoint one or more of their body to be managing director or joint managing directors of the Company, or to hold such other executive office in relation to the management of the business of the Company as they may decide.

A Director of the Company may continue to be or become a Director or other officer, servant or member of any company promoted by the Company or in which it may be interested as a vendor shareholder, or otherwise, and no such Director shall be accountable for any remuneration or other benefits derived as director or other officer, servant or member of such company.

The Directors may from time to time provide for the management and transaction of the affairs of the Company in any specified locality, whether at home or abroad, in such manner as they think fit.

3.2.10 Directors' Interests

- 3.2.10.1 A Director who is in any way, directly or indirectly, interested in a transaction or arrangement with the Company shall, at a meeting of the Directors, declare, in accordance with the Act, the nature of his interest.
- 3.2.10.2 Provided that he has declared his interest in accordance with paragraph 3.2.10.1, a Director may be a party to or otherwise interested in any transaction or arrangement with the Company or in which the Company is otherwise interested and may be a director or other officer or otherwise interested in any body corporate promoted by the Company or in which the Company is otherwise interested. No Director so interested shall be accountable to the Company, by reason of his being a Director, for any benefit that he derives from such office or interest or any such transaction or arrangement.
- 3.2.10.3 A Director shall not vote nor be counted in the quorum at a meeting of the Directors in respect of a matter in which he has any material interest otherwise than by virtue of his interest in shares, debentures or other securities of, or otherwise in or through the Company, unless his interest arises only because the case falls within one or more of the following paragraphs:
- (a) the giving to him of any guarantee, security or indemnity in respect of money lent or an obligation incurred by him at the request of or for the benefit of the Company or any of its subsidiary undertakings;
 - (b) the giving to a third party of any guarantee, security or indemnity in respect of a debt or an obligation of the Company or any of its subsidiary undertakings for which he has assumed responsibility in whole or in part under a guarantee or indemnity or by the giving of security;
 - (c) any proposal concerning the subscription by him of shares, debentures or other securities of the Company or any of its subsidiary undertakings or by virtue of his participating in the underwriting or sub-underwriting of an offer of such shares, debentures or other securities;

- (d) any proposal concerning any other company in which he is interested, directly or indirectly, whether as an officer or shareholder or otherwise, provided that he and any persons connected with him do not (to his knowledge) hold an interest in shares representing 1% or more of any class of the equity share capital of such company or of the voting rights available to members of the company;
- (e) any proposal relating to an arrangement for the benefit of the employees of the Company or any subsidiary undertaking which does not award to any Director as such any privilege or advantage not generally awarded to the employees to whom such arrangement relates; and
- (f) any arrangement for purchasing or maintaining for any officer or auditor of the Company or any of its subsidiaries, insurance against any liability which by virtue of any rule of law would otherwise attach to him in respect of any negligence, breach of duty or breach of trust for which he may be guilty in relation to the Company or any of its subsidiaries of which he is a director, officer or auditor.

3.2.10.4 When proposals are under consideration concerning the appointment of two or more Directors to offices or employment with the Company, or any company in which the Company is interested, the proposals may be divided and considered in relation to each Director separately and (if not otherwise precluded from voting) each of the Directors concerned shall be entitled to vote and be counted in the quorum in respect of each resolution except that concerning his own appointment.

3.2.11 Remuneration of Directors

- 3.2.11.1 The ordinary remuneration of the Directors shall be such amount as the Directors shall from time to time determine (provided that, unless otherwise approved by the Company in general meeting, the aggregate ordinary remuneration of such Directors, including fees from the Company, shall not exceed £200,000 per year) to be divided among them in such proportion and manner as the Directors may determine. The Directors shall also be paid by the Company all reasonable travelling, hotel and other expenses they may incur in attending meetings of the Directors or general meetings or otherwise in connection with the discharge of their duties.
- 3.2.11.2 Any Director who, by request of the Directors, performs special services for any purposes of the Company may be paid such reasonable extra remuneration as the Directors may determine.
- 3.2.11.3 The emoluments and benefits of any executive director for his services as such shall be determined by the Directors and may be of any description, including membership of any pension or life assurance scheme for employees or their dependants or, apart from membership of any such scheme, the payment of a pension or other benefits to him or his dependants on or after retirement or death.

3.2.12 Retirement of Directors

At each Annual General Meeting of the Company one-third of the Directors, who are subject to retirement by rotation, shall retire from office. A retiring Director shall be eligible for re-election. A Director shall be capable of being appointed or re-appointed a Director despite having attained any particular age.

3.2.13 Borrowing Powers

Subject as provided below, the Directors may exercise all the powers of the Company to borrow money and to mortgage or charge its undertaking, property and uncalled capital.

The Directors shall restrict the borrowings of the Company and exercise all voting and other rights or powers of control over its subsidiary undertakings (if any) so as to secure that the aggregate amount at any time outstanding in respect of money borrowed by the group, being the Company and its subsidiary undertakings for the time being (excluding intra-group borrowings), shall not, without the prior sanction of an ordinary resolution of the Company, exceed a sum equal to 25% of the aggregate total amount received from time to time on the subscription of shares of the Company.

3.2.14 Uncertificated Shares

CREST, a paperless settlement system enabling securities to be evidenced otherwise than by a certificate and transferred otherwise than by a written instrument, was introduced in July 1996. The Company's articles of association are consistent with CREST membership and allow for the holding and transfer of shares in uncertificated form pursuant to the Uncertificated Securities Regulations 2001.

The Company anticipates that it will enter the CREST system on admission of the Shares to the London Stock Exchange.

3.2.15 General Meetings

The Company shall, within 6 months of a company's financial year end, at such time and place as may be determined by the Directors, hold a general meeting as its annual general meeting in addition to any other meetings in that year.

The Directors may, whenever they think fit, convene a general meeting of the Company, and general meetings shall also be convened on such requisition or in default may be convened by such requisitions as are provided by the Act. Any meeting convened under this Article by requisitions shall be convened in the same manner as near to as possible as that in which meetings are to be convened by the Directors.

An annual general meeting shall be called by not less than twenty-one days' notice in writing, and all other general meetings of the Company shall be called by not less than fourteen days' notice in writing. The notice shall be exclusive of the day on which it is given and of the day of the meeting and shall specify the place, the day and hour of meeting, and, in the case of special business, the general nature of such business. The notice shall be given to the members (other than those who, under the provisions of the articles or the terms of issue of the shares they hold, are not entitled to receive notice from the Company), to the Directors and to the Auditors. A notice calling an annual general meeting shall specify the meeting as such and the notice convening a meeting to pass a special resolution or an ordinary resolution, as the case may be, shall specify the intention to propose the resolution as such.

In every notice calling a meeting of the Company or any class of the members of the Company there shall appear with reasonable prominence a statement 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.

If within 15 minutes (or such longer interval as the Chairman in his absolute discretion thinks fit) from the time appointed for the meeting a quorum is not present, the meeting, if convened by or upon the requisition of members, shall be dissolved. In any other case it shall stand adjourned to the same day in the next week at the same time and place, or to later on the same day or to such other day and at such time and place as the Chairman (or, in default, the Board) may determine.

The Chairman may, with the consent of the meeting (and shall, if so directed by the meeting) adjourn any meeting from time to time and from place to place. No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

The Board shall procure that at the later of the Company's annual general meeting in 2032 and the annual general meeting of the Company held after the fifth anniversary of the last allotment of shares (from time to time) in the Company (and at five yearly intervals thereafter), a resolution will be proposed to the effect that the Company shall continue as a VCT for a further five year period. If any such resolution is not passed the Board shall, within four months of such meeting, convene a general meeting to consider proposals for the reorganisation or reconstruction or member's voluntary liquidation of the Company.

4. Directors and Other Interests in the Company

- 4.1 Neither the Company nor the Directors are aware of any person who, immediately after the close of the Offer (assuming full subscription with the over-allotment facility fully utilised), will hold (for the purposes of rule 5 of the Disclosure Guidance and Transparency Rules ("DGTR 5")), directly or indirectly, voting rights representing 3% or more of the issued share capital of the Company to which voting rights are attached or who could, directly or indirectly, jointly or severally, exercise control or ownership over the Company.
- 4.2 The interests of the Directors (and their immediate families) in the share capital of the Company, all of which are beneficial, as they are expected to be following the close of the Offer, 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, will be as set out below together with the percentages which such interests represent of the Shares in issue if the Offer is fully subscribed (with the over-allotment facility fully utilised and assuming no Initial Fee or Early Bird Discount applies):

Name	Number of Ordinary Shares	Percentage of total Ordinary Shares
Ewen Gilmour	30,000	0.1%
Joanna Santinon	20,000	0.067%
Andrew Martin Smith	40,000	0.133%

- 4.3 The Company and the Directors are not aware of any arrangements, the operation of which may at a subsequent date result in a change of control of the Company.
- 4.4 The Company's major Shareholders do not have different voting rights.
- 4.5 Save for Andrew Martin Smith's interests as a director of and a shareholder in Guinness Asset Management Limited, a party to the Investment Management Agreement, no Director is or has since the period from the Company's incorporation 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 and remains in any respect outstanding or unperformed.
- 4.6 No loans made or guarantees granted or provided by the Company to or for the benefit of any director are outstanding.
- 4.7 There are no service contracts in existence between the Company and any of its Directors nor are any such contracts proposed. The services of the Directors are provided to the Company pursuant to letters of appointment dated 18 October 2022, each of which is terminable upon 6 months' notice given by the Company at any time after the first anniversary of their appointment. All the Directors are non-executive directors. Save in respect of these letters of appointment, no member of any administrative, management or supervisory body has a service contract with the Company.
- 4.8 There are no family relationships between any of the Directors or members of the Manager.

- 4.9 During the five years immediately prior to the date of this document, the Directors have been members of the administrative, management or supervising bodies or parties of the entities specified below (excluding subsidiaries of any company of which he is also a member of the administrative, management or supervisory body):

Ewen Hamilton Gilmour (Chair):

Current Directorships/Partnerships

Soteria Insurance Limited
Nameco (No. 267) Limited

Past Directorships/Partnerships

Antares Managing Agency Limited
Inigo Managing Agent Limited
Hampden Capital Limited
Hampden Agencies Limited
Guinness Oil & Gas Exploration Trust plc**

Joanna Lesley Santinon:

Current Directorships/Partnerships

Octopus Future Generations VCT plc

Past Directorships/Partnerships

Ernst and Young LLP
The Rolls Film Partnership No. 3
Cobalt 2007 EZ Property Syndicate

Andrew Everard Martin Smith:

Current Directorships/Partnerships

The Gresham's Foundation
Guinness Asset Management Limited
The Junius S Morgan Benevolent Fund
Church House Investments Limited
The Burdett Trust for Nursing
Steadfaith Limited
Tweedfine Limited

Past Directorships/Partnerships

Parmenton Capital Management Limited**
M&G High Income Investment Trust Plc**
Guinness Oil & Gas Exploration Trust plc**
The European Smaller Companies Trust Plc
Gresham's School

* in members' (solvent) voluntary liquidation

** dissolved after a voluntary (solvent) strike off.

- 4.10 None of the Directors in the five years prior to the date of this Prospectus:-
- 4.10.1 save as set out in paragraph 4.9 above, is currently a director of a company or a partner in a partnership or has been a director of a company or a partner in a partnership;
 - 4.10.2 has any unspent convictions in relation to fraudulent offences;
 - 4.10.3 save as set out in paragraph 4.9 above, has had any bankruptcies, receiverships or liquidations or administrations through acting in the capacity of a member of any administrative, management or supervisory bodies or as a partner, founder or senior manager of any partnership or company; and
 - 4.10.4 has had any official public incriminations and/or sanctions by any statutory or regulatory authority (including any designated professional body) nor has ever been disqualified by a Court from acting as a member of the administrative management or supervisory bodies of any company or firm acting, or in the management or conduct of the affairs of, any company or firm.
- 4.11 No Shares are being reserved for allocation to existing Shareholders, Directors or employees.
- 4.12 The Company will take out directors' and officers' liability insurance for the benefit of the Directors.
- 4.13 The estimated aggregate remuneration for the Company, including benefits in kind, to be paid to the Directors in the financial period ending 31 March 2023, based on the arrangements currently in place with each Director, will not exceed £100,000.
- 4.14 Save insofar as Andrew Martin Smith is a director of, and a shareholder in Guinness, and save for the agreements referred to at paragraphs 5.1, 5.2, and 5.3 below, no Director or member of the investment management team has any potential conflict of interest between his duties to the Company and their private interests or other duties.
- 4.15 There are no restrictions agreed by any Director or member of the Manager on the disposal within a certain time period of their holdings in the Company's securities.
- 4.16 There are no amounts set aside or accrued by the Company to provide pension, retirement or similar benefits to the Directors.
- 4.17 None of the Directors or members of the Manager have any service contract with the Company providing for benefits upon termination of employment. See paragraph 5.3 below which refers to the Directors' Letters of Appointment.
- 4.18 The audit committee of the Company comprises the independent Directors and shall meet at least twice a year. The Company's auditors may be required to attend such meetings. The Committee shall prepare a report each year addressed to the shareholders for inclusion in the Company's annual report and accounts. The duties of the Committee are, *inter alia*:
- 4.18.1 to review and approve the half yearly and annual results of the Company and the statutory accounts before submission to the Board;
 - 4.18.2 to review management accounts;
 - 4.18.3 to review internal control and risk management systems;
 - 4.18.4 to consider the appointment of the external auditor, to monitor its independence and objectivity, the level of audit fees and to discuss with the external auditor the nature and scope of the audit; and
 - 4.18.5 to consider matters of corporate governance as may generally be applicable to the Company and make recommendations to the Board in connection therewith as appropriate.
- 4.19 The Company does not have a remuneration committee or a nomination committee.

5. Material Contracts

The following constitutes a brief summary of the principal contents of each material contract entered into by the Company, otherwise than in the ordinary course of business, since incorporation. There are no other contracts, not being contracts entered into in the ordinary course of business, entered into by the Company which 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:

5.1 Offer Agreement

An Offer Agreement dated 18 October 2022 and made between the Company (1), the Directors (2), the Promoter (3) and the Sponsor (4), pursuant to which the Sponsor has agreed to act as sponsor to the Offer and the Promoter has undertaken, as agent of the Company, to use its reasonable endeavours to procure subscribers for Ordinary Shares under the Offer. Under the Offer Agreement, the Company will pay the Promoter a commission of up to 5.5% for applications received direct or through an Execution-only platform, or up to 3.0% for applications received via financial advisers, in each case calculated on the applicable Application Amount.

The Promoter will be responsible for the payment of initial commission to authorised financial intermediaries in respect of execution only clients.

Under the Offer Agreement, which may be terminated by the parties in certain circumstances, the Company, the Promoter and the Directors have given certain warranties and indemnities. Warranty claims must be made by no later than three months after the date of the second annual general meeting of the Company following the closing date of the Offer at which Shareholders approve the Company's accounts or (if earlier) by the date the Company is subject to a takeover. The warranties and indemnities are in usual form for a contract of this type and the warranties are subject to limits of one year's director fees for each Director. The Company has also agreed to indemnify the Sponsor in respect of its role as Sponsor and under the Offer Agreement. The Offer Agreement may be terminated, *inter alia*, if any statement in the Prospectus is untrue, any material omission from the Prospectus arises or any breach of warranty occurs.

5.2 Investment Management Agreement

An agreement (the "Investment Management Agreement") dated 18 October 2022 and made between the Company and Guinness whereby Guinness will, with effect from the first date on which the Company resolves to allot Shares pursuant to the Offer (the "Effective Date"), be appointed as the Company's investment manager to provide discretionary investment management and advisory services to the Company in respect of its portfolio of Qualifying Investments and Non-Qualifying Investments and valuations of its portfolio interests.

Guinness will receive an annual management fee equal to 2.0% of the Net Asset Value (plus VAT if applicable) payable quarterly in arrears, the first payment to be made in respect of the period from the Effective Date until the termination of the Investment Management Agreement. Guinness is entitled to reimbursement of expenses incurred in performing its duties under the agreement, and will also be entitled to receive and retain transaction and introductory fees, directors' fees, monitoring fees, consultancy fees, corporate finance fees, syndication fees, exit fees and commissions in relation to portfolio companies.

Guinness will also be entitled to a performance fee payable in relation to each accounting period. This fee is set at 20% of dividends (or other return of capital) paid in a financial year in which the Total Return is above the Hurdle. For the Hurdle to be met, the Shares must achieve a Total Return (based on audited year end results) in excess of £1.00 for the year ending 31 March 2024. For subsequent years, the Hurdle increases by 3p per annum such that for the year ending 31 March 2025 the Hurdle will be £1.03, for the year ending 31 March 2026 the Hurdle will be £1.06 and so on.

Guinness will also act as the Company's AIFM for the purposes of the AIFM Directive. As AIFM, Guinness will provide portfolio and risk management services to the Company. The terms of the Investment Management Agreement provide that if the Company receives authorisation from the FCA to become a self-managed AIF, the appointment of Guinness as the Company's AIFM will fall away and Guinness will continue to provide investment management services on the same terms as set out in the Investment Management Agreement.

The appointment of Guinness in relation to the investment services will commence on the Effective Date and will continue unless and until terminated by either party giving to the other not less than 12 months' notice in writing, such notice not to take effect before the end of the fifth anniversary following the last allotment of Shares pursuant to an offer for subscription made by the Company. The Investment Management Agreement is subject to earlier termination by either party in certain circumstances.

All securities purchased through the Manager will be registered (except for bearer stocks) in the name of the Company, to hold all or any of the Company's Assets and documents of title or certificates evidencing title on behalf of the Company.

Any investment or other asset of the Company will be registered (except for bearer stocks) in the name of the Company, or, subject to the written agreement of the Company, in the name of a custodian which may be appointed from time to time by the Company on terms agreed by the Manager.

Transactions undertaken by the Manager for the Company shall correspond with the provisions of the Manager's written execution policy, and the Manager shall manage conflicts of interest, disclosing to the Board the nature of any material interest which the Manager may have in any proposed transaction to which the Company is, or is to be, a party, the Manager not causing the Company to become a party to any such contract or transaction except with the prior approval of those members of the Board who are independent of the Manager (such prior approval not to apply to the allocation of investment opportunities governed by the Investment Management Agreement).

The Manager has agreed to indemnify the Company by such amount as is equal to the excess by which the Annual Running Costs of the Company exceeds 3.5% of the Net Asset Value, calculated on an annual basis.

The provision by the Manager of discretionary investment management and advisory services is subject to the overall control, direction and supervision of the Directors.

5.3 Directors' Letters of Appointment

Each of the Directors entered into an agreement with the Company dated 18 October 2022 whereby he or she is required to devote such time to the affairs of the Company as the Board reasonably requires consistent with their role as non-executive director. Ewen Gilmour is entitled to receive an annual fee of £30,000 (plus VAT if applicable), Joanna Santinon is entitled to receive an annual fee of £25,000 (plus VAT if applicable) and Andrew Martin Smith is entitled to receive an annual fee of £15,000 (plus VAT if applicable). Each party can terminate the agreement by giving to the other at least 6 months' notice in writing to expire at any time after the date 12 months from the respective commencement dates. No benefits are payable on termination.

5.4 Administration Agreement

An agreement dated 18 October 2022 and made between the Company and the Administrator, whereby the Administrator will provide certain administration services, accounting, custody and company secretarial services to the Company in respect of the period from Admission until the termination of the Administration Agreement with regard to all the investments of the Company, for an annual fee of up to £55,000 (plus an additional 0.055% on quarter-end NAV exceeding £25m), calculated on a sliding scale based on the Company's quarterly NAV (plus VAT if applicable). Under this agreement the Administrator will hold securities in certificated form on behalf of the Company for safekeeping.

The Administration Agreement will continue for a period of 2 years from the date on which the Minimum Subscription is raised under the Offer and thereafter is terminable by either party giving 6 months' written notice, on or after the second anniversary of the agreement, but subject to early termination in certain circumstances.

6. General

- 6.1 The principal place of business and registered office of the Company is at 18 Smith Square, London, SW1P 3HZ. The telephone number of the Company is 020 7222 3475 and its website address is: www.guinnessgi.com. The information on the website does not form part of the Prospectus unless that information is incorporated by reference into the Prospectus. The Company has no subsidiaries or associated companies.
- 6.2 There are and have been no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Company is aware) during the previous 12 months which may have, or have had in the recent past, significant effect on the Company's financial position or profitability.
- 6.3 The Company does not have, nor has it had since incorporation, any employees and it neither owns nor occupies any premises.
- 6.4 The Sponsor will be entitled to receive a fee from the Company in connection with the Offer as described in paragraph 5.1 above. Guinness will be promoter of the Company and will receive management fees and other payments from the Company as described in paragraph 5.2 above.
- 6.5 Save as disclosed in this paragraph and in paragraph 4 above, no amount or benefit has been paid or given to any promoters and none is intended to be paid or given.
- 6.6 The Company's accounting reference date is 31 March in each year.
- 6.7 The Manager is Guinness Asset Management Limited, a private limited company registered in England and Wales and incorporated pursuant to and operating under the Act on 27 January 2003 under company number 04647882, which is authorised and regulated by the Financial Conduct Authority and whose principal place of business and registered office is at 18 Smith Square, London, SW1P 3HZ. The principal legislation under which it operates is the Act. The Manager is domiciled in England and its legal and commercial name is Guinness Asset Management Limited. The telephone number of the Manager is 020 7222 3475 and its website is www.guinnessgi.com. The information on their website does not form part of the Prospectus unless that information is incorporated by reference into the Prospectus.
- 6.8 The Offer is not underwritten.
- 6.9 The expenses of and incidental to the Offer and the listing of the Shares, including registration and listing fees, printing, advertising and distribution costs, legal and accounting fees and expenses (excluding trail commission), are payable by the Promoter. If the maximum of £30 million is raised under the Offer (assuming the over-allotment facility is fully utilised and all Investors are either direct or execution only), the net proceeds will amount to approximately £28.35m.
- 6.10 Save in connection with the Offer, Ordinary Shares have not been marketed to and are not available to the public. Market makers will not be offered the opportunity to subscribe for Ordinary Shares under the Offer.
- 6.11 BDO LLP was appointed as auditor of the Company on 17 October 2022. It is registered to carry out audit work by the Institute of Chartered Accountants of England and Wales. The Company shall take all reasonable steps to ensure that its auditor is independent of it and has obtained written confirmation from its auditor that it complies with guidelines on independence issued by its national accountancy and auditing body.
- 6.12 The Company has given notice to the Registrar of Companies, pursuant to section 833 of the Act, of its intention to carry on business as an investment company, which will enhance its ability to pay dividends out of income. If and when capital profits are realised which the Directors consider it appropriate to distribute by way of dividend (for example on the disposal of a successful investment), the Directors would anticipate revoking this status.
- 6.13 Andrew Martin Smith is a director of, and a shareholder in, Guinness. Save for the agreements described in paragraphs 5.1 and 5.2 of this Part 7 where parties are companies in that group, there have been no related party transactions since the incorporation of the Company.
- 6.14 Save for the agreements described in paragraphs 5.1 and 5.2 of this Part 7, there are no material potential conflicts of interest which a service provider to the Company may have as between their duty to the Company and duties owed by them to third parties and their other interests. In order to manage such

potential conflicts of interest it is a term of the agreement between the Manager and the Company referred to in paragraph 5.2 of this Part 7 that the Manager shall manage conflicts of interest, disclosing to the Board the nature of any material interest which the Manager may have in any proposed transaction to which the Company is, or is to be, a party, the Manager not causing the Company to become a party to any such contract or transaction except with the prior approval of those members of the Board who are independent of the Manager (such prior approval not to apply to the allocation of investment opportunities governed by the Investment Management Agreement). Transactions undertaken by the Investment Manager for the Company and other funds that it manages will be carried out in accordance with the Investment Manager's written execution and conflicts policy, and the Investment Manager shall manage conflicts of interest, disclosing to the Board the nature of any material interest which the Investment Manager may have in any proposed transaction to which the Company is, or is to be, a party, so that the Investment Manager will not cause the Company to become a party to any such contract or transaction except with the prior approval of those members of the Board who are independent of the Investment Manager (such prior approval not to apply to the allocation of investment opportunities governed by the Investment Management Agreement).

- 6.15 Since the date of its incorporation, the Company has not commenced operations. No financial statements have been made up as at the date of this document.
- 6.16 The Company is of the opinion that, subject to the receipt of the Minimum Subscription, the working capital available to the Company is sufficient for its present requirements, that is for at least the next 12 months following the date of this document.
- 6.17 The Offer will not proceed if the Minimum Subscription is not reached.
- 6.18 The capitalisation of the Company as at the date of this document is shareholders' equity of £50,000.01 comprising 50,000 redeemable preference shares of £1 each paid up as to one quarter paid up and 1 Ordinary Share of £0.01 paid up in full.
- 6.19 As at the date of this Prospectus, the Company did not have loan capital outstanding, any other borrowings nor guaranteed, unguaranteed, secured and unsecured indebtedness, including indirect and contingent indebtedness.
- 6.20 The Company does not assume responsibility for the withholding of tax at source.
- 6.21 Securities in certificated form belonging to the Company will be held on its behalf by City Partnership whose registered office is at Suite 2, Ground Floor, Orchard Brae House, 30 Queensferry Road, Edinburgh EH4 2HS (telephone 01484 240 910).
- 6.22 The Company has to satisfy a number of tests to qualify as a VCT and will be subject to various rules and regulations in order to continue to qualify as a VCT, as set out under the heading "Taxation" in Part 6 of this document. In addition, the following restrictions are imposed upon the Company under the rules relating to admission to the Official List:
 - 6.22.1 it, or any of its subsidiaries, must not conduct any trading activity which is significant in the context of the group as a whole;
 - 6.22.2 it must not invest more than 10% in aggregate of the value of its total assets (at the time the investment is made) in other listed closed-ended investment funds except listed closed-ended investment funds which themselves have published investment policies to invest no more than 15% of their total assets in other closed-ended investment funds; and
 - 6.22.3 it must manage and invest its assets in accordance with the investment policy set out on page 25 of this Prospectus, which contains information about the policies which it will follow relating to asset allocation, risk diversification and gearing and which includes maximum exposure.
- 6.23 Guinness has given, and has not withdrawn, its written consent to the issue of this document with the inclusion of its name in this document and the information in those sections in Part 2, 3 and 4 of this document under the headings "The Manager", "Manager's Track Record", "The Manager: Guinness Asset Management Limited" and "Investment Management Team" for which it is stated to accept responsibility (as being the stated source of such information) in each case in the form and context in which they appear. The information in those sections in Part 2, 3 and 4 of this document under the headings "The Manager", "Manager's Track Record", "The Manager: Guinness Asset Management Limited" and "Investment Management Team" have been included in this document with the consent of Guinness,

which has authorised the content of those parts of this document for the purpose of the Prospectus. Guinness accepts responsibility for those sections in Part 2, 3 and 4 of this document under the headings “The Manager”, “Manager’s Track Record”, “The Manager: Guinness Asset Management Limited” and “Investment Management Team”, and declares that, to the best of the knowledge of Guinness, the information contained in those parts of this document for which Guinness accepts responsibility is in accordance with the facts and those parts of this document for which Guinness accepts responsibility make no omission likely to affect their import. The full name and address of Guinness are set out on page 19, together with details of their material interests in the Company at paragraph 5.1 and 5.2 of this Part 7.

- 6.24 The Offer has been sponsored by Howard Kennedy whose offices are at No.1 London Bridge, London SE1 9BG and which is authorised and regulated by the Financial Conduct Authority. The Sponsor has given, and has not withdrawn, its written consent to the issue of this document with the inclusion of its name in the form and context in which it is included.
- 6.25 The Offer is being promoted by Guinness which is authorised and regulated by the Financial Conduct Authority. The Promoter has given, and has not withdrawn, its written consent to the issue of this document with the inclusion of its name in the form and context in which it is included.
- 6.26 There have been no significant changes in the financial or trading position of the Company since it was incorporated.
- 6.27 Shareholders will be informed, through a Regulatory Information Service announcement, if the investment restrictions which apply to the Company as a VCT detailed in this document are breached.
- 6.28 The results of the Offer will be announced through a Regulatory Information Service within 3 Business Days of the closing of the Offer.
- 6.29 **Mandatory takeover bids:** The City Code on Takeovers and Mergers (the “City Code”) applies to all takeover and merger transactions in relation to the Company and operates principally to ensure that shareholders are treated fairly and are not denied an opportunity to decide on the merits of a takeover and that shareholders of the same class are afforded equivalent treatment. The City Code provides an orderly framework within which takeovers are conducted and the Panel on Takeovers and Mergers (the “Panel”) has now been placed on a statutory footing. The Takeovers Directive was implemented in the UK in May 2006 and since 6 April 2007 has effect through the Act. The Takeovers Directive applies to takeovers of companies registered in an EU member state and admitted to trading on a regulated market in the EU or the EEA States.
- 6.30 The City Code is based upon a number of General Principles which are essentially statements of standards of commercial behaviour. General Principle One states that all holders of securities of an offeree company of the same class must be afforded equivalent treatment and if a person acquires control of a company the other holders of securities must be protected. This is reinforced by Rule 9 of the City Code which requires that a person, together with persons acting in concert with him, who acquires shares carrying voting rights which amount to 30% or more of the voting rights to make a general offer. “Voting rights” for these purposes means all the voting rights attributable to the share capital of a company which are currently exercisable at a general meeting. A general offer will also be required where a person, who, together with persons acting in concert with him, holds not less than 30% but not more than 50% of the voting rights, acquires additional shares which increase his percentage of the voting rights. Unless the Panel consents, the offer must be made to all other shareholders, be in cash (or have a cash alternative) and cannot be conditional on anything other than the securing of acceptances which will result in the offeror and persons acting in concert with him holding shares carrying more than 50% of the voting rights.
- 6.31 There are not in existence any current mandatory takeover bids in relation to the Company.
- 6.32 **Squeeze out:** Section 979 of the Act provides that if, within certain time limits, an offer is made for the share capital of a company, the offeror is entitled to acquire compulsorily any remaining shares if it has, by virtue of acceptances of the offer, acquired or unconditionally contracted to acquire not less than 90% in value of the shares to which the offer relates and in a case where the shares to which the offer relates are voting shares, not less than 90%, of the voting rights carried by those shares. The offeror would effect the compulsory acquisition by sending a notice to outstanding shareholders telling them that it will compulsorily acquire their shares and then, six weeks from the date of the notice, pay the consideration for the shares to the relevant company to hold on trust for the outstanding shareholders. The consideration offered to shareholders whose shares are compulsorily acquired under the Act must, in general, be the same as the consideration available under the takeover offer.

- 6.33 **Sell out:** Section 983 of the Act permits a minority shareholder to require an offeror to acquire its shares if the offeror has acquired or contracted to acquire shares in a company which amount to not less than 90% in value of all the voting shares in the company and carry not less than 90%, of the voting rights. Certain time limits apply to this entitlement. If a shareholder exercises its rights under these provisions, the offeror is bound to acquire those shares on the terms of the offer or on such other terms as may be agreed.
- 6.34 The Shares will usually trade at a discount to their underlying net asset value. Shares in VCTs are inherently illiquid and there may be a limited market in the Ordinary Shares primarily because the initial tax relief is only available to those subscribing for newly issued Ordinary Shares which may, therefore, adversely affect the market price of the Ordinary Shares and the ability to sell them.
- 6.35 The Company and the Directors consent to the use of the Prospectus by financial intermediaries, from the date of the Prospectus until the close of the Offer, for the purpose of subsequent resale or final placement of securities by financial intermediaries for Shares until the close of the Offer, and accept responsibility for the information contained therein for such purpose. The Offer is expected to close on or before 3 pm on 30 June 2023, unless previously extended by the Directors to a date no later than 31 August 2023. There are no conditions attaching to this consent. Financial intermediaries may use the Prospectus only in the UK.
- 6.36 In the event of an offer being made by a financial intermediary, information on the terms and conditions of the offer will be given to Investors by the financial intermediaries at the time that the offer is introduced to investors. Any financial intermediary using the Prospectus must state on its website that it is using the Prospectus in accordance with the consent set out in paragraph 6.35 above.
- 6.37 The maximum number of Ordinary Shares which are the subject of this Prospectus is 30,000,000 Ordinary Shares.
- 6.38 Any forward-looking statements in this Prospectus do not in any way seek to qualify the working capital statement in paragraph 6.16 of this Part 7 and will be updated as required by the Prospectus Regulation Rules, the Listing Rules and the Disclosure Guidance & Transparency Rules, as appropriate.
- 6.39 The Prospectus has been approved by the Financial Conduct Authority, as competent authority under the UK Prospectus Regulation. The FCA only approves the Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the UK Prospectus Regulation. Such approval shall not be considered as an endorsement of the Company that is, or the quality of the Ordinary Shares that are the subject of this Prospectus. Investors should make their own assessment as to the suitability of investing in the Ordinary Shares.
- 6.40 The information contained in this document sourced from third parties has been accurately reproduced and, so far as the Company is aware and is able to ascertain from information published by the relevant third parties, no facts have been omitted which would render the reproduced information inaccurate or misleading. Where such information has been included in this document, the source of that information has been identified.
- 6.41 The Company is an alternative investment fund for the purposes of AIFMD and Guinness Asset Management Limited, a small authorised UK AIFM, has notified the FCA that it will manage the Company as its AIFM. The Company has also made an application to the FCA to be registered itself as a small registered UK AIFM. Once such registration has taken place it is intended that Guinness Asset Management Limited will relinquish its status as AIFM of the Company and the Company will assume that role in its capacity as a small registered UK AIFM. In those circumstances the Company will be subject to the Alternative Investment Fund Managers Regulations 2013 (SI 2013/1773). The Company is not otherwise regulated.
- 6.42 Guinness currently manages some 18 funds, which it is managing under delegation.

7. Documents for Inspection

- 7.1 The Company's articles of association are available for inspection at the offices of Howard Kennedy LLP, No.1 London Bridge, London SE1 9BG, during normal business hours on any weekday (Saturdays, Sundays and public holidays excepted) from the date of this document until closing of the Offer and may also be inspected at the Company's website address at www.guinnessgi.com.

Dated: 18 October 2022

DEFINITIONS

The following definitions are used throughout this document and, except where the context requires otherwise, have the following meanings.

Act	Companies Act 2006, as amended
Administrator	The City Partnership (UK) Limited of The Mending Rooms, Park Valley Mills, Meltham Road, Huddersfield HD4 7BH
Admission	admission of the Ordinary Shares to the Official List of the Financial Conduct Authority and to trading on the London Stock Exchange's main market for listed securities
Adviser Charge	fees agreed between an Investor and his or her Financial Adviser for being given a personal recommendation to subscribe for Shares in the Company
AIFM	an alternative investment fund manager within the meaning of AIFMD
AIFMD	the European Union's Alternative Investment Fund Managers Directive (No. 2011/61/EU) as amended by the Alternative Investment Fund Managers (Amendment) (EU Exit) Regulations 2019 (UK AIFMD)
AIM	the AIM market of the London Stock Exchange
Annual Running Expenses	the central running costs of the Company, including Directors' fees, the annual investment management fee and the administration fee but excluding transaction related fees and expenses and any performance incentive and costs relating to the establishment of the Company.
Applicant	an applicant for Shares under the Offer
Application Amount	the amount remitted by the Applicant with the Application Form, including any amount requested to be facilitated, as accepted under the Offer
Application Form	the application form for use in respect of the Offer
Business Days	any day (other than Saturday or Sunday or public holiday in the UK) on which clearing banks in London are open for normal banking business
Closing Date	the Initial Closing Date or, if later, such date as the Directors have at their discretion selected as the Closing Date
Company	Guinness VCT plc
CREST	the computerised settlement system to facilitate the transfer of title to securities in uncertificated form operated by Euroclear UK & Ireland Limited
Directors, Board of Directors or Board	the directors of the Company whose names appear on page 19 of this document
DGTR or Disclosure Guidance & Transparency Rules	disclosure guidance and transparency rules, being the rules published by the FCA from time to time and relating to the disclosure of information in respect of financial instruments
Early Bird Discount	a discount of 1% to be deducted from the Initial Fee for all accepted valid applications under the Offer that are submitted with payment in full and are received by 31 January 2023.
EEA States	the member states of the European Economic Area

EIS	the Enterprise investment scheme, as set out in Part 5 of the Income Tax Act 2007 and Schedule 5B of the Taxation of Chargeable Gains Tax Act 1992
EIS Services or Guinness EIS Services	Guinness's discretionary managed service set up to enable Investors to invest in EIS Qualifying Companies including Guinness EIS and Guinness AIM EIS;
Financial Conduct Authority or FCA	the United Kingdom Financial Conduct Authority
Financial Adviser	a natural or legal person which is authorised and regulated by the FCA to give advice to its clients on investments
FSMA	financial Services and Markets Act 2000, as amended
Guinness AIM EIS	Guinness' discretionary managed service set up to enable investors to invest in EIS Qualifying Companies listed on AIM
Guinness EIS	Guinness' discretionary managed service set up to enable Investors to invest in private EIS Qualifying Companies.
Gross Proceeds	the total funds raised under the Offer
IHT	inheritance tax
HMRC	HM Revenue and Customs
Howard Kennedy or Sponsor	Howard Kennedy Corporate Services LLP, which is authorised and regulated by the Financial Conduct Authority
Hurdle	In each financial year, the minimum Total Return (based on audited year end results), commencing at £1.00 for the year ending 31 March 2024 and thereafter increasing by 3p per annum such that for the year ending 31 March 2025 the Hurdle will be £1.03, for the year ending 31 March 2026 the Hurdle will be £1.06 and so on.
Initial Closing Date	no later than 30 June 2023, or such date as to be determined at the Directors' absolute discretion
Initial Fee	the fee, as described on page 43, payable to the Promoter in connection with the Offer
Investment Amount	an Applicant's Application Amount, less any amount of initial Adviser Charge agreed to be facilitated in respect of an advised investor
Investment Management Agreement	the investment management agreement between the Company and the Manager dated 18 October 2022, a summary of which is set out in Part 7 of this document
Investment Manager or Manager or Guinness	Guinness Asset Management Limited, authorised and regulated by the Financial Conduct Authority, and manager of the Company's portfolios of Qualifying Investments and Non-Qualifying Investments
Investor(s)	an individual(s) aged 18 or over who subscribes for Shares under the Offer
IPEV Guidelines	International Private Equity and Venture Capital Valuation Guidelines
ITA	Income Tax Act 2007, as amended
Knowledge Intensive Company	a company satisfying the conditions in Section 331(A) of Part 6 ITA

Listed	admitted to the premium segment of the Official List of the Financial Conduct Authority and to trading on the London Stock Exchange's main market for listed securities
Listing Rules	Listing Rules issued by the Financial Conduct Authority and made under Part VI of the FSMA
London Stock Exchange	London Stock Exchange plc
Market Abuse Regulation or UK MAR	the UK version of the EU Market Abuse Regulation which is part of UK law by virtue of the European Union (Withdrawal) Act 2018, as amended and supplemented from time to time including by the Market Abuse (Amendment) (EU Exit) Regulations 2019
Minimum Subscription	subscriptions under the Offer of at least £3,000,000 (net of Offer costs)
ML Regulations	the Money Laundering Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017, as amended
Net Asset Value or NAV	the aggregate of the gross assets of the Company less its gross liabilities
Non-Qualifying Investment	those investments as non-qualifying specified in section 274 ITA
Offer	the offer for subscription of up to £10,000,000 of Ordinary Shares as described in this document, together with an over-allotment facility of up to a further £20,000,000 of Ordinary Shares
Offer Agreement	the agreement dated 18 October 2022 between the Company, the Directors, the Promoter and the Sponsor relating to the Offer, a summary of which is set out in Part 7 of this document
Offer Price	the price per share to be paid by an Investor calculated by reference to the last published NAV per Share, and in accordance with the Pricing Formula
Official List	the Official List of the Financial Conduct Authority
Ordinary Shares or Shares	Ordinary shares of £0.01 each in the capital of the Company
Persons Closely Associated or PCA	<p>as defined in Article 3(1)(26) of UK MAR and further clarified by section 131AC of FSMA, namely:</p> <ul style="list-style-type: none"> • a spouse or civil partner; • a child, including a stepchild, who is under the age of 18 years, is unmarried and does not have a civil partner; • a relative who has shared the same household for at least one year on the date of the transaction concerned; or <p>a legal person, trust or partnership, the managerial responsibilities of which are discharged by a PDMR or by a person referred to in any of the bullet points above, which is directly or indirectly controlled by such a person, which is set up for the benefit of such a person, or the economic interests of which are substantially equivalent to those of such a person.</p>

PDMR	<p>a person discharging managerial responsibilities being:</p> <p>(i) a member of the administrative, management or supervisory body of the Company; or</p> <p>a senior executive who is not a member of the above bodies but who has regular access to inside information relating directly or indirectly to the Company and who has power to make managerial decisions affecting the future development and business prospects of the Company</p>
Portfolio Company	a company in which the Company invests
Pricing Formula	the mechanism by which the number of Shares issued to an Investor may be adjusted according to the level of the Initial Fee, the Adviser Charge (if any) and the latest published net asset value per share at time on any allotment
Promoter	Guinness Asset Management Limited, which is authorised and regulated by the Financial Conduct Authority
Prospectus	this document which describes the Offer in full
Prospectus Regulation Rules	the Prospectus Regulation Rules issued by the and made under Part VI of FSMA
Qualifying Company	a company satisfying the conditions in Chapter 4 of Part 6 ITA, as described in Part 6 of this document (and Qualifying Companies shall be construed accordingly)
Qualifying Exchange	An exchange that is not a Recognised Stock Exchange by HMRC under S1005 ITA 2007
Qualifying Investment	an investment in an unquoted company or stocks which are quoted on the AIM market of the London Stock Exchange or on another Qualifying Exchange which satisfy the requirements of Chapter 4 of Part 6 ITA, as described in Part 6 of this document
Qualifying Investor	an individual aged 18 or over who satisfies the conditions of eligibility for tax relief available to investors in a VCT
Qualifying Limit	a total amount of £200,000 per individual investor
Qualifying Purchaser	an individual who purchases Shares from an existing Shareholder and is aged 18 or over and satisfies the conditions of eligibility for tax relief available to investors in a VCT
Qualifying Subscriber	an individual who subscribes for Shares under the Offer and is aged 18 or over and satisfies the conditions of eligibility for tax relief available to investors in a VCT
Qualifying Subsidiary	a subsidiary company which falls within the definition of Qualifying Subsidiary contained in Section 298 ITA, as described in Part 2 of this document
Qualifying Trade	a trade complying with the requirements of Section 300 ITA
Redeemable Preference Shares	redeemable preference shares of £1.00 each in the capital of the Company
Receiving Agent or Registrar	The City Partnership (UK) Limited, of The Mending Rooms, Park Valley Mills, Meltham Road, Huddersfield HD4 7BH
Regulatory Information Service	a regulatory information service that is on the list of regulatory information services maintained by the FCA

Risk Finance State Aid	State aid received by a company as defined in Section 280B (4) of ITA
Shareholders	holders of Ordinary Shares
Total Return	NAV, together with cumulative dividends paid or declared but unpaid
UK MIFID Laws	(1) the Financial Services and Markets Act 2000 (Markets in Financial Instruments) Regulations 2017 (SI 2017/701), The Data Reporting Services Regulations 2017 (SI 2017/699) and the Financial Services and Markets Act 2000 (Regulated Activities) (Amendment) Order 2017 (SI 2017/488), and any other implementing measure which operated to transpose EU MiFID II in to UK law before 31 January 2020 (as amended and supplemented from time to time including by: (1) Markets in Financial Instruments (Amendment) (EU Exit) Regulations 2018; (2) The Financial Regulators' Powers (Technical Standards etc.) and Markets in Financial Instruments (Amendment) (EU Exit) Regulations 2019 (SI 2019/576); (3) The Financial Services (Miscellaneous) (Amendment) (EU Exit) Regulations 2019; and (4) The Financial Services (Electronic Money, Payment Services and Miscellaneous Amendments) (EU Exit) Regulations 2019; and (ii) the UK version of Regulation (EU) No 600/2014 of the European Parliament, which is part of UK law by virtue of the European Union (Withdrawal) Act 2018, as amended and supplemented from time to time including by: (a) Markets in Financial Instruments (Amendment) (EU Exit) Regulations 2018; (b) The Financial Regulators' Powers (Technical Standards etc.) and Markets in Financial Instruments (Amendment) (EU Exit) Regulations 2019 (SI 2019/576); (c) The Financial Services (Miscellaneous) (Amendment) (EU Exit) Regulations 2019; and (d) The Financial Services (Electronic Money, Payment Services and Miscellaneous Amendments) (EU Exit) Regulations 2019
UK PRIIPs Laws	the UK version of the EU Packaged Retail Investment and Insurance Products Regulations which is part of UK law by virtue of the European Union (Withdrawal) Act 2018, as amended and supplemented from time to time including by the Packaged Retail and Insurance-based Investment Products (Amendment) (EU Exit) Regulations 2019 (February 2019) and the Cross-Border Distribution of Funds, Proxy Advisors, Prospectus and Gibraltar (Amendment) (EU Exit) Regulations 2019
VCT Rules	Part 6 ITA and every other statute (including any orders, regulations or other subordinate legislation made under them) for the time being in force concerning VCTs
Venture Capital Trust or VCT	a company approved as a venture capital trust under Section 274 ITA by the board of HMRC

TERMS AND CONDITIONS OF THE APPLICATION

1. In these terms and conditions of application, the expression “Prospectus” means this document dated 18 October 2022. The expression “Application Form” means the application form for use in accordance with these Terms and Conditions of application and posting it (or delivering by hand during normal business hours) to The City Partnership (UK) Limited, The Mending Rooms, Park Valley Mills, Meltham Road, Huddersfield HD4 7BH or as otherwise indicated in this document or the Application Form.
2. The right is reserved to reject any application in whole or part only or to accept any application in whole or part only. Multiple applications are permitted. If any application is not accepted, or if any contract created by acceptance does not become unconditional, or if any application is accepted for fewer Shares than the number applied for, or if in any other circumstances there is an excess paid on application, the application monies or the balance of the amount paid or the excess paid on application will be returned without interest by post at the risk of the applicant. In the meantime application monies will be retained in a designated bank account in the name of the Receiving Agent.
3. You may pay for your application for Shares by cheque submitted with the Application Form, or by way of electronic bank transfer. Application Forms accompanied by a post-dated cheque will not be processed until the cheque can be presented and will not be treated as being received by the Receiving Agent until that date. All bank transfers must be referenced with your surname, first initial, and postcode if feasible.
4. The contract created by the acceptance of applications in respect of allotment of Shares under the Offer will be conditional on gross subscriptions under the Offer reaching the Minimum Subscription. If this condition is not met, the Offer will be withdrawn and subscription monies will be returned to Investors at their own risk, without interest. The Offer is not underwritten.
5. By completing and delivering an Application Form, you:
 - i) offer to subscribe for the amount specified on your Application Form or any smaller sum for which such application is accepted at the Offer Price, on the terms and subject to the Prospectus, these Terms and Conditions of application and the Articles of the Company;
 - ii) acknowledge that, if your subscription is accepted, you will be allocated such number of Ordinary Shares as determined by the Pricing Formula;
 - iii) authorise the Registrar of the Company to send a document of title for, or credit your account in respect of, the number of Shares for which your application is accepted and/or a cheque for any monies returnable, by post at your risk to your address as set out on your Application Form;
 - iv) agree that your application may not be revoked and that this paragraph constitutes a collateral contract between you and the Company which will become binding upon dispatch by post or delivery of your duly completed Application Form to the Company or to your financial adviser;
 - v) warrant that your remittance will be honoured on first presentation and agree that if it is not so honoured you will not be entitled to receive share certificates in respect of the Shares applied for until you make payment in cleared funds for such Shares and such payment is accepted by or on behalf of the Company in its absolute discretion (which acceptance shall be on the basis that you indemnify it, the Sponsor, and the Registrar against all costs, damages, losses, expenses and liabilities arising out of or in connection with the failure of your remittance to be honoured on first presentation) and you agree that, at any time prior to the unconditional acceptance by or on behalf of the Company of such late payment, the Company may (without prejudice to its other rights) avoid the agreement to subscribe such Shares and may issue or allot such Shares to some other person, in which case you will not be entitled to any payment in respect of such Shares, other than the refund to you, at your risk, of the proceeds (if any) of the cheque accompanying your application, without interest;
 - vi) agree that if, following the issue of all or any Ordinary Shares applied for pursuant to the Offer, your remittance is not honoured on first presentation, those Ordinary Shares may, forthwith upon payment by Guinness Asset Management Limited of the Offer Price of those Ordinary Shares to the Company, be transferred to Guinness Asset Management Limited or such other person as Guinness Asset Management Limited may direct at the relevant Offer Price per Ordinary Share and any director of the Company is hereby irrevocably appointed and instructed to complete and execute all or any form(s) of transfer and/or any other documents in relation to the transfer of those Ordinary Shares to Guinness Asset Management Limited or such other person as Guinness Asset Management Limited may direct and to do all such other acts and things as may be necessary or expedient, for the purpose of or in connection with, transferring title to those Ordinary Shares to

Guinness Asset Management Limited, or such other person, in which case you will not be entitled to those Ordinary Shares or any payment in respect of such Ordinary Shares;

- vii) agree that all cheques may be presented for payment on the due dates and any definitive document of title and any monies returnable to you may be retained pending clearance of your remittance and the verification of identity required by the ML Regulations and that such monies will not bear interest;
- viii) undertake to provide satisfactory evidence of identity within such reasonable time (in each case to be determined in the absolute discretion of the Company and the Sponsor) to ensure compliance with the ML Regulations;
- ix) agree that, in respect of those Shares for which your application has been received and is not rejected, your application may be accepted at the election of the Company either by notification to the London Stock Exchange of the basis of allocation or by notification of acceptance thereof to the Registrar;
- x) agree that all documents in connection with the Offer and any returned monies will be sent at your risk and will be sent to you at the address supplied in the Application Form;
- xi) agree that having had the opportunity to read the Prospectus, you shall be deemed to have had notice of all the information and representations including the risk factors contained therein;
- xii) confirm that (save for advice received from your financial adviser) in making such an application you are not relying on any information and representation other than those contained in the Prospectus and you accordingly agree that no person responsible solely or jointly for the Prospectus or any part thereof or involved in the preparation thereof will have any liability for any such other information or representation;
- xiii) agree that all applications, acceptances of applications and contracts resulting therefrom under the Offer shall be governed by and construed in accordance with English law, and that you submit to the jurisdiction of the English Courts and agree that nothing shall limit the right of the Company or the Sponsor to bring any action, suit or proceedings arising out of or in connection with any such applications, acceptances of applications and contracts in any other manner permitted by law or any Court of competent jurisdiction;
- xiv) irrevocably authorise the Registrar and/or the Sponsor or any person authorised by either of them, as your agent, to do all things necessary to effect registration of any Shares subscribed by or issued to you into your name and authorise any representative of the Registrar or of the Sponsor to execute any documents required therefor and to enter your name on the register of members of the Company;
- xv) agree to provide the Company with any information which it may request in connection with your application or to comply with the VCT regulations or other relevant legislation (as the same may be amended from time to time) including without limitation satisfactory evidence of identity to ensure compliance with the ML Regulations;
- xvi) warrant that, in connection with your application, you have observed the laws of all requisite territories, obtained any requisite governmental or other consents, complied with all requisite formalities and paid any issue, transfer or other taxes due in connection with your application in any territory and that you have not taken any action which will or may result in the Registrar and/or the Sponsor acting in breach of the regulatory or legal requirements of any territory in connection with the Offer of your application;
- xvii) confirm that you have read and complied with paragraph 6 below;
- xviii) confirm that you have reviewed the restrictions contained in paragraph 7 below;
- xix) warrant that you are not under the age of 18 years;

- xx) warrant that, if the laws of any territory or jurisdiction outside the United Kingdom are applicable to your application, you have complied with all such laws and none of the Registrar and/or the Sponsor will infringe any laws of any such territory or jurisdiction directly or indirectly as a result of in consequence of any acceptance of your application;
 - xxi) agree that the Receiving Agent and/or the Sponsor are acting for the Company in connection with the Offer and for no-one else and that they will not treat you as their customer by virtue of such application being accepted or owe you any duties or responsibilities concerning the price of Shares or concerning the suitability of Shares for you or be responsible to you for the protections afforded thereunder;
 - xxii) warrant that if you sign the Application Form on behalf of somebody else or yourself and another or others jointly or a corporation, you have the requisite power to make such investments as well as the authority to do so and such person will also be bound accordingly and will be deemed also to have given the confirmations, warranties and undertakings contained in these Terms and Conditions of application and undertake (save in the case of signature by an authorised financial adviser on behalf of the Investor) to enclose a power of attorney or a copy thereof duly certified by a solicitor with the Application Form;
 - xxiii) warrant that you are not subscribing for the Shares using a loan which would not have been given to you or any associate or not have been given to you on such favourable terms, if you have not been proposing to subscribe for the Shares;
 - xxiv) warrant that the Shares are being acquired for *bona fide* commercial purposes and not as part of a scheme or arrangement the main purpose of which, or one of the main purposes of which, is the avoidance of tax. Obtaining tax reliefs given under the applicable VCT legislation is not itself tax avoidance;
 - xxv) warrant that you are not a "US Person" as defined in the United States Securities Act of 1933 ("Securities Act") (as amended), nor a resident of Canada and that you are not applying for any Shares on behalf of or with a view to their offer, sale or delivery, directly or indirectly, to or for the benefit of any US Person or a resident of Canada;
 - xxvi) warrant that: (i) you do not have a standing instruction(s) to pay amounts in your bank account to a US bank account, (ii) you do not have a current power of attorney or signatory authority granted to a person with a US address, and (iii) you do not have an in-care-of or hold mail address that is the sole address you have provided to us;
 - xxvii) warrant that the information contained in the Application Form is accurate; and
 - xxviii) agree that if you request that Shares are issued to you on a specific date, and such Shares are not issued on such date, that the Company and its agents and Directors will have no liability to you arising from the issue of such Shares on a different date.
6. No person receiving a copy of this document or an Application Form in any territory other than the UK may treat the same as constituting an invitation or offer to him or her, nor should he or she in any event use such Application Form unless, in the relevant territory, such an invitation or offer could lawfully be made to him or her or such Application Form could lawfully be used without contravention of any regulations or other legal requirements. It is the responsibility of any person outside the United Kingdom wishing to make an application to satisfy him or herself as to full observance of the laws of any relevant territory in connection therewith, including obtaining any requisite governmental or other consents, observing any other formalities requiring to be observed in such territory and paying any issue, transfer or other taxes required to be paid in such territory.
7. The Shares have not been and will not be registered under the Securities Act, as amended, or under the securities laws of any state or other political subdivision of the United States and may not be offered or sold in the United States of America, its territories or possessions or other areas subject to its jurisdiction ("the USA"). In addition, the Company has not been and will not be registered under the United States Investment Company Act of 1940, as amended. The Manager will not be registered under the United States Investment Advisers Act of 1940, as amended. No application will be accepted if it bears an address in the USA.

8. This application is addressed to the Receiving Agent. The rights and remedies of the Receiving Agent and the Sponsor under these Terms and Conditions of Application are in addition to any rights and remedies which would otherwise be available to either of them, and the exercise or partial exercise of one will not prevent the exercise of the others.
9. The dates and times referred to in these Terms and Conditions of application may be altered by the Company with the agreement of the Sponsor.
10. The section headed Application Procedures forms part of these Terms and Conditions of application.

Investors should be aware of, and hereby agree to comply with, the Money Laundering Notice set out below on page 77, which forms part of these Terms and Conditions of application.

11. Your electronic transfer or cheque must be drawn in Sterling on an account at a branch (which must be in the United Kingdom, the Channel Islands or the Isle of Man) of a bank which is either a member of the Cheque and Credit Clearing Company Limited or the CHAPS Clearing Company Limited, a member of the Scottish Clearing Banks Committee or the Belfast Clearing Committee or which has arranged for its cheques to be cleared through facilities provided for members of any of those companies or associations and must bear the appropriate sorting code in the top right hand corner. Cheques should be drawn on the personal account to which you have sole or joint title to such funds. Third party cheques will not be accepted. The account name should be the same as that shown on the application. Post-dated cheques will not be processed until the cheque can be presented and will not be treated as being received by the Receiving Agent until that date. Cheques will be presented for payment upon receipt. The Company reserves the right to instruct The City Partnership (UK) Limited (the "Receiving Agent") to seek special clearance of cheques to allow the Company to obtain value for remittances at the earliest opportunity. If you wish to pay by electronic transfer, please use the account details provided. The right is reserved to reject any Application Form in respect of which the cheque has not been cleared on first presentation.
12. The basis of allocation will be generally on a first come, first served basis (but always subject to the absolute discretion of the Directors of the Company after consultation with the Manager) with priority given to applications with cleared funds. The right is reserved to reject in whole or in part and/or scale down and/or ballot any application or any part thereof including, without limitation, where applications in respect of which any verification of identity (which the Company or the Receiving Agent consider may be required for the purposes of the ML Regulations) has not been satisfactorily supplied. Dealings prior to the issue of certificates for Shares will be at the risk of Applicants. A person so dealing must recognise the risk that an application may not have been accepted to the extent anticipated or at all. The Company may accept applications made otherwise than by completion of an Application Form where the Applicant has agreed in some other manner acceptable to the Company to apply in accordance with these Terms and Conditions of application.
13. The application of the subscription proceeds is subject to the absolute discretion of the Directors.
14. Intermediaries who have not provided personal recommendations or advice to UK retail clients on the Ordinary Shares being applied for and who, acting on behalf of their clients, return valid Application Forms bearing their FCA number may be entitled to commission of 2.5% on the amount payable in respect of such Shares allocated for each such Application Form. Intermediaries may agree to waive part or all of their initial commission in respect of an application for Ordinary Shares under the Offer. If this is the case, then the charges to be deducted under the Pricing Formula will be adjusted. Intermediaries should keep a record of Application Forms submitted bearing their stamp to substantiate any claim for their commission.

Money Laundering Notice

In accordance with the ML Regulations, the identity of all applicants must be verified before Shares can be allotted. This is a routine step associated with the application process and looks to ensure that (i) applicants are who they say they are; and (ii) application monies have not been acquired illegally and there is no attempt to use the Company and the Receiving Agent as part of criminal activity.

Please note that Shares cannot be allotted if the Receiving Agent is unable to verify the applicant's identity, and the application may ultimately be treated as invalid, and funds returned.

For applications made through a financial intermediary, the intermediary should complete verification of the applicant's identity. By signing the application form, the financial intermediary confirms that they have applied customer due diligence measures on a risk sensitive basis in respect of the application to the standard required by the ML Regulations within the guidance for the UK financial sector issued by the Joint Money Laundering Steering Group. If the Company, Manager and/or the Receiving Agent request additional information in connection with the intermediary's due diligence, they will provide it within two business days of receiving the request.

For direct applications the Receiving Agent will use the applicant's personal information from the application form to verify their identity through Veriphy, a specialist AML compliance solution provider. Veriphy's AML checks include identity and UK address validation as well as mortality, departure, sanction, and politically exposed person searches. Veriphy's checks have no impact on an applicant's credit score or their ability to obtain credit.

In the small number of cases where Veriphy is unable to verify the applicant's identity sufficiently, the Receiving Agent will need the applicant to supply evidence of their identity and will contact the applicant (or their financial intermediary if applicable) to request copies of the relevant documents (typically, an original or certified copy of a passport or driving licence, as well as a recent bank statement or utility bill) and explain how those should be provided. Please note that failure to provide satisfactory evidence following such a request may result in a delay in processing an application or, at the point of the Offer closing to applications, the application being treated as invalid, and funds returned.

Note: The Company and the Receiving Agent may, in their absolute discretion, and regardless of the Application Amount and/or the involvement of a financial intermediary, require identity verification.

Privacy Notice

An investor's personal data will be used by Guinness, The City Partnership (UK) Limited, Guinness VCT plc and any other third-party advisers or intermediaries to:

- Process an Investor's application and verify their identity, including performing online anti-money laundering checks;
- Keeping an Investor updated on the progress of their investment;
- Allotting Shares and provide the relevant documentation in connection with an Investor's shareholding if their application is successful;
- Pay dividends, administer the dividend reinvestment scheme and process other corporate actions as necessary;
- Providing an Investor with any reports or information required by law; and
- Provide an Investor's financial intermediary with reports and information to help them manage and monitor an investment in the Company.

The Company's privacy policy can be found at www.guinnessgi.com.

If the Company relies on an Investor's consent as its legal basis for processing an Investor's personal information, an Investor has the right to withdraw that consent at any time by contacting the Company by telephone on 020 7222 3475, by email at vct@guinnessfunds.com or in writing to Guinness VCT Plc, 18 Smith Square, London, SW1P 3HZ.

The Company will not share your data with any other party other than those listed above unless required to do so.

APPLICATION PROCEDURES

It is essential that you complete all relevant parts of the Application Form in accordance with the instructions in these notes.

In the interest of reducing the carbon footprint associated with the Offer and generally improving the Offer's administration, the Company encourage Investors and their financial intermediary (if any) to use the online Application facility.

Application Form Submission Online

You may complete and submit your Application Form online at www.guinnessgi.com/vct.

Payments associated with an online Application Form may be made by electronic transfer, cheque or banker's draft. Please see below for further details.

Application Form Submission by Email

Please send the completed Application Form to The City Partnership (UK) Limited at guinnessvct@city.uk.com. Payments associated with an email submission may be made by electronic transfer, cheque or banker's draft. Please see below for further details.

Application Form Submission by Post/Hand

Please send the completed Application Form, together with your cheque or banker's draft, by post, or deliver it by hand (during normal business hours), to Guinness VCT plc Offer, The City Partnership (UK) Limited, The Mending Rooms, Park Valley Mills, Meltham Road, Huddersfield HD4 7BH.

Please take time to read the following Application Procedures. If you are unsure about any of the instructions, please contact the Receiving Agent at guinnessvct@city.uk.com or on 01484 240 910 (Mon-Fri, 9am – 5.30 pm).

PLEASE NOTE: IF YOU ARE A NOMINEE APPLYING ON BEHALF OF A BLOCK OF INVESTORS, PLEASE DO NOT COMPLETE THE APPLICATION FORM. INSTEAD, PLEASE CONTACT THE RECEIVING AGENT FOR ALTERNATIVE INSTRUCTIONS.

Incomplete or otherwise deficient application forms will NOT be considered eligible for acceptance and will be returned to you at your risk to be completed or corrected in line with these procedures.

SECTION 1 – APPLICANT DETAILS

Please provide your full name, date of birth (you must be eighteen years of age or older), and National Insurance number ("NINo") (if you have one).

Should we need to contact you regarding your application, we would like to do so by telephone. Please provide your telephone number in the box provided. We also ask that you use this telephone number as part of your subscription payment reference.

Regarding this application, the Receiving Agent would like to issue, through email, an acknowledgement of receipt, a confirmation of receipt of monies, and if the Company accepts your application, a confirmation of allotment and an income tax relief certificate. If you would like to receive email correspondence from the Receiving Agent, please provide your email address below. Alternatively, the Receiving Agent will send the relevant correspondence to you in the post. For applications accepted under the Offer, the Company's Registrar will send the associated share certificates in the post (if applicable).

For anti-money laundering purposes (incl. verification of identity), please provide your current address and if you have lived at your current address for less than three years, please provide your previous address in the boxed provided.

We are legally required to collect information about the tax residency and classifications of new Shareholders which may be shared with HMRC.

If you are a UK tax resident but do not have a NINO, please enter “United Kingdom” and your Unique Taxpayer Reference number (“UTR”) in the boxes provided. Your UTR may be found in any recent correspondence from HMRC concerning your income tax return.

For any other countries in which you are a tax resident, please provide the relevant information in the boxes provided.

It is very important that you complete this section clearly and accurately, as the Receiving Agent will send an email acknowledgement, or, if no email address is given, a confirmation letter to you at the address shown in this section.

If your application to the Offer is successful, your name and address as stated in this section will be entered onto the Register of the Company and printed on the tax and Share certificates.

SECTION 2 – FINANCIAL INTERMEDIARY

Please tick the relevant box (only one) to confirm if a financial Intermediary firm is associated with your application.

SECTION 3 – APPLICATION AMOUNT

Insert the amount of money which you wish to invest. Your total application must be for a minimum value of £5,000 (including any initial Adviser Charge to be facilitated) in the Company. Income tax relief is available on the Application Amount **less** any initial Adviser Charge to be facilitated.

SECTION 4 – SHAREHOLDING PREFERENCES

The Company would like to communicate with you electronically in respect of your shareholding in the Company. The Articles of the Company provide authority to use electronic means to convey information to Shareholders, including, but not limited to, sending, and supplying documents or information to Shareholders by making them available on a website. This means that you will receive notifications by email (where you have provided an email address in Section 1) or by letter that information and/or documents are available on the Company's website. We will notify you when documents and information are available to access on the website, and we will provide you with:

- the address of the website;
- the place on the website where the documents and information may be accessed; and
- details of how to access the documents or information.

Please indicate how you would like to receive Shareholder communications.

You have the right to opt out of electronic communications at any time and revert to receiving hard copies of Company documents by post, by emailing registrars@city.uk.com or calling 01484 240 910 (Mon-Fri, 9am-5.30 pm).

If you do not confirm a communications preference above and you are a registered holder of Shares, the Company will send hard copy documents to you by post.

If you wish for any new Shares for which your application is accepted to be allotted to your nominee (CREST or otherwise), please provide the nominee details in the relevant boxes.

SECTION 5 – DIVIDENDS

If you wish that any Shares for which your application is accepted are issued to your nominee, please do NOT complete this section. Please contact your nominee regarding your dividend options.

For any dividends that may from time to time become due on any Shares which stand in your name on the Company's register, please provide your bank or building society details in the space provided. Dividends paid directly into your account will be paid in cleared funds on the dividend payment date. Your bank or building society statement will identify details of the dividends as well as the dates and amounts paid.

Dividends will NOT be paid by cheque.

SECTION 6 – PAYMENT

Payment can be made by electronic transfer or cheque/banker's draft. Your payment must relate solely to this application.

Electronic transfer

Please transfer the required funds to:

Account name:	City-Guinness VCT-Segregated
Account number:	24023060
Sort code:	80-22-60
IBAN:	GB77BOFS80226024023060
BIC:	BOFSGBS1SDP
Reference:	Initial(s) and phone number (alphanumeric, no spaces)

Note: Payments need to come from a personal pound sterling bank account held at a UK-regulated credit or e-money institution in the Applicant's name (sole or joint). We do not accept payments from business accounts or third parties, including a spouse.

Cheque or banker's draft

Please make your cheque or banker's draft payable to "City-Guinness VCT-Segregated" and cross "A/C Payee only".

Reference (mark back of cheque): Initial(s) and phone number (alphanumeric, no spaces)

Please send your cheque or banker's draft to:

Guinness VCT plc Offer
The City Partnership (UK) Limited
The Mending Rooms
Park Valley Mills
Meltham Road
Huddersfield HD4 7BH

Note: Cheques must be from a personal Sterling-denominated bank account held at a UK-regulated credit institution in the Applicant's name (sole or joint). We do not accept cheques from business accounts, third parties (including a spouse). Banker's drafts and building society cheques must specifically mention the Applicant's name. Further, please note that funds may require to be cleared prior to allotting any Shares, which for cheques, takes two working days after the date of lodgement.

Receipt of your Application Form (online, email, or post) will be acknowledged by the Receiving Agent by email (if you have provided an email address in Section 1) or post. Further, you will also receive confirmation of receipt of payment from the Receiving Agent once the monies have been matched to your application by email or letter.

Regardless of your payment method, please provide the details of the remitting bank account to allow the Company's Receiving Agent to match, reconcile, and confirm receipt of your monies. Verification of your bank account also forms part of the Company's checks under the ML Regulations.

The Receiving Agent cannot take responsibility for correctly identifying payments without a reference nor where a payment has been received but without an accompanying application form. The right is reserved to reject any application in respect of which the applicant's electronic transfer, cheque or banker's draft has not been cleared on first presentation. Any monies will be returned by a BACS credit to the remitting account provided, at the risk of the persons entitled thereto without interest.

SECTION 7 – APPLICANT DECLARATION

You must sign, state your name, and date the application form in Section 7. By signing and dating the application form you agree to invest in the Company in accordance with the Terms and Conditions of Application as set out in the Company's Prospectus.

If this section of the Application Form is not signed, the Receiving Agent will not be able to process your application and your subscription monies will be returned to you.

SECTION 8 – FINANCIAL INTERMEDIARY DETAILS

Please provide the name of the network or service provider name to which your firm is associated (if applicable), the name of your firm and its FCA number, your partner reference (if applicable), email address, and telephone number. The right is reserved to reject any application or withhold any payment of fees or commission if the Company is not, at their sole discretion, satisfied that the Intermediary is authorised or is unable to identify the Intermediary on the basis of information provided.

SECTION 9 – FINANCIAL INTERMEDIARY REMUNERATION

Intermediaries must complete A or B (not both).

Please tick box (A) if you have provided financial advice to your client, who is not a Professional Client (as per COBS 3.5) and have agreed on an initial adviser charge (nil or otherwise) which complies with COBS 6.1A. Please enter the initial adviser charge for facilitation in the box provided. If you do not want the Companies to facilitate payment of the initial adviser charge, or you have made alternative arrangements, please enter "0" if NIL.

Please tick box (B) if your financial intermediary firm is entitled to receive commission in accordance with COBS 2.3/2.3A and any other applicable FCA regulations. The 2.5% initial commission may be waived for the benefit of your client. Please insert the amount of initial commission you wish to be waived in the box provided (please enter "0" if NIL)

Please confirm the bank account into which any adviser charges or initial commission payments associated with the application should be paid by BACS.

Should you wish the Receiving Agent to carry a reference against any initial adviser charge or commission payment associated with the application, please provide it in the box provided.

If you would like your firm's finance department to receive a copy of a statement detailing the initial adviser charges or commission payment(s) due to your firm, please provide the relevant email address in the box provided. **If required, additional copies of statements will be issued by the Receiving Agent in return for a £10 administration fee.**

SECTION 10 – FINANCIAL INTERMEDIARY DECLARATION

An individual with the authority to sign on behalf of the financial Intermediary firm detailed in Section 8 should sign and date the application form in Section 10.

