

BRITISH SMALLER COMPANIES VCT PLC (BSC)
INVESTMENT COMMITTEE TERMS OF REFERENCE

1. CONSTITUTION

1.1 The Board of BSC has resolved to establish a Committee of the Board to be known as the Investment Committee ("IC" or "the Committee").

2. MEMBERSHIP

2.1 The members of the Committee shall comprise the following directors of BSC:

- Rupert Cook
- Helen Sinclair
- Adam Bastin
- Jonathan Cartwright

2.2 The Chairman of the Committee shall be appointed from time to time by the Committee, the Chairman being Rupert Cook.

2.3 Members of the Investment Adviser's Investment Team will attend as required.

3. ALTERNATES

3.1 There will be no Alternates for members of the Committee.

4. VOTING

4.1 The approach to be adopted by the Committee on all matters required for decision is to be based on consensus. In the event of a vote being taken among the members a majority decision shall apply.

4.2 A quorum shall be any two of the members of the Committee.

4.3 Attendance may be by telephone.

5. FREQUENCY OF MEETINGS

5.1 Meetings will be held as necessary to deal with investments.

6. AUTHORITY

6.1 The Committee is authorised to make investment decisions (including new investment, further investment, variation and realisation decisions) on behalf of the Board.

- 6.2 With regard to new AiM investments in cases where an urgent decision is required the Investment Adviser may make such decisions in conjunction with the Chairman up to a level of £250,000, provided papers have first been circulated at least to the Committee Chairman. With regard to realisation of AIM holdings the Investment Adviser is authorised to implement the Company's exit strategy for the holding in question within the parameters previously agreed by the directors.
- 6.3 The Committee will receive reports on investee companies and proposed investee companies from the Investment Adviser.
- 6.4 Members of the Committee may comment on and give opinions regarding the performance of the portfolio companies.

7. **GENERAL**

- 7.1 The Board of Directors may from time to time vary or revoke the authority of the Committee or change the composition of the Committee.

8. **REPORTING PROCEDURES**

- 8.1 Minutes of the meetings will be circulated to the next following meeting of the Committee and the next following meeting of the Board of Directors of BSC if required.
- 8.2 The opinions, conclusions and recommendations of the Committee shall be communicated to the Board of Directors of BSC and to the Investment Adviser.

October 2019