

THIS PROSPECTUS IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt as to what action you should take you are recommended to seek your own financial advice immediately from your stockbroker, bank, solicitor, accountant or other independent financial adviser who is authorised under the Financial Services and Markets Act 2000 (the "FSMA") if you are in the United Kingdom, or from another appropriately authorised independent financial adviser if you are in a territory outside the United Kingdom.

This Prospectus comprises a prospectus relating to Chelverton Small Companies Dividend Trust PLC (the "**Company**") and SDV 2025 ZDP PLC ("**2025 ZDP Co**") in connection with the issue of C Shares, Ordinary Shares and ZDP Shares, prepared in accordance with the Prospectus Rules of the Financial Conduct Authority made pursuant to section 73A of FSMA. This Prospectus has been approved by the Financial Conduct Authority and has been filed with the Financial Conduct Authority in accordance with Rule 3.2 of the Prospectus Rules.

The C Shares, the Ordinary Shares and the ZDP Shares are only suitable for investors: (i) who understand and are willing to assume the potential risks of capital loss and that there may be limited liquidity in the underlying investments of the Company; (ii) for whom an investment in the C Shares, the Ordinary Shares and/or the ZDP Shares is part of a diversified investment programme; and (iii) who fully understand and are willing to assume the risks involved in such an investment. If you are in any doubt about the contents of this Prospectus, you should consult your accountant, legal or professional adviser or financial adviser.

The Company, 2025 ZDP Co and each of the Directors, whose names appear on page 43 of this Prospectus, accept responsibility for the information contained in this Prospectus. To the best of the knowledge and belief of the Company, 2025 ZDP Co and the Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information.

Prospective investors should read the entire Prospectus and, in particular, the section headed "Risk Factors" beginning on page 18 when considering an investment in the Company and/or 2025 ZDP Co.

Chelverton Small Companies Dividend Trust PLC

*(incorporated in England and Wales with company number 3749536 and registered as an investment company
under section 833 of the Companies Act 2006)*

and its wholly-owned subsidiary

SDV 2025 ZDP Plc

(incorporated and registered in England and Wales with company number 11031268)

Placing, Intermediaries Offer and Offer for Subscription of C Shares

and

**Issue of ZDP Shares in connection with the recommended proposals for the
reconstruction and winding-up of Chelverton Small Companies ZDP PLC**

and

Placing of ZDP Shares

and

Placing Programme of Ordinary Shares and ZDP Shares

Financial Adviser, Sponsor and Broker

STOCKDALE SECURITIES LIMITED

Application will be made for the C Shares to be admitted to listing on 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 Initial Admission will become effective and that dealings in the C Shares issued pursuant to the Issue will commence at 8.00 a.m. on 8 January 2018 in respect of the Issue. Dealings on the London Stock Exchange before Initial Admission will only be settled if Initial Admission takes place. The C Shares are not and/or will not be dealt in on any other recognised investment exchange and no other such applications have been made or are currently expected.

Application will be made for the Ordinary Shares issued pursuant to the Placing Programme to be admitted to listing on 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 the first Programme Admission will become effective and that dealings in Ordinary Shares issued pursuant to the Placing Programme will commence during the period between 9 January 2018 and 23 November 2018. Dealings on the London Stock Exchange before Programme Admission will only be settled if Programme Admission takes place. The Ordinary Shares issued pursuant to the Placing Programme are not and/or will not be dealt in on any other recognised investment exchange and no other such applications have been made or are currently expected.

Application will be made for the ZDP Shares to be admitted to listing on the standard segment of the Official List and to trading on the London Stock Exchange's Main Market for listed securities. It is expected that Initial ZDP Admission will become effective and that dealings in the ZDP Shares pursuant to the ZDP Issue will commence at 8.00 a.m. on 8 January 2018. Dealings on the London Stock Exchange before Initial ZDP Admission will only be settled if Initial ZDP Admission takes place. The ZDP Shares are not and/or will not and/or will not be dealt in on any other recognised investment exchange and no other such applications have been made or are currently expected.

Application will be made for the ZDP Shares issued pursuant to the ZDP Placing Programme to be admitted to listing on the standard segment of the Official List and to trading on the London Stock Exchange's Main Market for listed securities. It is expected that the first ZDP Programme Admission will become effective and that dealings in ZDP Shares issued pursuant to the Placing Programme will commence during the period between 9 January 2018 and 23 November 2018. Dealings on the London Stock Exchange before ZDP Programme Admission will only be settled if ZDP Programme Admission takes place. The ZDP Shares issued pursuant to the ZDP Placing Programme are not and/or will not be dealt in on any other recognised investment exchange and no other such applications have been made or are currently expected.

A standard listing will afford investors in 2025 ZDPCo a lower level of regulatory protection than that afforded to investors in companies with premium listings on the Official List, which are subject to additional obligations under the Listing Rules.

This Prospectus may not be distributed or transmitted by any means or media, directly or indirectly, in whole or in part, in or into the United States. This Prospectus does not constitute an offer to sell, or a solicitation of an offer to buy securities in the United States. The C Shares, the Ordinary Shares and the ZDP Shares have not been, and will not be, registered under the US Securities Act of 1933, as amended (the "**Securities Act**"), or under the securities laws or with any securities regulatory authority of any state or other jurisdiction of the United States. Accordingly, the C Shares, the Ordinary Shares and the ZDP Shares may not be offered or sold within the United States or to, or for the account or benefit of US persons (as defined in Regulation S under the Securities Act ("**Regulation S**")), except pursuant to an exemption from or in a transaction not subject to, the registration requirements of the Securities Act. The C Shares, the Ordinary Shares and the ZDP Shares are being offered and sold only in "offshore transactions" to non-US-persons as defined in Regulation S. The Company and 2025 ZDPCo have not been, and will not be, registered under the Investment Company Act, and investors will not be entitled to the benefit of that Act. No offer, purchase, sale or transfer of the C Shares, the Ordinary Shares and the ZDP Shares may be made except under circumstances which will not result in the Company and 2025 ZDPCo being required to register as an investment company under the Investment Company Act.

The C Shares, the Ordinary Shares and the ZDP Shares have not been approved or disapproved by the US Securities and Exchange Commission, any State securities commission in the United States or any other US regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of the offering of Shares or the accuracy or adequacy of this Prospectus. Any representation to the contrary is a criminal offence in the United States.

Stockdale Securities Limited ("**Stockdale**"), which is authorised and regulated in the United Kingdom by the Financial Conduct Authority, is acting exclusively for the Company and 2025 ZDPCo and for no one else in relation to Initial Admission, Initial ZDP Admission, the Placing Programme, the ZDP Placing Programme, any Programme Admission and/or any ZDP Programme Admission and the other arrangements referred to in this Prospectus. Stockdale will not regard any other person (whether or not a recipient of this Prospectus) as its client in relation to Initial Admission, Initial ZDP Admission, the Placing Programme, the ZDP Placing Programme, any Programme Admission and/or any ZDP Programme Admission and the other arrangements referred to in this Prospectus and will not be responsible to anyone other than the Company and 2025 ZDPCo for providing the protections afforded to their respective clients or for providing any advice in relation to Initial Admission, Initial ZDP Admission, the Placing Programme, the ZDP Placing Programme, any Programme Admission and/or any ZDP Programme Admission, the contents of this Prospectus or any transaction or arrangement referred to in this Prospectus. Apart from the responsibilities and liabilities, if any, which may be imposed on Stockdale by FSMA or the regulatory regime established thereunder, Stockdale will not make any representation express or implied in relation to, nor accepts any responsibility whatsoever for, the contents of this Prospectus or any other statement made or purported to be made by it or on its behalf in connection with the Company, 2025 ZDPCo, the C Shares, the Ordinary Shares, the ZDP Shares, Initial Admission, Initial ZDP Admission, the Placing Programme, the ZDP Placing Programme, any Programme Admission and/or any ZDP Programme Admission. Stockdale (and its affiliates) accordingly, to the fullest extent permissible by law, disclaims all and any responsibility or liability (save for any statutory liability) whether arising in tort, contract or otherwise which it might have in respect of the contents of this Prospectus or any other statement made or purported to be made by it or on its behalf in connection with the Company, the C Shares, the Ordinary Shares, the ZDP Shares, Initial Admission, Initial ZDP Admission, the Placing Programme, the ZDP Placing Programme, any Programme Admission and/or any ZDP Programme Admission.

This Prospectus does not constitute an offer to sell, or the solicitation of an offer to acquire or subscribe for, Shares in any jurisdiction where such offer or solicitation is unlawful or would impose any unfulfilled registration, qualification, publication or approval requirements on the Company, 2025 ZDPCo or the Sponsor. The offer and sale of Shares has not been and will not be registered under the applicable securities laws of Australia, Canada, New Zealand, the Republic of South Africa or Japan. Subject to certain exemptions, the Shares may not be offered to or sold within Australia, Canada, New Zealand, the Republic of South Africa or Japan or to any national, resident or citizen of Australia, Canada, New Zealand, the Republic of South Africa or Japan.

This Prospectus is dated 24 November 2017.

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SUMMARY

Summaries are made up of disclosure requirements known as “Elements”. These elements are numbered in Sections A-E (A.1 -E.7). This summary contains all the Elements required to be included in a summary for this type of securities and issuer. Some Elements are not required to be addressed which means there may be gaps in the numbering sequence of the Elements. Even though an Element may be required to be inserted into the summary because of the type of securities and issuer, it is possible that no relevant information can be given regarding the Element. In this case a short description of the Element is included in the summary with the mention of “not applicable”.

Section A – Introductions and Warnings		
<i>Element</i>	<i>Disclosure requirement</i>	<i>Disclosure</i>
A.1	Warnings	This summary should be read as an introduction to this Prospectus. Any decision to invest in the securities should be based on consideration of the Prospectus as a whole by the investor. Where a claim relating to the information contained in this Prospectus is brought before a court, the plaintiff investor might, under the national legislation of the Member States, have to bear the costs of translating this Prospectus before the legal proceedings are initiated. Civil liability attaches only to those persons who have tabled the summary including any translation thereof, but only if the summary is misleading, inaccurate or inconsistent when read together with the other parts of this Prospectus or it does not provide, when read together with the other parts of this Prospectus, key information in order to aid investors when considering whether to invest in such securities.
A.2	Subsequent resale of securities or final placement of securities through financial intermediaries	<p>The Company consents to the use of this Prospectus by financial intermediaries in connection with the subsequent resale or final placement of securities by financial intermediaries in connection with the Issue only. The offer period within which any subsequent resale or final placement of securities by Intermediaries can be made and for which consent to use this document is given commences on 24 November 2017 and closes at 11.00 a.m. on 21 December 2017, unless closed prior to that date. Any Intermediary that uses this document must state on its website that it uses this document in accordance with the Company’s consent. Intermediaries are required to provide the terms and conditions of the Intermediaries Offer to any prospective investor who has expressed an interest in participating in the Intermediaries Offer to such Intermediary. Information on the terms and conditions of any subsequent resale or final placement of securities by any Intermediary is to be provided at the time of the offer by the Intermediary. The Company has not given its consent to the use of this Prospectus for the resale or final placement of Ordinary Shares by financial intermediaries under the Placing Programme and 2025 ZDPCo has not given its consent to the use of this Prospectus for the resale or final placement of ZDP Shares by financial intermediaries under the ZDP Issue or the ZDP Placing Programme.</p> <p>Any Intermediary that uses the Prospectus must state on its website that it uses the Prospectus in accordance with the Company’s consent and the conditions attached thereto. An Intermediary may use the prospectus for the marketing and offer of securities in the UK only. Each Intermediary has agreed, or will on appointment agree, to the Intermediaries Terms and Conditions which regulate, <i>inter alia</i>, the conduct of the Intermediaries in relation to the offering of C Shares on market standard terms and provide for the payment of commission to any Intermediary that elects to receive commission. Any application made by investors to any Intermediary is subject to the terms and conditions imposed by each Intermediary.</p>
Section B – Issuer		
<i>Element</i>	<i>Disclosure requirement</i>	<i>Disclosure</i>
B.1	Legal and commercial name	<p>Chelverton Small Companies Dividend Trust PLC in respect of the Ordinary Shares and the C Shares.</p> <p>SDV 2025 ZDP PLC in respect of the ZDP Shares.</p>

B.2	Domicile and legal form	<p>The Company is a closed-ended investment company. It was incorporated in England and Wales on 6 April 1999 with registered number 3749536 as a public company limited by shares under the Companies Act 1985 (as amended). The principal legislation under which the Company operates is the Companies Act.</p> <p>2025 ZDPCo was incorporated in England and Wales on 25 October 2017 with registered number 11031268 as a public company limited by shares under the Companies Act. The principal legislation under which the Company operates is the Companies Act.</p>																												
B.3	Nature of issuer/Current operations/Principal activities	<p>The Company is an investment trust. 2025 ZDPCo is a wholly-owned subsidiary of the Company and was incorporated by the Company for the sole purpose of issuing the ZDP Shares.</p>																												
B.4a	Known trends	Not applicable.																												
B.5	Group description	<p>The Company has two subsidiaries: (i) Existing ZDPCo, which was incorporated by the Company for the sole purpose of issuing the Existing ZDP Shares; and (ii) 2025 ZDPCo, which was incorporated by the Company for the sole purpose of issuing the ZDP Shares. All of Existing ZDPCo's and 2025 ZDPCo's ordinary shares are held by the Company.</p>																												
B.6	Major shareholders	<p>The Company</p> <p>As at the Latest Practicable Date insofar as known to the Company, based on notifications made to it pursuant to the Disclosure and Transparency Rules, the following persons held, directly or indirectly, three per cent. or more of the Company's voting rights:</p> <table border="1" data-bbox="611 981 1394 1137"> <thead> <tr> <th data-bbox="611 1003 675 1025">Name</th> <th data-bbox="1090 981 1241 1025">Number of voting rights held</th> <th data-bbox="1313 981 1394 1025">% voting rights</th> </tr> </thead> <tbody> <tr> <td data-bbox="611 1037 1026 1059">Charles Stanley Group (nominee holding)</td> <td data-bbox="1145 1037 1241 1059">1,511,832</td> <td data-bbox="1345 1037 1394 1059">8.51</td> </tr> <tr> <td data-bbox="611 1059 962 1081">Consistent Unit Trust Management</td> <td data-bbox="1161 1059 1241 1081">775,000</td> <td data-bbox="1345 1059 1394 1081">4.36</td> </tr> <tr> <td data-bbox="611 1081 882 1104">Philip J Milton & Company</td> <td data-bbox="1153 1081 1241 1104">622,275</td> <td data-bbox="1345 1081 1394 1104">3.50</td> </tr> <tr> <td data-bbox="611 1104 962 1126">Jupiter Asset Management Limited</td> <td data-bbox="1161 1104 1241 1126">600,000</td> <td data-bbox="1345 1104 1394 1126">3.38</td> </tr> </tbody> </table> <p>All Shareholders have the same voting rights in respect of the share capital of the Company.</p> <p>The Company and the Directors are not aware of any person who, directly or indirectly, jointly or severally, exercises or could exercise control over the Company.</p> <p>2025 ZDPCo</p> <p>As at the date of this Prospectus insofar as known to 2025 ZDPCo, with the exception of the Company, there are no parties that have a notifiable interest in 2025 ZDPCo's voting rights.</p> <p>Apart from the Company, 2025 ZDPCo and the Directors are not aware of any person who, directly or indirectly, jointly or severally, exercises or could exercise control over 2025 ZDPCo.</p>	Name	Number of voting rights held	% voting rights	Charles Stanley Group (nominee holding)	1,511,832	8.51	Consistent Unit Trust Management	775,000	4.36	Philip J Milton & Company	622,275	3.50	Jupiter Asset Management Limited	600,000	3.38													
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B.7	Key financial information	<p>The table below sets out the key financial information that has been extracted without material adjustment from the Company's audited financial statements in respect of the financial years ended 30 April 2015, 2016 and 2017, and the interim report and unaudited financial statements for the period from 1 May to 31 October in each of 2015, 2016 and 2017, which are incorporated into this document by reference. The Company believes that this information summarises the financial condition and operating results of the Group over the relevant period.</p> <table border="1" data-bbox="611 1843 1394 2056"> <thead> <tr> <th data-bbox="611 1865 675 1888">£'000</th> <th data-bbox="866 1843 930 1888">As at 30 April 2015</th> <th data-bbox="962 1843 1026 1888">As at 31 Oct 2015</th> <th data-bbox="1058 1843 1121 1888">As at 30 April 2016</th> <th data-bbox="1153 1843 1217 1888">As at 31 Oct 2016</th> <th data-bbox="1249 1843 1313 1888">As at 30 April 2017</th> <th data-bbox="1345 1843 1409 1888">As at 31 Oct 2017</th> </tr> </thead> <tbody> <tr> <td data-bbox="611 1910 834 1933">Net Asset Value</td> <td data-bbox="866 1910 930 1933">32,349</td> <td data-bbox="962 1910 1026 1933">36,102</td> <td data-bbox="1058 1910 1121 1933">35,077</td> <td data-bbox="1153 1910 1217 1933">34,037</td> <td data-bbox="1249 1910 1313 1933">41,724</td> <td data-bbox="1345 1910 1409 1933">47,431</td> </tr> <tr> <td data-bbox="611 1944 818 2000">Net Asset Value per Share (£)</td> <td data-bbox="866 1944 930 2000">195.46</td> <td data-bbox="962 1944 1026 2000">218.14</td> <td data-bbox="1058 1944 1121 2000">211.95</td> <td data-bbox="1153 1944 1217 2000">205.66</td> <td data-bbox="1249 1944 1313 2000">248.35</td> <td data-bbox="1345 1944 1409 2000">266.84</td> </tr> <tr> <td data-bbox="611 2022 738 2045">Total assets</td> <td data-bbox="866 2022 930 2045">42,448</td> <td data-bbox="962 2022 1026 2045">46,786</td> <td data-bbox="1058 2022 1121 2045">45,738</td> <td data-bbox="1153 2022 1217 2045">45,004</td> <td data-bbox="1249 2022 1313 2045">54,178</td> <td data-bbox="1345 2022 1409 2045">60,421</td> </tr> </tbody> </table>	£'000	As at 30 April 2015	As at 31 Oct 2015	As at 30 April 2016	As at 31 Oct 2016	As at 30 April 2017	As at 31 Oct 2017	Net Asset Value	32,349	36,102	35,077	34,037	41,724	47,431	Net Asset Value per Share (£)	195.46	218.14	211.95	205.66	248.35	266.84	Total assets	42,448	46,786	45,738	45,004	54,178	60,421
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			Year ended 30 April 2015	Half year ended 31 Oct 2015	Year ended 30 April 2016	Half year ended 31 Oct 2016	Year ended 30 April 2017	Half year ended 31 Oct 2017
		Profit/(loss) before taxation (revenue)	1,524	1,061	1,859	1,104	2,018	1,121
		Profit/ (loss) before taxation (capital)	753	3,420	2,160	(1,176)	5,640	3,250
		Profit/ (loss) before taxation (total)	2,277	4,481	4,019	(72)	7,658	4,371
		Earnings/(loss) per Share (pence)	<u>13.76p</u>	<u>27.07p</u>	<u>24.28p</u>	<u>(0.44)p</u>	<u>46.20p</u>	<u>24.90</u>
		<p>There are no significant changes to the Company's or the Group's financial condition and operating results to note during or subsequent to the period covered by the historical financial information.</p> <p>Not applicable for 2025 ZDPCo which is recently incorporated and has no historical financial information.</p>						
B.8	Key pro forma financial information	Not applicable. No pro forma financial information is included in this Prospectus.						
B.9	Profit forecast	Not applicable. No profit forecast or estimate is made in this Prospectus.						
B.10	Description of the nature of any qualifications in the audit report on the historical financial information	Not applicable. The audit report on the historical financial information on the Company incorporated by reference in this Prospectus is not qualified. 2025 ZDPCo is newly incorporated and has no historical financial information.						
B.11	Insufficiency of working capital	<p>In the Company's opinion, the Group does not have sufficient working capital for its present requirements, that is, for at least the 12 months following the date of this Prospectus. This statement reflects the requirement to redeem the Existing ZDP Shares on 8 January 2018 and the conditionality of the Issue, the Placing Programme, the ZDP Issue and the ZDP Placing Programme.</p> <p>The maximum aggregate amount payable to redeem the Existing ZDP Shares on 8 January 2018 is £12,780,083. The Group is therefore dependent on the reduction in this aggregate redemption sum payable following Rollover Elections under the Scheme, and on the proceeds from the Issue, the Placing Programme, the ZDP Placing and the ZDP Placing Programme, in order to meet its working capital requirements for at least the 12 months following the date of this Prospectus.</p> <p>If the Group is unable to fund the redemption on 8 January 2018 of the Existing ZDP Shares, the Company would make sales of investments from the Company's investment portfolio in order to fund such redemption amount. The closing time and date for Rollover Elections under the Scheme is 11.00 a.m. on 18 December 2017, and therefore in the unlikely event that there were no Rollover Elections made and no proceeds received from the Issue and the ZDP Placing, the Company would have until 8 January 2018 to realise sufficient investments from the Company's investment portfolio to redeem the Existing ZDP Shares in full on that date in the total sum of £12,780,083. The Company believes that these alternative arrangements would be successful and could be implemented prior to 8 January 2018. Therefore, even if the Group is required to redeem the Existing ZDP Shares in full in the total sum of £12,780,083 on 8 January 2018, the Directors believe that funds to meet the Group's working capital requirements will be available.</p> <p>In the event that a sale of the Company's investments could not be made to generate sufficient proceeds to repay the amount required to redeem those Existing ZDP Shares which are required to be redeemed on 8 January 2018, then the Company would be unable to pay its debts as they fall due on 8 January 2018 and the Directors would convene a general meeting of</p>						

		<p>the Company at which a resolution would be proposed requiring the Company to be wound up pursuant to the Insolvency Act 1986. The Directors believe that such a scenario is extremely unlikely and that it is extremely unlikely that the Company would become insolvent or enter into administration arrangements.</p> <p>In 2025 ZDPCo's opinion, the working capital available to 2025 ZDPCo is sufficient for its present requirements, that is for at least 12 months following the date of this Prospectus.</p>
B.18	Guarantee	<p>2025 ZDPCo will lend to the Company the proceeds of the ZDP Issue and any Subsequent ZDP Placing by way of an interest-free unsecured loan. The 2025 Loan Agreement will contain certain provisions to protect the interests of 2025 ZDPCo and the ZDP Shareholders. The Loan will be repayable on the ZDP Repayment Date. The Company has entered into the 2025 Contribution Agreement with 2025 ZDPCo, under which it has agreed to contribute such amount as will be necessary to ensure that 2025 ZDPCo has sufficient assets on the ZDP Repayment Date to satisfy the Final Capital Entitlement.</p> <p>Dividends and other payments to Shareholders will be restricted while the ZDP Shares are in issue unless the Cover is at least 1.9 times immediately following any such payment or if such payment is required in order for the Company to maintain its investment trust status.</p>
B.19	Section B information about the guarantor as if it were the issuer of the same type of security that is the subject of the guarantee.	The Company is an investment trust. Information on the Company is included in each applicable paragraph of this section B.
B.34	Investment objective and policy	<p>The investment objective of the Company is to provide Ordinary Shareholders with a high income and the opportunity for capital growth.</p> <p>The Company's investment policy is that:</p> <ul style="list-style-type: none"> • the Company will invest in equities in order to achieve its investment objective, which is to provide both income and capital growth, predominantly through investment in mid- and smaller capitalised UK companies admitted to the Official List of the UK Listing Authority and traded on the London Stock Exchange's Main Market or traded on AIM; • the Company will not invest in preference shares, loan stock or notes, convertible securities or fixed interest securities or any similar securities convertible into shares; nor will it invest in the securities of other investment companies or in unquoted companies; and • there is no set limit on the Company's gearing. <p>2025 ZDPCo's investment objective is to provide the Final Capital Entitlement to the holders of the ZDP Shares on the ZDP Repayment Date.</p> <p>2025 ZDPCo does not have an investment policy.</p>
B.35	Borrowing limits	In order to protect the interests of ZDP Shareholders, the 2025 Loan Agreement contains a restriction on the Group incurring any other borrowings (other than short term indebtedness in the normal course of business, such as when settling share transactions) except where such borrowings are for the purpose of paying the Final Capital Entitlement due to holders of ZDP Shares. There are no set gearing limits, but the Company is subject to the covenants set out in the 2025 Loan Agreement and 2025 Contribution Agreement. There are no restrictions on borrowing in the Articles but the Company currently has no borrowings and does not plan to have any.

		There are no restrictions on borrowing in the 2025 ZDPCo Articles but 2025 ZDPCo currently has no borrowings and does not plan to have any.
B.36	Regulatory status	<p>As an investment trust, the Company is not regulated as a collective investment scheme by the Financial Conduct Authority, but the Company is registered with the Financial Conduct Authority as a small internally managed UK registered AIFM.</p> <p>Subject to Initial ZDP Admission, 2025 ZDPCo will be registered with the FCA as a small internally managed UK registered AIFM but is not and will not be regulated as a collective investment scheme by the FCA.</p> <p>However, the Company is, and 2025 ZDPCo will be, subject to the Market Abuse Regulation, the Prospectus Rules, the Listing Rules, the Disclosure and Transparency Rules and the rules of the London Stock Exchange.</p>
B.37	Typical investor	The C Shares, the Ordinary Shares and the ZDP Shares issued pursuant to the Issue, the ZDP Issue, the Placing Programme and/or the ZDP Placing Programme are designed to be suitable for institutional investors and professionally-advised private investors. The C Shares, the Ordinary Shares and the ZDP Shares may also be suitable for other private investors who are capable of evaluating the risks and merits of such an investment and who have sufficient resources to bear any loss which may result from such an investment. Such investors may wish to consult an independent financial adviser who specialises in advising on the acquisition of shares and other securities before investing in the C Shares, the Ordinary Shares or the ZDP Shares in the Issue, the ZDP Issue, the Placing Programme and/or the ZDP Placing Programme.
B.38	Investment of 20 per cent. or more of gross assets in single underlying asset or collective investment undertaking	Not applicable. The Company will not invest more than 20 per cent. of its gross assets in a single underlying asset or in one or more collective investment undertakings which may in turn invest more than 20 per cent. of gross assets in other collective investment undertakings.
B.39	Investment of 40 per cent. or more of gross assets in another collective investment undertaking	<p>Not applicable. The Company will not invest more than 40 per cent. of its gross assets in another collective investment undertaking.</p> <p>The Company does not invest in other investment companies.</p>
B.40	Applicant's service providers	<p>The Investment Manager</p> <p>The Company has appointed Chelverton Asset Management Limited (the "Investment Manager") as the Group's investment manager. The Investment Manager is responsible for the management of the assets of the Group in accordance with the terms of the Investment Management Agreement.</p> <p>Under the terms of the Investment Management Agreement, the Investment Manager is entitled to a management fee together with reimbursement of reasonable expenses incurred by it in the performance of its duties.</p> <p>The management fee payable to Chelverton represents 1 per cent. per annum of the Company's gross assets under management.</p> <p>2025 ZDPCo will loan the net proceeds of the ZDP Issue and ZDP Placing Programme to the Company pursuant to the 2025 Loan Agreement, and therefore has no assets to manage.</p> <p>Sponsor</p> <p>Stockdale Securities Limited ("Stockdale") has agreed to act as sponsor to the Issue and the Placing Programme. Given that the ZDP Issue and the ZDP Placing Programme will both involve listings on the standard segment of the Official List, Stockdale has not been appointed as sponsor in respect of either the ZDP Placing or the ZDP Placing Programme.</p>

		<p>Stockdale has agreed to use its reasonable endeavours to procure subscribers for Shares pursuant to the Placing and the ZDP Placing and, subject to the satisfaction of certain conditions, the Placing Programme and the ZDP Placing Programme. In consideration for its services in relation to the Placing and the Placing Programme and conditional upon completion of the Placing, the ZDP Placing or the applicable Subsequent Placing or Subsequent ZDP Placing, Stockdale will be paid a customary placing commission calculated by reference to the relevant gross issue proceeds.</p> <p>Administrator and Company Secretary</p> <p>Maitland Administration Services Limited has been appointed as the administrator and company secretary of the Company and 2025 ZDPCo. The Administrator and Company Secretary is responsible for the Company's and 2025 ZDPCo's general administrative functions, such as the calculation of the Net Asset Value and maintenance of the Company's accounting records.</p> <p>Under the terms of the Company Secretarial Agreement, the Administrator and Company Secretary is entitled to an annual fee in respect of the administration and accounting services subject to a minimum fee of £40,000 per annum. The Administrator and Company Secretary is, in addition, entitled to recover third party expenses and disbursements.</p> <p>Maitland Administration Services Limited has also been appointed as the company secretary of the Company and 2025 ZDPCo. The Administrator and Company Secretary provides the general secretarial functions required by the Companies Act and is responsible for the maintenance of the Company's and 2025 ZDPCo's statutory records. For this service a minimum annual fee of £20,000 plus VAT is payable. For the calendar year 2016, the Company paid the Administrator and Company Secretary a total fee of £63,999.96 (including VAT).</p> <p>Registrar</p> <p>Share Registrars Limited has been appointed as the registrar and receiving agent to the Company and 2025 ZDPCo to provide share registration services. Under the terms of the Registrar Agreement, the Registrar and Receiving Agent is entitled to an annual fee, subject to a minimum fee of £2,000 per annum (exclusive of VAT).</p> <p>The Company and 2025 ZDPCo have separately engaged the Registrar and Receiving Agent pursuant to the Receiving Agent Agreement and the Scheme Receiving Agent Agreement. The Registrar and Receiving Agent is entitled to a base fee of £3,000 plus VAT plus certain additional fees, including a processing fee per Application Form, under the Receiving Agent Agreement.</p> <p>The Registrar and Receiving Agent Agreement is entitled to a fee of £1,500 plus VAT in respect of the Scheme Receiving Agent Agreement.</p> <p>Custodian</p> <p>Jarvis Investment Management Limited has been appointed custodian pursuant to the Custody Agreement to provide custody services to the Company, including setting up and maintaining securities records and cash accounts, keeping safe custody of the Company's investments, processing corporate actions and shareholder votes and collecting and processing the Company's income.</p> <p>Under the terms of the Custody Agreement, the Custodian is entitled to a fee of £10,000 plus VAT per annum.</p> <p>The Custodian is also entitled to reimbursement of all reasonable out-of-pocket expenses incurred in connection with its duties.</p> <p>Broker</p> <p>Stockdale has been appointed as corporate broker to the Company and 2025 ZDPCo.</p> <p>The ongoing fees and expenses of 2025 ZDPCo (including, without limitation, fees and expenses incurred on any further offer and/or issuance of ZDP Shares) are payable by the Company.</p>
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B.41	Regulatory status of investment manager and depositary	The Investment Manager is authorised and regulated by the FCA and is subject to its rules in the conduct of its investment business. The Custodian is authorised and regulated by the FCA.
B.42	Calculation and publication of Net Asset Value	The unaudited estimated Net Asset Value (and unaudited Net Asset Value per Share) of the Company and 2025 ZDPCo is calculated weekly (and rounded to two decimal places) in Sterling by the Administrator and Company Secretary. Such calculations are notified weekly through a Regulatory Information Service announcement. Any suspension in the calculation of the Net Asset Value will be notified through a Regulatory Information Service as soon as practicable after any such suspension occurs.
B.43	Cross liability	Not applicable. The Company is not an umbrella collective investment undertaking and as such there is no cross liability between classes or investment in another collective investment undertaking. Not applicable. 2025 ZDPCo is not an undertaking and as such there is no cross liability between classes or investment in another collective investment undertaking.
B.44	Statement confirming no financial statements are in existence	Not applicable as regards the Company: the Company has commenced operations and historical financial information is incorporated by reference within this document. Please see the key financial information at B.7. As at the date of this Prospectus, 2025 ZDPCo has not yet commenced operating and no financial statements have been made up.
B.45	Portfolio	As at the Latest Practicable Date (being 5.00 p.m. London time on 22 November 2017), the Company's portfolio comprised 74 investments with an aggregate unaudited value of £58.76 million. The Company is a diversified fund which has interests in a number of listed securities in a variety of sectors. As at the Latest Practicable Date: <ul style="list-style-type: none"> • Company's 20 largest investments represented 50.39 per cent. of NAV. • Company's largest sector exposure was support services which represented 17.77 per cent. of NAV. • Cash and cash equivalents represented (26.30) per cent. of NAV.
B.46	Net Asset Value	As at 22 November 2017, the unaudited Net Asset Value per Ordinary Share was 261.76 pence. On Initial Admission, the unaudited Net Asset Value per C Share is expected to be 98.13 pence, assuming Gross Issue Proceeds of £75 million and the costs and expenses of the Issue that are payable by the Company being equal to 1.87 per cent. of the Gross Issue Proceeds. On Initial ZDP Admission, the unaudited Net Asset Value per ZDP Share will be 100 pence, as all of the costs and expenses of Initial ZDP Admission are payable by the Company.
Section C – Securities		
<i>Element</i>	<i>Disclosure Requirement</i>	<i>Disclosure</i>
C.1	Type and class of securities	C Shares/Ordinary Shares The Company intends to issue up to 75 million C Shares under the Placing, Intermediaries Offer and Offer for Subscription, in each case with a nominal value of 100 pence per C Share and at an Issue Price of 100 pence. The ISIN of the Ordinary Shares is GB0006615826. The SEDOL of the Ordinary Shares is 0661582. The ticker for the Ordinary Shares is SDV. The ISIN of the C Shares is GB00BZ7MNB52. The SEDOL of the C Shares is BZ7MNB5. The ticker for the C Shares is SDVC.

C.2	Currency denomination of Shares	<p>ZDP Shares</p> <p>2025 ZDPCo intends to issue up to 29.9 million ZDP Shares under the ZDP Issue with a nominal value of 100 pence each at an issue price of 100 pence per ZDP Share.</p> <p>The ISIN of the ZDP Shares is GB00BZ7MQD81. The SEDOL of the ZDP Shares is BZ7MQD8. The ticker for the ZDP Shares is SDVP.</p> <p>Sterling.</p>															
C.3	Details of share capital	<p>Set out below is the issued share capital of the Company and Existing ZDPCo as at the date of this Prospectus, all of which is fully paid up:</p> <p>The Company</p> <table data-bbox="619 584 1396 696"> <thead> <tr> <th></th> <th style="text-align: right;">Nominal value (pence)</th> <th style="text-align: right;">Number of Ordinary Shares</th> </tr> </thead> <tbody> <tr> <td>Ordinary Shares</td> <td style="text-align: right;">25</td> <td style="text-align: right;">17,775,000</td> </tr> </tbody> </table> <p>Existing ZDPCo</p> <table data-bbox="619 741 1396 853"> <thead> <tr> <th></th> <th style="text-align: right;">Nominal value (pence)</th> <th style="text-align: right;">Number</th> </tr> </thead> <tbody> <tr> <td>Ordinary shares</td> <td style="text-align: right;">100</td> <td style="text-align: right;">50,000</td> </tr> <tr> <td>Zero dividend preference shares</td> <td style="text-align: right;">100</td> <td style="text-align: right;">9,349,000</td> </tr> </tbody> </table>		Nominal value (pence)	Number of Ordinary Shares	Ordinary Shares	25	17,775,000		Nominal value (pence)	Number	Ordinary shares	100	50,000	Zero dividend preference shares	100	9,349,000
	Nominal value (pence)	Number of Ordinary Shares															
Ordinary Shares	25	17,775,000															
	Nominal value (pence)	Number															
Ordinary shares	100	50,000															
Zero dividend preference shares	100	9,349,000															
C.4	Rights attaching to the securities	<p>Rights attaching to the C Shares and Ordinary Shares</p> <p>The holders of the C Shares and Ordinary Shares shall be entitled to receive, and to participate in, any dividends declared in relation to the relevant class of securities they hold.</p> <p>On a winding-up or a return of capital by the Company, if there are C Shares in issue, the net assets of the Company attributable to the C Shares shall be divided <i>pro rata</i> among the holders of the C Shares. For so long as C Shares are in issue, and without prejudice to the Company's obligations under the Companies Act, the assets attributable to the C Shares shall, at all times, be separately identified and shall have allocated to them such proportion of the expenses or liabilities of the Company as the Directors fairly consider to be attributable to the C Shares.</p> <p>The holder of Ordinary Shares shall be entitled to all of the Company's remaining net assets after taking into account any net assets attributable to the C Shares.</p> <p>The C Shares and the Ordinary Shares shall each carry the right to receive notice of, attend and vote at general meetings of the Company.</p> <p>The consent of either the holders of C Shares or the holders of Ordinary Shares will be required for the variation of any rights attached to such C Shares or Ordinary Shares (as applicable).</p> <p>Rights attaching to the ZDP Shares</p> <p>The holders of the ZDP Shares shall not be entitled to receive any dividends.</p> <p>On a winding-up or a return of capital by ZDPCo, the holders of ZDP Shares shall be entitled to be paid an amount equal to an initial capital entitlement of 100 pence as increased at such rate as accrues daily and compounds daily to give the Final Capital Entitlement of 133.18 pence at 30 April 2025. The holders of the ordinary shares in ZDPCo shall be entitled to all of ZDPCo's remaining net assets after taking into account the net assets attributable to the ZDP Shares.</p> <p>The holders of ZDP Shares shall be entitled to receive notice of any general meeting of the Company, but they shall not be entitled to attend or vote at such meeting unless: (i) the resolution to be proposed at such general meeting would alter, modify or abrogate the special rights or privileges attaching to the ZDP Shares; or (ii) the resolution proposed at such general meeting relates to the redemption or reconstruction of the ZDP Shares.</p>															

		<p>The consent of either the holders of ZDP Shares or the Ordinary Shares will be required for the variation of any rights attached to such ZDP Shares or Ordinary Shares (as applicable).</p> <p>The conversion of the C Shares into Ordinary Shares will be triggered following the earlier of: (i) 90 per cent. of the Net Proceeds being invested or committed; or (ii) the date six months after the date of Admission.</p> <p>The C Shares will convert into new Ordinary Shares by dividing the Net Asset Value per C Share by the Net Asset Value per Ordinary Share.</p> <p>The Ordinary Shares arising on conversion of the C Shares will rank <i>pari passu</i> with the Ordinary Shares then in issue for any dividends or distributions declared, made or paid on the Ordinary Shares by reference to a record date falling after the Conversion Date.</p>
C.5	Restrictions on the free transferability of the securities	There are no restrictions on the free transferability of the C Shares, Ordinary Shares or the ZDP Shares, subject to compliance with applicable securities laws.
C.6	Admission	<p>Application will be made to the UKLA and the London Stock Exchange for all of the C Shares now being offered 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 Initial Admission pursuant to the Issue will become effective and that dealings for normal settlement in the C Shares will commence 8.00 a.m. on 8 January 2018.</p> <p>Application will be made to the UKLA and the London Stock Exchange for all of the Ordinary Shares to be issued pursuant to the Placing Programme 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 the first Programme Admission will become effective and that dealings for normal settlement in the Ordinary Shares will commence during the period between 9 January 2018 and 23 November 2018.</p> <p>Application will be made to the UKLA and the London Stock Exchange for all of the ZDP Shares now being offered to be admitted to the standard segment of the Official List and to trading on the London Stock Exchange's Main Market for listed securities. It is expected that Initial ZDP Admission pursuant to the ZDP Issue will become effective and that dealings for normal settlement in the ZDP Shares will commence on 8 January 2018.</p> <p>Application will be made to the UKLA and the London Stock Exchange for all of the ZDP Shares to be issued pursuant to the ZDP Placing Programme to be admitted to the standard segment of the Official List and to trading on the London Stock Exchange's Main Market for listed securities. It is expected that the first ZDP Programme Admission will become effective and that dealings for normal settlement in the ZDP Shares will commence during the period between 9 January 2018 and 23 November 2018.</p>
C.7	Dividend policy	<p>The Company's policy is to pay quarterly interim dividends which are targeted to grow in excess of inflation over the medium to long-term.⁽¹⁾</p> <p>It is the Company's intention, over time, to move the dividend profile gradually to a position where the four interim dividends paid are equal. This will be achieved by maintaining the fourth interim dividend at the same level and increasing the first, second and third dividends in future years to reflect earnings, such increases to be made evenly.</p> <p>No dividends will be paid to holders of ZDP Shares.</p>
C.22	Information about the Ordinary Shares	Following Conversion, the investments which were attributable to the C Shares will be merged with the Company's existing portfolio of

(1) The dividend target growth is a target only and not a profit forecast. There can be no assurance that the dividend target growth can or will be achieved from time to time and it should not be seen as an indication of the Company's expected or actual results or returns. Accordingly, potential investors should not place any reliance on this in deciding whether to invest in the C Shares or the Ordinary Shares or assume that the Company will make any distributions at all.

		<p>investments. The new Ordinary Shares arising on Conversion of the C Shares will rank <i>pari passu</i> with the Ordinary Shares then in issue.</p> <p>The Ordinary Shares carry the right to receive all dividends declared by the Company or the Directors, subject to the rights of any C Shares in issue.</p> <p>On a winding-up, provided the Company has satisfied all of its liabilities (including, without limitation, pursuant to the Loan and the 2025 Contribution Agreement) and subject to the rights conferred by any C Shares in issue at that time to participate in the winding-up, the holders of Ordinary Shares are entitled to all of the surplus assets of the Company.</p> <p>Holders of Ordinary Shares are entitled to attend and vote at all general meetings of the Company and, on a poll, to one vote for each Ordinary Share held.</p> <p>The nominal value of each Ordinary Share is 25 pence.</p> <p>The Ordinary Shares are in registered form, have been admitted to the premium listing segment of the Official List and are traded on the London Stock Exchange's Main Market for listed securities. The Company will use its reasonable endeavours to procure that, upon Conversion, the new Ordinary Shares are admitted to the premium listing segment of the Official List and admitted to trading on the London Stock Exchange's Main Market for listed securities.</p> <p>There are no restrictions on transferability of the Ordinary Shares, subject to compliance with applicable securities laws.</p>
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Section D – Risks

Element	Disclosure Requirement	Disclosure
D.1	Key information on the key risks that are specific to the Company and its industry	<p>Market conditions may delay or prevent the Company from making appropriate investments that generate attractive returns and thereby cause "cash drag" on the Company's and/or 2025 ZDPCo's performance. Adverse market conditions and their consequences may have a material adverse effect on the Company's investment portfolio default rate, yield on investment and, therefore, cash flows. To the extent that there is a delay in making investments, the Company's returns will be reduced and the Company may not be able to comply in full with its obligations to 2025 ZDPCo, and thus affect payment of the Final Capital Entitlement.</p> <p>If the conditions of any of the Issue, the Placing Programme, the ZDP Issue and the ZDP Placing Programme are not satisfied so that all, or any combination of, the Issue, the Placing Programme, the ZDP Issue and the ZDP Placing Programme does or do not proceed, the Group will need to make alternative arrangements to fund the redemption on 8 January 2018 of the Existing ZDP Shares. The Company would make sales of investments from the Company's investment portfolio in order to fund such redemption amount. The Company believes that these alternative arrangements would be successful.</p>
D.2	Key information on the key risks that are specific to the issuer	<p>Investors should consider carefully the following risks which could have a material adverse effect on the Company and/or 2025 ZDPCo:</p> <ul style="list-style-type: none"> • The Company has no employees and is reliant on the performance of third party service providers. Failure by the Investment Manager or any other third party service provider to perform in accordance with the terms of its appointment could have a material detrimental impact on the operation of the Company. • There can be no guarantee that the investment objective of the Company will be achieved. There is no guarantee that any dividends will be paid in respect of any financial year or period. • Any change in the law and regulation affecting the Company may have a material adverse effect on the ability of the Company to carry on its business and successfully pursue its investment policy and on the value of the Company, the Ordinary Shares, the C Shares and the ZDP Shares.

		<ul style="list-style-type: none"> • The Company invests in mid- and smaller capitalised companies which can be expected, in comparison to larger companies, to have less mature businesses, a more restricted depth of management and a higher risk profile. • The Company may have significant exposure to portfolio companies from certain business sectors from time to time. Greater concentration of investments in any one sector may result in volatility in the value of the Company's investments and consequently its NAV and may materially and adversely affect the performance of the Company and returns to Shareholders. • Changes in economic conditions in the UK where the Company predominantly invests could substantially and adversely affect the Company's prospects. • Any change in the Company's tax status or in taxation legislation or practice generally could affect the value of the investments held by the Company, affect the Company's ability to provide returns to Shareholders, or alter the post-tax returns to Shareholders. • The Company's investments may be illiquid. • The Company's future financial performance depends on the success of its strategy, the skill and judgements of the Investment Manager and its ability to retain key advisers. Past performance is not a guide to future performance. • The Company's assets may be exposed to risks including credit risk and interest rate risk. • Market values of publicly traded securities that are held as investments may be volatile.
D.3	Key information on the key risks that are specific to the C Shares and the Ordinary Shares	<p>The value of the C Shares and the Ordinary Shares and the income derived from them (if any) can fluctuate and may go down as well as up.</p> <p>The market price of the Ordinary Shares and C Shares, like shares in all investment trusts, may fluctuate independently of their underlying Net Asset Value and may trade at a discount or premium at different times, depending on factors such as supply and demand for the Ordinary Shares and the C Shares, market conditions and general investor sentiment.</p> <p>It may be difficult for Shareholders to realise their investment and there may not be a liquid market in either the C Shares or the Ordinary Shares.</p> <p>If the Directors decide to issue further C Shares or Ordinary Shares, the proportions of the voting rights held by Shareholders may be diluted.</p> <p>Dividend payments on the Ordinary Shares and C Shares are not guaranteed. Changes in tax law may reduce any return for investors in the Company.</p>
D.3	Key information on the key risks that are specific to the ZDP Shares	<p>Although on an insolvency of the Company the repayment of the Loan would rank in priority to any return of capital to the Ordinary Shareholders, the Company's debt to 2025 ZDPCo pursuant to the Existing Loan Agreement and the 2025 Loan Agreement and the Company's obligations under the 2025 Contribution Agreement (which are 2025 ZDPCo's only asset) will rank behind any secured creditors of the Company. It is not guaranteed, therefore, that the Final Capital Entitlement will be paid. On a return of assets, including the winding-up of the Company, 2025 ZDPCo would only receive repayment of the Loan if there are sufficient assets of the Company, having first taken account of prior ranking liabilities and having regard to all other unsecured liabilities of the Company. ZDP Shares are not a secured, protected or guaranteed investment.</p> <p>In addition, if the Company is wound up prior to the ZDP Repayment Date, holders of the ZDP Shares will only be entitled to receive their accrued entitlement to the date of winding up and the amount received would therefore be less than the Final Capital Entitlement.</p>

		<p>The proposed standard listing of the ZDP Shares will afford the ZDP Shareholders a lower level of regulatory protection than a premium listing.</p> <p>The illustrative financial statistics and related figures given in this Prospectus (including Cover) are based on the Assumptions. These are assumptions only and may or may not be fulfilled in practice. The Assumptions and the illustrative financial statistics should not be regarded as forecasts of profit or growth in the value of the Group's assets.</p> <p>It may be difficult for ZDP Shareholders to realise their investment and there may not be a liquid market in the ZDP Shares.</p> <p>If the Directors decide to issue further ZDP Shares, the proportions of the voting rights (which apply in respect of any class rights attaching to the ZDP Shares only) held by ZDP Shareholders may be diluted.</p> <p>Changes in tax law may reduce any return for investors in the Company.</p>
Section E – Offer		
<i>Element</i>	<i>Disclosure Requirement</i>	<i>Disclosure</i>
E.1	Proceeds and expenses of the issue	<p>The Net Proceeds of the Issue are dependent on the level of subscriptions received. Assuming the Gross Issue Proceeds are £75 million, the Net Proceeds are expected to be £73.60 million.</p> <p>The ZDP Net Proceeds of the ZDP Issue are dependent on the level of subscriptions received in relation to the ZDP Placing and Rollover Elections received under the Scheme. If 30.0 million ZDP Shares are issued, the ZDP Net Proceeds will be approximately £20.21 million.</p> <p>The costs and expenses of the Issue are payable by the Company, are not expected to exceed £1.40 million and will be indirectly borne by holders of C Shares, subject to a cap of 2 per cent. of the Gross Issue Proceeds, with any balance being indirectly borne by holders of Ordinary Shares but compensated through a reduction by the Investment Manager of its fees by a commensurate sum. The costs and expenses of the ZDP Issue are not expected to exceed £0.38 million and will be paid by the Company, and indirectly borne by holders of Ordinary Shares to the extent that the ZDP Shares replace the financing currently provided by Existing ZDPCo and as to the balance by holders of C Shares subject to the 2 per cent. cap of the Gross Issue Proceeds.</p> <p>The maximum number of Ordinary Shares being made available under the Placing Programme is 30 million. The net proceeds of, and the costs and expenses of each Subsequent Placing under, the Placing Programme will depend on subscriptions received. It is expected that the costs of issuing Ordinary Shares pursuant to any Subsequent Placings under the Placing Programme will be covered by issuing such Ordinary Shares at a premium to the prevailing cum income Net Asset Value per Ordinary Share.</p> <p>The maximum number of ZDP Shares being made available under the ZDP Placing Programme is 7.5 million. The Net Proceeds of, and the costs and expenses of each Subsequent ZDP Placing under, the ZDP Placing Programme will depend on subscriptions received. It is expected that the costs of issuing ZDP Shares pursuant to any Subsequent ZDP Placings under the ZDP Placing Programme will be covered by issuing such ZDP Shares at a premium to the prevailing cum income net asset value per ZDP Share.</p>
E.2.a	Reasons for the issue, use of proceeds and estimated net amount of proceeds	<p>The Board wishes to replace the financing currently provided by Existing ZDPCo, the zero dividend preference shares of which are due to be redeemed on 8 January 2018. In addition, the Board, in conjunction with the Investment Manager, believes that it is also appropriate to seek to increase the size of the Company, <i>inter alia</i>, to scale up the Company's capital base in order to improve the liquidity of the Company's Shares and to take advantage of opportunities to deliver returns to Shareholders.</p>

		<p>The Company intends to use the Net Proceeds of the Issue to acquire investments in accordance with its investment objective and policy.</p> <p>The Net Proceeds of the Issue are dependent on the level of subscriptions received. Assuming Gross Issue Proceeds are £75 million, the Net Proceeds will be approximately £73.60 million.</p> <p>The ZDP Net Proceeds will be lent by 2025 ZDPCo to the Company, and thereafter used by the Company to acquire investments in accordance with its investment objective and policy.</p>
E.3	Terms and conditions of the Issue and the ZDP Issue	<p>The C Shares are being made available under the Issue at the Issue Price. The Issue comprises the Placing, the Intermediaries Offer and the Offer for Subscription. ZDP Shares are being made available under the ZDP Issue at the ZPP Issue Price.</p> <p>Stockdale has agreed to use its reasonable endeavours to procure subscribers for C Shares and ZDP Shares pursuant to the Placing and the ZDP Placing respectively.</p> <p>The Placing will close at 12.00 p.m. on 15 December 2018 (or such later time and/or date as the Company and Stockdale may agree). If the Placing is extended, the revised timetable will be notified through a Regulatory Information Service.</p> <p>The Offer for Subscription is being made in the United Kingdom only. Applications under the Offer for Subscription must be for C Shares with a minimum subscription amount of £1,000 (although the Board may accept applications below the minimum amount stated above in its absolute discretion). Completed Application Forms and the accompanying payment in relation to the Offer for Subscription must be posted to Share Registrars Limited, The Courtyard, 17 West Street, Farnham, Surrey GU9 7DR or delivered by hand (during normal business hours only) to Share Registrars Limited, The Courtyard, 17 West Street, Farnham, Surrey GU9 7DR, so as to be received no later than 11.00 a.m. on 21 December 2017.</p> <p>Under the Intermediaries Offer, the C Shares are being offered to Intermediaries in the United Kingdom who will facilitate the participation of their investor clients located in the United Kingdom. A minimum application of £1,000 per Underlying Applicant will apply. Completed Application Forms from Intermediaries must be received by Stockdale no later than 11.00 a.m. on 21 December 2017. The Issue is conditional upon:</p> <ul style="list-style-type: none"> • Initial Admission of the C Shares to be issued pursuant to the Issue to the Official List and to trading on the Main Market of the London Stock Exchange occurring on or before 8.00 a.m. (London time) on 8 January 2018 (or such time and/or date as the Company and Stockdale may agree, being not later than 31 January 2018); and • the Placing Agreement between the Company, 2025 ZDPCo, the Investment Manager and Stockdale (pursuant to which, <i>inter alia</i>, Stockdale has been appointed sponsor and placing agent to the Company and 2025 ZDPCo) becoming otherwise unconditional in all respects (save for conditions relating to Initial Admission) and not having been terminated in accordance with its terms before Initial Admission. <p>The latest time and date for receipt by the Company of placing commitments under the Placing will be 12.00 p.m. on 15 December 2017.</p> <p>The Effective Date in relation to the Scheme is 8 January 2018.</p> <p>The ZDP Issue is conditional upon:</p> <ul style="list-style-type: none"> • Initial ZDP Admission of the ZDP Shares to be issued pursuant to the ZDP Issue to the standard segment of the Official List and to trading on the Main Market of the London Stock Exchange occurring on or before 8.00 a.m. (London time) on 8 January 2018 (or such time and/or date as the Company and Stockdale may agree, being not later than 31 January 2018); and • the Placing Agreement between the Company, 2025 ZDPCo, the Investment Manager and Stockdale (pursuant to which, <i>inter alia</i>,

		<p>Stockdale has been appointed sponsor and placing agent to the Company and 2025 ZDPCo) becoming otherwise unconditional in all respects (save for conditions relating to Initial ZDP Admission) and not having been terminated in accordance with its terms before Initial ZDP Admission.</p> <p>Following completion of the Issue and the ZDP Issue, the Directors may implement the Placing Programme and the ZDP Placing Programme to enable the Company and 2025 ZDPCo respectively to raise additional capital in the period from 9 January 2018 to 15 November 2018.</p> <p>Each allotment and issue of Ordinary Shares and ZPP Shares pursuant to the Placing Programme and ZDP Placing Programme respectively is conditional, <i>inter alia</i>, on: (a) the relevant Placing Programme Price and ZDP Placing Programme Price being determined by the Directors; (b) Programme Admission of the Ordinary Shares and ZDP Programme Admission of the ZDP Shares pursuant to such issue; and (c) a valid supplementary prospectus being published by the Company and/or 2025 ZDPCo, if such is required pursuant to the Prospectus Rules.</p> <p>The Placing Programme Price and ZDP Placing Programme Price will be determined by the Company and 2025 ZDPCo respectively and in the case of Ordinary Shares will be not less than the Net Asset Value (cum income) per Ordinary Share from time to time and in the case of ZDP Shares will be not less than the then current entitlement per ZDP Share if 2025 ZDPCo were to be wound up on the issue date, together in either case with a premium to cover the expenses of the issue.</p>
E.4	Material interests	<p>William van Heesewijk is a shareholder and employee of Chelverton. Save for any conflict of interest which may arise between the Company and Chelverton, there are no conflicts of interest between: (i) any duties to the Company or to 2025 ZDPCo, of any of the Directors or of the Investment Manager; and (ii) their private interests and/or other duties.</p>
E.5	Name of person selling securities/lock-up arrangements	<p>Not applicable. No person or entity is offering to sell Shares as part of the Issue or the ZDP Issue.</p>
E.6	Dilution	<p>The C Shares issued pursuant to the Issue will convert into Ordinary Shares.</p> <p>The number of Ordinary Shares into which each C Share will convert will be determined by the Net Asset Value per C Share relative to the Net Asset Value per Ordinary Share at the Conversion Date. As a result of Conversion, the percentage of the total number of Ordinary Shares held by each existing holder of Ordinary Shares will be reduced to the extent that Ordinary Shareholders do not acquire a sufficient number of C Shares under the Issue.</p> <p>Not applicable for the ZDP Shares, which are an initial offering.</p>
E.7	Estimated expenses charged to the investor by the issuer	<p>The costs and expenses of the Issue are payable by the Company, are not expected to exceed £1.40 million and will be indirectly borne by holders of C Shares, subject to a cap of 2 per cent. of the Gross Issue Proceeds, with any balance being indirectly borne by holders of Ordinary Shares but compensated through a reduction by the Investment Manager of its fees by a commensurate sum. The costs and expenses of the ZDP Issue are not expected to exceed £0.38 million and will be paid by the Company, and indirectly borne by holders of Ordinary Shares to the extent that the ZDP Shares replace the financing currently provided by Existing ZDPCo and as to the balance by holders of C Shares subject to the 2 per cent. cap of the Gross Issue Proceeds.</p> <p>The costs and expenses of the Scheme and the ZDP Placing, to the extent that the ZDP Placing Proceeds replace the financing provide by Existing ZDPCo, will be indirectly borne by the Ordinary Shareholders.</p> <p>All other costs and expenses (including those in relation to the Placing Programme and the ZDP Placing Programme) will be borne by the Company.</p>

RISK FACTORS

Investment in the Company and/or 2025 ZDPCo should not be regarded as short-term in nature and involves a high degree of risk. Accordingly, investors should consider carefully all of the information set out in this Prospectus and the risks attaching to an investment in the Company and/or 2025 ZDPCo, including, in particular, the risks described below.

The Directors believe that the risks described below are the material risks relating to the C Shares, the Ordinary Shares and the ZDP Shares at the date of this Prospectus. Additional risks and uncertainties not currently known to the Directors, or that the Directors deem immaterial at the date of this Prospectus, may also have an adverse effect on the performance of the Company and/or 2025 ZDPCo and the value of the C Shares, the Ordinary Shares and the ZDP Shares. Investors should review this Prospectus carefully and in its entirety and consult with their professional advisers before making an application to participate in the Issue, the ZDP Issue, the Placing Programme or the ZDP Placing Programme.

Prospective investors should note that the risks relating to the Company and/or 2025 ZDPCo and the C Shares, the Ordinary Shares and the ZDP Shares summarised in the section of this Prospectus headed “Summary” are the risks that the Directors believe to be the most essential to an assessment by a prospective investor of whether to consider an investment in the C Shares, the Ordinary Shares or the ZDP Shares. However, as the risks which the Company and/or 2025 ZDPCo face relate to events and depend on circumstances that may or may not occur in the future, prospective investors should consider not only the information on the key risks summarised in the section of this Prospectus headed “Summary” but also, among other things, the risks and uncertainties described below.

The past performance of the Company and of investments which are referred to in this Prospectus are for information or illustrative purposes only and should not be interpreted as an indication, or as a guarantee, of future performance.

RISKS RELATING TO THE COMPANY AND TO 2025 ZDPCO

Political instability may impact on the share price and/or the Net Asset Value of the Company and/or 2025 ZDPCo

The United Kingdom has voted to leave the European Union (“**Brexit**”). The impact of Brexit on general economic conditions and financial markets as well as the United Kingdom’s legal and regulatory system is unclear and will depend largely on political decisions and negotiations. The extent of the impact will depend in large part on the nature of the arrangements that are put in place between the United Kingdom and the European Union following Brexit. Although it is not possible to predict fully the effects of the exit of the United Kingdom from the European Union, any of these risks, taken singularly or in aggregate, could have a material adverse effect on the Company and/or 2025 ZDPCo and it could potentially make it more difficult for the Company and/or 2025 ZDPCo to raise capital.

In addition, certain rights and obligations applicable to the Company and 2025 ZDPCo, such as the AIFM Directive and its EU passporting regime, may no longer be available to it following the United Kingdom’s exit from the European Union. This may affect the ability of the Company and/or 2025 ZDPCo to raise funds in the future and may increase compliance costs and ongoing expenses.

In addition to the impact of Brexit, the potential for a second referendum in Scotland on whether to leave the United Kingdom may, individually or collectively, give rise to a period of prolonged economic uncertainty and damage investors’ confidence. This in turn could: (i) cause the share price of the Company and/or 2025 ZDPCo to fall; (ii) affect the Net Asset Value of the Company and/or 2025 ZDPCo; or (iii) expose the Company and/or 2025 ZDPCo to major currency movements.

While the Company and 2025 ZDPCo are monitoring and assessing the potential impacts of this political instability, the situation is expected to remain uncertain for the foreseeable future.

Working capital

In the Company's opinion, the Group does not have sufficient working capital for its present requirements, that is, for at least 12 months following the date of this prospectus. If the conditions of any of the Issue, the Placing Programme, the ZDP Issue and the ZDP Placing Programme are not satisfied so that all, or any combination of, the Issue, the Placing Programme, the ZDP Issue and the ZDP Placing Programme does or do not proceed, the Group will need to make alternative arrangements to fund the redemption on 8 January 2018 of the Existing ZDP Shares. The maximum aggregate amount payable to redeem the Existing ZDP Shares on 8 January 2018 is £12,780,083. The Group is therefore dependent on the reduction in this aggregate redemption sum payable following Rollover Elections under the Scheme, and on the proceeds from the Issue, the Placing Programme the ZDP Placing and the ZDP Placing Programme, in order to meet its working capital requirements for at least the 12 months following the date of this Prospectus. The Company would make sales of investments from the Company's investment portfolio in order to fund such redemption amount. The Group currently has no debt financing. The closing time and date for Rollover Elections under the Scheme is 11.00 a.m. on 18 December 2017, and therefore in the unlikely event that there were no Rollover Elections made and no proceeds received from the Issue and the ZDP Placing, the Company would have until 8 January 2018 to realise sufficient investments from the Company's investment portfolio to redeem the Existing ZDP Shares in full on that date in the sum of £12,780,083. The Company believes that these alternative arrangements would be successful and could be implemented prior to 8 January 2018. Therefore, even if the Group is required to redeem the Existing ZDP Shares in full for the total sum of £12,780,083 on 8 January 2018, the Directors believe that funds to meet the Group's working capital requirement will be available.

In the event that a sale of the Company's investments could not be made to generate sufficient proceeds to repay the amount required to redeem those Existing ZDP Shares which are required to be redeemed on 8 January 2018, then the Company would be unable to pay its debts as they fall due on 8 January 2018 and the Directors would convene a general meeting of the Company at which a resolution would be proposed requiring the Company to be wound up pursuant to the Insolvency Act 1986. The Directors believe that such a scenario is extremely unlikely and that it is extremely unlikely that the Company would become insolvent or enter into administration arrangements.

Reputational damage

The Company and 2025 ZDPCo may be materially adversely affected to the extent their reputations are harmed. As noted in paragraph 6(b) of Part IX of this Prospectus, the Serious Fraud Office is investigating the activities of Balli Group PLC, a company of which Lord Lamont was previously a director. There is nothing linking Lord Lamont with any such SFO investigation, or any other proceedings regarding such company. Any criticism of Lord Lamont could have an adverse effect on the Company and 2025 ZDPCo.

RISKS RELATING TO THE COMPANY

Impact of European regulation including MiFID II

European regulation includes Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU ("MiFID") and Regulation (EU) No 600/2014 of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Regulation (EU) No 648/2012 ("MiFIR") (MiFID and MiFIR, together "MiFID II"), which are timetabled to come into effect on 3 January 2018. When the legislation was first published there was concern that shares in investment trusts may be deemed to be a 'complex' investment (as defined in MiFID II), which may make it more difficult for private individual investors to buy shares in the secondary market, as they would be subject to an appropriateness test. The FCA has confirmed in PS17/14, its final policy statement setting out final rules for the FCA's implementation of MiFID II, that in its view investment trusts are neither automatically non-complex nor automatically complex but must be assessed against the criteria in the MiFID II delegated regulation. The FCA also said that when firms apply these criteria they should adopt a cautious approach if there is any doubt as to whether a financial instrument is non-complex. The AIC has opined that they believe investment trusts should ordinarily

be classed as non-complex in accordance with the criteria, but the caution recommended by the FCA should be borne in mind.

MiFID II may also have an impact on the availability of broker research on potential investee companies.

Delays in deployment of the Net Proceeds and/or the ZDP Net Proceeds may have an impact on the performance of the Company's portfolio and cash flows

Any delay in the deployment of the net proceeds of the Issue, the ZDP Issue and any Subsequent Placing and/or Subsequent ZDP Placing would mean that the cash held would not be invested and would not benefit from positive market movements.

There can be no assurance that the Investment Manager will be successful in implementing the Company's investment objective

The Company may not achieve its investment objective. Meeting that objective is a target but the existence of such an objective should not be considered as an assurance or guarantee that it can or will be met. The Company will be dependent upon the Investment Manager's successful implementation of the Company's investment policy and its investment strategies, and ultimately on its ability to create an investment portfolio capable of generating attractive returns. This implementation in turn will be subject to a number of factors, including market conditions and the timing of investments relative to market cycles, many of which are beyond the control of the Company and difficult to predict.

The Company's investment objective includes the aim of providing Shareholders with dividend income. There is no guarantee that any dividends will be paid in respect of any financial year or period. The ability to pay dividends is dependent on a number of factors including the level of income returns from the Company's portfolio of investments.

Income returns from the portfolio will be dependent, among other things, upon the Company successfully pursuing its investment objective and investment policy. The success of the Company will depend on the Investment Manager's ability to identify, acquire and realise investments in accordance with the Company's investment policy. This, in turn, will depend on the ability of the Investment Manager to apply its investment processes in a way which is capable of identifying suitable investments for the Company to invest in. There can be no assurance that the Investment Manager will be able to do so.

Market conditions may delay or prevent the Company from making appropriate investments that generate attractive returns

The Company's investment objective requires it to invest in instruments which may be both illiquid and scarce. Market conditions may increase illiquidity and scarcity and have a generally negative impact on the Investment Manager's ability to identify and execute investments that might generate acceptable returns. Adverse market conditions and their consequences may have a material adverse effect on the Company's investment portfolio default rate, yield on investment and, therefore, cash flows. To the extent that there is a delay in making investments, the returns attributable to the C Shares, the Ordinary Shares and the ZDP Shares may be reduced and the Company may not be able to comply in full with its obligations to 2025 ZDPCo, and thus affect payment of the Final Capital Entitlement.

These are factors which are outside the Company's control and which may affect the volatility of underlying asset values and the liquidity and the value of the Company's portfolio. Changes in economic conditions in the UK where the Company predominantly invests (for example, interest rates and rates of inflation, industry conditions, competition, political and diplomatic events and other factors) could substantially and adversely affect the Company's prospects.

The Company has and may continue to borrow in connection with its investment activities which subjects it to interest rate risk and additional losses when the value of its investments fall

Borrowings (which, for this purpose include the issuance of ZDP Shares by the Company's subsidiary, 2025 ZDPCo) may be employed at the level of the Company and at the level of any investee entity (including any SPV that may be established or utilised by the Company in connection with obtaining leverage against any of its assets).

Notwithstanding the fact that the Company may borrow (through bank or other facilities), whether directly or indirectly through an investment fund in which it invests or through a subsidiary SPV, it does not currently have, and nor does it plan to have, any borrowings.

Prospective investors should be aware that, whilst the use of borrowings should enhance the Net Asset Value of the C Shares and Ordinary Shares when the value of the Company's underlying assets is rising, it will, however, have the opposite effect where the underlying asset value is falling. In addition, in the event that the Company's income falls for whatever reason, the use of borrowings will increase the impact of such a fall on the net revenue of the Company and accordingly will have an adverse effect on the Company's ability to pay dividends to Shareholders.

The Company (and/or any future subsidiary of it that incurs borrowings) will pay interest on any borrowing it incurs. As such, the Company is exposed to interest rate risk due to fluctuations in the prevailing market rates. Interest rate movements may affect the level of income receivable on cash deposits and the interest payable on the Company's variable rate cash borrowings. In the event that interest rate movements lower the level of income receivable on cash deposits or raise the interest required to be paid by the Company, returns to investors will be reduced.

There is no guarantee that any borrowings of the Company (or any future subsidiary of it that incurs borrowings, if applicable) will be refinanced on their maturity, either on terms that are acceptable to the Company or at all.

RISKS RELATING TO THE COMPANY'S INVESTMENT OBJECTIVE AND STRATEGY

The short-term outlooks of some participants in the market can lead to securities, and in particular the securities of small companies, being mispriced. By virtue of the Company's investment strategy of investing in mid-and smaller capitalised companies, it is exposed to such potential mispricing of securities. The Company's detailed knowledge of the companies in which it invests allows it to take advantage of short-termism.

Share prices can move sharply upwards and downwards. The Company's investment strategy seeks to look through short-term price fluctuations, as these will often have nothing to do with the investee company itself. The Company seeks to invest in 'dull but worthy' companies.

MID- AND SMALLER CAPITALISED COMPANIES

The Company invests primarily in quoted UK companies with a mid- and smaller market capitalisation, which can be expected, in comparison to larger companies, to have less mature businesses, a more restricted depth of management and a higher risk profile.

As mid- and smaller companies do not generally have the financial strength, diversity and resources of larger companies, they may find it more difficult to overcome periods of economic slowdown or recession. In addition, the relatively small market capitalisation of such companies can make the market in their shares illiquid. Prices of mid- and smaller capitalisation stocks are often more volatile than prices of larger capitalisation stocks and the risk of bankruptcy of many mid- and smaller capitalised companies (with the attendant losses to investors) is higher.

The Company invests in securities that are not readily tradable or may hold investment positions that represent a significant multiple of the normal trading volumes of an investment, which may make it difficult for the Company to sell its investments and may lead to volatility in the market price of the C Shares, the Ordinary Shares and the ZDP Shares. Investors should not expect that the Company will necessarily be able to realise, within a period which they would otherwise regard as reasonable, its investments and any such realisations that may be achieved may be at a considerably lower price than prevailing indicative market prices.

SECTORAL DIVERSIFICATION

The Company is not constrained from weighting to any sector. This may lead to the Company having significant exposure to portfolio companies from certain business sectors from time to time. Greater concentration of investments in any one sector may result in greater volatility in the value of the Company's investments and consequently its NAV and may materially and adversely affect the performance of the Company and returns to Shareholders.

RISKS RELATING TO THE INVESTMENT MANAGER

The Company is reliant on the performance and retention of key personnel

The Company relies on key individuals at the Investment Manager to identify and select investment opportunities and to manage the day-to-day affairs of the Company. There can be no assurance as to the continued service of these key individuals at the Investment Manager. The death or departure of any of these individuals from the Investment Manager without adequate replacement may have a material adverse effect on the Company's business prospects and results of operations. Accordingly, the ability of the Company to achieve its investment objective depends heavily on the experience of the Investment Manager's team, and more generally on the ability of the Investment Manager to attract and retain suitable staff. The Board has broad discretion to monitor the performance of the Investment Manager or to appoint a replacement, but the performance of the Investment Manager or that of any replacement cannot be guaranteed.

The Investment Manager is subject to operational risks, which can arise from inadequate or failed processes, systems or resources from external factors. The information technology and other systems of the Company's service providers, or their business processes and procedures on which we may depend, may not perform as expected, including recovery from unanticipated disruptions to their business. Any such inadequacies or failures could have a material adverse effect on the Company's financial condition, performance and prospects and, accordingly, on returns.

The Company's due diligence may not identify all risks and liabilities in respect of an investment

Prior to making an investment, the Investment Manager will, where practicable, perform due diligence on the investment. In doing so, it would typically rely on information from third parties (including credit ratings agencies) as a part of this due diligence. To the extent that the Investment Manager or other third parties underestimate or fail to identify risks and liabilities associated with the investment in question, this may impact on the profitability of the investment.

The Company will be reliant on third party service providers to perform investment management and other functions. In particular, the Investment Manager, the Administrator and Company Secretary and the Registrar and Receiving Agent will be performing services that are integral to the Company's operations. While the Company has contracts with each service provider which set out the services and standards that the Company requires, its day-to-day control over the service providers and their personnel will be very limited.

The third party service providers are themselves subject to operational risks, which can arise from inadequate or failed processes, systems or resources or from external factors. The information technology and other systems of the Company's service providers, or their business processes and procedures on which the Company may depend, may not perform as expected, including recovery from unanticipated disruptions to their business. Any such inadequacies or failures could have a material adverse effect on the Company's financial condition, performance and prospects and, accordingly, on its returns.

Failure by any of the service providers or their personnel to perform their functions satisfactorily or in accordance with their contracts with the Company could have a material adverse effect on the Company's performance and results and accordingly on returns to Shareholders. Terminating arrangements with any of the service providers may also be costly and finding satisfactory replacements may be difficult.

RISKS RELATING TO THE C SHARES, THE ORDINARY SHARES AND THE ZDP SHARES

The market price of the C Shares, Ordinary Shares and ZDP Shares may fluctuate widely in response to different factors and there can be no assurance that the C Shares or Ordinary Shares of the Company will be repurchased by the Company even if they trade materially below their Net Asset Value

The market price of the C Shares, the Ordinary Shares and the ZDP Shares may not reflect the value of the underlying investments of the Company and may be subject to wide fluctuations in response to many factors, including, amongst other things, additional issuances or future sales of the Company's Shares or other securities exchangeable for, or convertible into, its Shares in the future, the addition or departure of Board members or key individuals at the Investment Manager, divergence in financial results from stock market expectations, changes in stock market analyst recommendations regarding the Company or any of its assets, the investment trust sector as a whole, a perception that other market sectors may have higher growth prospects, general economic conditions, prevailing interest rates, legislative changes affecting investment trusts and other events and factors within or outside the Company's control. Stock markets experience extreme price and volume volatility from time to time, and this, in addition to general economic, political and other conditions, may materially adversely affect the market price for the C Shares, Ordinary Shares and ZDP Shares. The market value of the C Shares, Ordinary Shares and ZDP Shares may vary considerably from the underlying Net Asset Value of the assets attributable to the relevant class of Shares. There can be no assurance, express or implied, that Shareholders will receive back the amount of their investment in any of the C Shares, Ordinary Shares and ZDP Shares.

The Company has Shareholder approval to make market purchases of up to 14.99 per cent. of the currently allotted and fully paid up Ordinary Share capital of the Company and intends to seek Shareholder approval to make market purchases of up to 14.99 per cent. of the C Shares. Subject to the requirements of the Listing Rules, the Companies Act, the Articles and other applicable legislation, the Company may thus purchase Ordinary Shares and C Shares in the market with the intention of, amongst other things, enhancing the Net Asset Value per Ordinary Share and/or C Share. The Company may decide to make any such purchases (and the timing of such purchases), however, at the absolute discretion of the Directors. There can be no assurance that any purchases will take place or that any purchases will have the effect of narrowing any discount to Net Asset Value at which the Company's Shares may trade.

It may be difficult for Shareholders to realise their investment and there may not be a liquid market in the C Shares and/or the Ordinary Shares

The price at which the Ordinary Shares and C Shares will be traded and the price at which investors may realise their investment will be influenced by a large number of factors, some specific to the Company and its investments and some which may affect companies generally. Initial Admission should not be taken as implying that there will be a liquid market for the Ordinary Shares or the C Shares. The market prices of the Ordinary Shares and the C Shares may not reflect their respective underlying Net Asset Value.

While the Directors retain the right to effect repurchases of Ordinary Shares in the manner described in this document, they are under no obligation to use such powers or to do so at any time and Ordinary Shareholders should not place any reliance on the willingness of the Directors so to act. Ordinary Shareholders wishing to realise their investment in the Company may therefore be required to dispose of their Ordinary Shares in the market. There can be no guarantee that a liquid market in the Ordinary Shares will develop or that the Ordinary Shares will trade at prices close to their underlying Net Asset Value. Accordingly, Ordinary Shareholders may be unable to realise their investment at such Net Asset Value or at all.

The number of C Shares to be issued pursuant to the Issue is not yet known, and there may be a limited number of holders of such C Shares. Limited numbers and/or holders of such C Shares may mean that there is limited liquidity in such C Shares which may affect: (i) an investor's ability to realise some or all of his investment; and/or (ii) the price at which such investor can effect such realisation; and/or (iii) the price at which such C Shares trade in the secondary market.

The C Shares issued pursuant to the Issue will convert into Ordinary Shares and, together with any Ordinary Shares issued pursuant to any Subsequent Placing, may dilute existing holders of Ordinary Shares

Pursuant to Conversion, the C Shares issued pursuant to the Issue will convert into Ordinary Shares. The number of Ordinary Shares into which each C Share converts will be determined by the relative Net Asset Value per C Share and Net Asset Value per Ordinary Share at the Conversion Date. As a result of Conversion, the percentage of the total number of issued Ordinary Shares held by each existing holder of Ordinary Shares will be reduced to the extent that Shareholders do not acquire a sufficient number of C Shares. However, Conversion will be NAV neutral to holders of Ordinary Shares. Further, any Ordinary Shares issued pursuant to the Placing Programme will be issued on a non-pre-emptive basis so existing holders of Ordinary Shares will experience dilution in their ownership and voting interests as a result. Any further such issues, however, will be on a basis that is non-dilutive in terms of Net Asset Value per Ordinary Share.

The Company may in the future issue new Ordinary Shares or C Shares, which may dilute Shareholders' equity

Further issues of Ordinary Shares or C Shares may, subject to compliance with the relevant provisions of the Companies Act and the Articles, be made on a non-pre-emptive basis. Existing holders of Ordinary Shares or C Shares may, depending on the level of their participation in the relevant share issue, have the percentage of voting rights they hold in the Company diluted.

The Company's ability to pay dividends is dependent upon its ability to generate sufficient earnings and certain legal and regulatory restrictions

Subject to the requirement to make distributions in order to maintain investment trust status, any dividends and other distributions paid by the Company will be made at the discretion of the Board. The payment of any such dividends or other distributions will, in general, depend on the Company's ability to generate realised profits, which, in turn, will depend on the Company's ability to acquire investments which pay dividends, its financial condition, its current and anticipated cash needs, its costs and net proceeds on sale of its investments, legal and regulatory restrictions and such other factors as the Board may deem relevant from time to time. As such, investors should have no expectation as to the amount of dividends or distributions that will be paid by the Company or that dividends or distributions will be paid at all.

Both the C Shares and the Ordinary Shares are subject to certain provisions that may cause the Board to refuse to register, or require the transfer of, C Shares or Ordinary Shares

Although the C Shares and the Ordinary Shares are freely transferable, there are certain circumstances in which the Board may, under the Articles and subject to certain conditions, compulsorily require the transfer of the C Shares or the Ordinary Shares.

These circumstances include where a transfer of C Shares or Ordinary Shares would cause, or is likely to: (i) cause the Company's assets to be deemed "plan assets" for the purposes of the Plan Asset Regulations or the US Tax Code; (ii) cause the Company to be required to register as an "investment company" under the Investment Company Act (including because the member is not a "qualified purchaser" as defined in the Investment Company Act) or to lose an exemption or status thereunder to which it might otherwise be entitled; (iii) cause the Company to be required to register or be qualified under the Exchange Act, the Securities Act, the US Investment Advisors Act of 1940 or any similar legislation (in any jurisdiction) that regulates the offering and sale of securities; (iv) cause the Company not to be considered a "foreign private issuer" as such term is defined in rule 36-4(c) under the Exchange Act; (v) result in a person holding Shares in violation of the transfer restrictions set forth in any prospectus published by the Company, from time to time; (vi) cause the Company to be a "controlled foreign corporation" for the purposes of the US Tax Code; (vii) cause the Company to become subject to any withholding tax or reporting obligation under FATCA or any similar legislation in any territory or jurisdiction, or to be unable to avoid or reduce any such tax or to be unable to comply with any such reporting obligation (including by reason of the failure of the shareholder concerned to provide promptly to the Company such information and documentation as

the Company may have requested to enable the Company to avoid or minimise such withholding tax or to comply with such reporting obligation; or (viii) result in any Shares being owned, directly or indirectly, by any person who is deemed to be a Non-Qualified Member in accordance with the Articles.

The value of an investment in Ordinary Shares or C Shares will depend on the assets of the Company being sufficient to meet the capital entitlements of the ZDP Shares

The Company's capital structure is such that the capital entitlement of the ZDP Shares, pursuant to, *inter alia*, the 2025 Loan Agreement and the 2025 Contribution Agreement, rank in priority to the Ordinary Shares and C Shares in respect of the repayment of their Final Capital Entitlement of up to 133.18 pence per ZDP Share. Accordingly, a positive Net Asset Value for the holders of the Ordinary Shares and C Shares will be dependent upon the assets in the Company's portfolio being sufficient to meet those prior entitlements, in addition to any entitlement for the repayment of capital in connection with any debt financing which may be in place from time to time. Potential holders of the Ordinary Shares and C Shares should understand they may receive an amount less than the price paid for their Ordinary Shares and C Shares, or even no payment at all, if the value of the Company's assets is insufficient to meet these entitlements.

RISKS RELATING TO THE C SHARES

No guarantee that a listing of the C Shares will be maintained

The Listing Rules require a minimum of 25 per cent. of the C Shares to be in public hands. Persons in the same group or acting in concert who have an interest in 5 per cent. or more of the C Shares will be excluded from the calculation of the public hands requirement.

If the number of C Shares in public hands falls below the requisite threshold after Initial Admission, then the listing of C Shares may not be capable of being maintained and this is likely to reduce the liquidity of C Shares and to have a material adverse effect on the ability to sell the C Shares for value.

RISKS RELATING TO THE ZDP SHARES

Holders of ZDP Shares may not receive the Final Capital Entitlement

As a creditor of the Company, on an insolvency of the Company, the repayment of the Loan would rank in priority to any return of capital to the holders of Ordinary Shares and C Shares. Therefore, amounts owing to 2025 ZDP Co will be repaid to ZDP Shareholders before any amounts are returned to the Company's Shareholders. Notwithstanding the foregoing, the Company's debt to 2025 ZDP Co pursuant to the 2025 Loan Agreement and the Company's obligations under the Existing Contribution Agreement and the 2025 Contribution Agreement rank behind any secured creditors of the Company. Therefore, it is not guaranteed that the Final Capital Entitlement will be paid. On a return of assets, including on the winding-up of the Company, 2025 ZDP Co would only receive repayment of the Loan and accrued interest if there are sufficient assets of the Company, having first taken account of prior ranking liabilities and having regard to all other unsecured liabilities of the Company. ZDP Shares are not a secured, protected or guaranteed investment.

In addition, if the Company is wound up prior to the ZDP Repayment Date holders of the ZDP Shares will only be entitled to receive their accrued entitlement to the date of winding up. The amount received would therefore be less than the Final Capital Entitlement and would be subject to the Company having sufficient net assets to repay the Loan and meet its obligations under the Existing Contribution Agreement and the 2025 Contribution Agreement.

The ZDP Shares, while ranking for payment in priority to the Ordinary Shares, rank behind any creditors of the Company for the final capital repayment of 133.18 pence per ZDP Share payable on 30 April 2025.

On the basis of the Assumptions, if the capital value of the Company's portfolio falls by 16.54 per cent. or more per annum the ZDP Shareholders will receive less than their Final Capital Entitlement in respect of their ZDP Shares on the ZDP Payment Date. ZDP shares are not a protected or guaranteed investment. There can be no assurance that the Final Capital Entitlement of 133.18 pence per ZDP Share will be repaid in full on the ZDP Repayment Date.

The standard listing of the ZDP Shares will afford the ZDP Shareholders a lower level of regulatory protection than a premium listing

Application has been made for the ZDP Shares to be admitted to a standard listing on the Official List. A standard listing will afford ZDP Shareholders a lower level of regulatory protection than that afforded to investors in companies with premium listings on the Official List, which are subject to additional obligations under the Listing Rules. Further details regarding the differences in the protections afforded by a premium listing as against a standard listing are set out in the section entitled “Consequences of a Standard Listing” on page 38 of this Prospectus.

There may not be a liquid secondary market for the ZDP Shares, the price of which may fluctuate

There may not be a liquid secondary market for the ZDP Shares, and an investment of this type should be regarded as long-term in nature and may not be suitable as a short-term investment. In addition, the value of the ZDP Shares can go down as well as up. The market price and the realisable value of the ZDP Shares, as well as being affected by the underlying value of the Company’s net assets, will be affected by interest rates, supply and demand for the ZDP Shares, market conditions and general investor sentiment. As such, the market value and the realisable value (prior to the ZDP Repayment Date) of the ZDP Shares will fluctuate and may vary considerably. In addition, the published market price of the ZDP Shares will be, typically, their middle market price. Due to the potential difference between the middle market price of the ZDP Shares and the price at which the ZDP Shares can be sold, there is no guarantee that the realisable value of the ZDP Shares will be the same as the published market price.

ZDP Shareholders only have the right to receive the Final Capital Entitlement on the ZDP Repayment Date. ZDP Shareholders wishing to realise their investment prior to that date will therefore be required to dispose of their ZDP Shares on the stock market.

Market liquidity in the shares of companies such as 2025 ZDPCo is sometimes less than market liquidity in shares issued by larger companies traded on the London Stock Exchange. There can be no guarantee that a liquid market will exist for the ZDP Shares. Accordingly, ZDP Shareholders may be unable to realise ZDP Shares at all. 2025 ZDPCo has applied for the ZDP Shares to be admitted to trading on the London Stock Exchange’s Main Market for listed securities. Securities exchanges, including the London Stock Exchange, typically have the right to suspend or limit trading in a company’s securities. Any suspension or limits on trading in the ZDP Shares may affect the ability of ZDP Shareholders to realise their investment.

Initial ZDP Admission should not be taken as implying that there will be a liquid market for the ZDP Shares. There is no guarantee that an active market will develop or be sustained for the ZDP Shares after Initial ZDP Admission. If an active trading market is not developed or maintained, the liquidity and trading price of the ZDP Shares could be adversely affected. Even if an active trading market develops, the market price for the ZDP Shares may fall below the ZDP Issue Price and ZDP Shareholders may not realise their initial investment.

No guarantee that a listing of the ZDP Shares will be maintained

Listing Rule 14.2.2 requires a minimum of 25 per cent. of the ZDP Shares to be in public hands. Persons in the same group or acting in concert who have an interest in 5 per cent. or more of the ZDP Shares will be excluded from the calculation of the public hands requirement.

The Rollover Option is conditional on Initial ZDP Admission, and therefore subject to the satisfaction of Listing Rule 14.2.2 as to the number of ZDP Shares held in public hands as at Initial ZDP Admission. The Directors will have the discretion to scale back elections under the Rollover Option otherwise than on a *pro rata* basis if the Directors consider this necessary to ensure that sufficient ZDP Shares are held in public hands to satisfy the Listing Rule requirement. In particular, the Directors may exercise their discretion so that the relevant ZDP Shares can be placed pursuant to the ZDP Placing in order to satisfy this Listing Rule. If the number of ZDP Shares in public hands falls below the requisite threshold after Initial ZDP Admission, then the listing of the ZDP Shares may not be capable of being maintained.

If the number of ZDP Shares in public hands falls below the requisite threshold after Initial ZDP Admission, then the listing of ZDP Shares may not be capable of being maintained and this is likely to reduce the liquidity of ZDP Shares and to have a material adverse effect on the ability to sell the ZDP Shares for value prior to the ZDP Repayment Date.

Future share issues, share buy backs or raising in the longer term new debt facilities could dilute the interests of the ZDP Shareholders and lower the price of the ZDP Shares

2025 ZDPCo may issue additional shares in future public offerings or private placements, or make market purchases of its shares, which may dilute the existing investors' interests in 2025 ZDPCo. In addition, the issue of additional shares by 2025 ZDPCo, or the possibility of such issue, may cause the market price of the ZDP Shares to decline. Furthermore, such additional shares may, subject to any required class consent of the ZDP Shareholders being granted, be of a class ranking in priority to the ZDP Shares in respect of distribution or other rights which may change the risk reward characteristics and reduce the value of the ZDP Shares. Alternatively, the Company may in the longer term raise additional debt facilities which will also be dilutive.

Principal bases and assumptions

The illustrative financial statistics and related figures given in this Prospectus are based on the Principal Bases and Assumptions set out in Part VIII of this Prospectus. These are assumptions only and may or may not be fulfilled in practice. The Principal Bases and Assumptions and the illustrative financial statistics should not be regarded as forecasts of profit or growth in the value of the Group's assets.

The ZDP Shares are subject to certain provisions that may cause the Board to refuse to register, or require the transfer of, ZDP Shares

Although the ZDP Shares are freely transferable, there are certain circumstances in which the Board may, under the 2025 ZDPCo Articles and subject to certain conditions, compulsorily require the transfer of the ZDP Shares. These circumstances include where a transfer of ZDP Shares would cause, or is likely to: (i) cause the 2025 ZDPCo's assets to be deemed "plan assets" for the purposes of the Plan Asset Regulations or the US Tax Code; (ii) cause 2025 ZDPCo to be required to register as an "investment company" under the Investment Company Act (including because the member is not a "qualified purchaser" as defined in the Investment Company Act) or to lose an exemption or status thereunder to which it might otherwise be entitled; (iii) cause 2025 ZDPCo to be required to register or be qualified under the Exchange Act, the Securities Act, the US Investment Advisors Act of 1940 or any similar legislation (in any jurisdiction) that regulates the offering and sale of securities; (iv) cause 2025 ZDPCo not to be considered a "foreign private issuer" as such term is defined in rule 36-4(c) under the Exchange Act; (v) result in a person holding Shares in violation of the transfer restrictions set forth in any prospectus published by 2025 ZDPCo, from time to time; (vi) cause 2025 ZDPCo to be a "controlled foreign corporation" for the purposes of the US Tax Code; (vii) cause 2025 ZDPCo to become subject to any withholding tax or reporting obligation under FATCA or any similar legislation in any territory or jurisdiction, or to be unable to avoid or reduce any such tax or to be unable to comply with any such reporting obligation (including by reason of the failure of the shareholder concerned to provide promptly to 2025 ZDPCo such information and documentation as 2025 ZDPCo may have requested to enable 2025 ZDPCo to avoid or minimise such withholding tax or to comply with such reporting obligation; or (viii) result in any ZDP Shares being owned, directly or indirectly, by any person who is deemed to be a Non-Qualified Member in accordance with the 2025 ZDPCo Articles.

Structural Conflicts of Interest

The different rights and expectations of the Ordinary Shareholders and the holders of ZDP Shares in 2025 ZDPCo may give rise to conflicts of interest between them. Holders of ZDP Shares will have little or no interest in the revenue produced by the Company's portfolio, save to the extent that the Company's operating costs exceed that revenue. Holders of ZDP Shares can be expected to want the capital value of the Company's portfolio to be sufficient to repay the Final Capital Entitlement of the ZDP Shares on the ZDP Repayment Date, but will have little or no interest in any growth in capital

in excess of that amount. Conversely, holders of Ordinary Shares can be expected to be interested in both the revenue that the Company's Portfolio produces (and hence the level of dividends which will be capable of being paid on Ordinary Shares) and increases in the capital value of the Company's portfolio in the period to the ZDP Repayment Date, in excess of the Final Capital Entitlement of the ZDP Shares.

In certain circumstances, such as a major fall in the capital value of the Company's portfolio such that the Final Capital Entitlement of the ZDP Shares is significantly uncovered but where the Company's portfolio is still generating revenue, the interests of holders of ZDP Shares and the Ordinary Shareholders may conflict. The holders of ZDP Shares may wish the Company's portfolio to be re-balanced or more revenue to be retained in order to meet their Final Capital Entitlement, while the holders of Ordinary Shares may recognise that they then have little prospect of a sizeable capital return and so may be more concerned with maximising dividends in the period to the ZDP Repayment Date. In such circumstances, the Directors (in their capacity both as directors of the Company and directors of 2025 ZDPCo) may find it impossible to meet fully both sets of expectations and so will need to act in a manner which they consider to be fair and equitable to both Ordinary Shareholders and holders of ZDP Shares but having regard to the entitlements of each class of shares under the Articles and the 2025 ZDPCo Articles, from time to time, respectively.

The payment of the Final Capital Entitlement will be dependent on the Company's ability to comply with its obligations under the Existing Loan Agreement, the Existing Contribution Agreement, the 2025 Contribution Agreement and the 2025 Loan Agreement. The Company's compliance with such obligations will be dependent on the performance of its investment portfolio and such performance will be subject to a number of risks, including those described below:

While the 2025 Contribution Agreement restricts the ability of the Company to pay dividends in circumstances where the Cover is less than 1.9 times, it should be noted that the 2025 Contribution Agreement does not prohibit the payment of dividends altogether in such circumstances. Instead, the Company is only restricted from paying dividends which are in excess of those distributions which are required to be made by the Company to ensure it maintains its investment trust status. Accordingly, a conflict of interest will arise between the holders of ZDP Shares who will have an interest in the Company retaining profits to increase the level of the Cover and holders of Ordinary Shares whose expectation will be for dividend payments to be made in line with the Company's stated dividend policy.

RISKS RELATING TO REGULATION AND TAXATION

Investment trust status

The Directors conduct the affairs of the Company so as to satisfy the conditions under section 1158 of the CTA 2010 and the Investment Trust Regulations and accordingly, the Company has been approved by HMRC as an investment trust. In respect of each period for which the Company is an approved investment trust, the Company will be exempt from UK corporation tax on its chargeable gains. There is a risk that if the Company fails to maintain its status as an investment trust, the Company would be subject to the normal rates of corporation tax on chargeable gains arising on the transfer or disposal of investments and other assets, which could adversely affect the Company's financial performance, its ability to provide returns to its Shareholders or the post-tax returns received by its Shareholders. In addition, it is not possible to guarantee that the Company will remain a non-close company, which is a requirement to maintain investment trust status, as the Company's Shares are freely transferable. The Company, in the unlikely event that it becomes aware that it is a close company, or otherwise fails to meet the criteria for maintaining investment trust status, will, as soon as reasonably practicable, notify Shareholders of this fact.

The Company has not and will not register as an investment company under the Investment Company Act

The Company is not, and does not intend to become, registered in the United States as an investment company under the Investment Company Act and related rules and regulations. The Investment Company Act provides certain protections to investors and imposes certain restrictions on companies that are registered as investment companies.

As the Company is not so registered and does not plan to register, none of these protections or restrictions is or will be applicable to the Company. In addition, to avoid being required to register as an investment company under the Investment Company Act, the Board may, under the Articles and subject to certain conditions, compulsorily require the transfer of Shares held by a person to whom the sale or transfer of Shares may cause the Company to be classified as an investment company under the Investment Company Act. These procedures may materially affect certain Shareholders' ability to transfer their Shares.

The assets of the Company could be deemed to be “plan assets” that are subject to the requirements of ERISA or Section 4975 of the Internal Revenue Code, which could restrain the Company from making certain investments, and result in excise taxes and liabilities

Under the current Plan Asset Regulations, if interests held by Benefit Plan Investors are deemed to be “significant” within the meaning of the Plan Asset Regulations (broadly, if Benefit Plan Investors hold 25 per cent. or greater of any class of equity interest in the Company) then the assets of the Company may be deemed to be “plan assets” within the meaning of the Plan Asset Regulations. After the issue of C Shares and/or Ordinary Shares pursuant to the Issue and/or the Placing Programme (as applicable), the Company may be unable to monitor whether Benefit Plan Investors or investors acquire Shares and therefore, there can be no assurance that Benefit Plan Investors will never acquire Shares or that, if they do, the ownership of all Benefit Plan Investors will be below the 25 per cent. threshold discussed above or that the Company's assets will not otherwise constitute “plan assets” under Plan Asset Regulations. If the Company's assets were deemed to constitute “plan assets” within the meaning of the Plan Asset Regulations, certain transactions that the Company might enter into in the ordinary course of business and operation might constitute non-exempt prohibited transactions under ERISA or the Internal Revenue Code, resulting in excise taxes or other liabilities under ERISA or the Internal Revenue Code. In addition, any fiduciary of a Benefit Plan Investor or an employee benefit plan subject to Similar Law that is responsible for the Plan's investment in the Ordinary Shares could be liable for any ERISA violations or violations of such Similar Law relating to the Company.

Overseas taxation

The Company may be subject to tax under the tax rules of the jurisdictions in which it invests. Although the Company will endeavour to minimise any such taxes, this may affect the level of returns to Shareholders.

Changes in tax legislation or practice

Statements in this Prospectus concerning the taxation of Shareholders or the Company are based on UK tax law and practice as at the date of this Prospectus. Any changes to the tax status of the Company or any of its underlying investments, or to tax legislation or practice (whether in the UK or in jurisdictions in which the Company invests), could affect the value of investments held by the Company, affect the Company's ability to provide returns to Shareholders and affect the tax treatment for Shareholders of their investments in the Company (including the applicable rates of tax and availability of reliefs). For example, UK transfer pricing rules may result in a higher rate of interest being payable by the Company pursuant to the 2025 Loan Agreement. In such circumstances, 2025 ZDPCo will be required to pay a greater amount of tax which in turn will ultimately result in the Company incurring greater costs as a result of its obligations pursuant to the 2025 Contribution Agreement.

Prospective investors should consult their tax advisers with respect to their own tax position before deciding whether to invest in the Company.

U.S. tax legislation may in the future impose a withholding tax on certain payments received by the Company unless the Company reports certain information about its Shareholders to the IRS

The US-UK Agreement to Improve International Tax Compliance and to Implement FATCA (the “**US-UK IGA**”) was entered into with the intention of enabling the UK implementation of the Foreign Account Tax Compliance Act provisions of the U.S. Hiring Incentives to Restore Employment Act (“**FATCA**”), which impose a reporting regime and potentially a 30 per cent. withholding tax on certain

payments made from (or attributable to) US sources or in respect of US assets to certain categories of recipient including a non-US financial institution (a “**foreign financial institution**” or “**FFI**”) that does not comply with the terms of FATCA and is not otherwise exempt. Certain financial institutions (“**reporting financial institutions**”) are required to provide certain information about their US account holders to HMRC (which information will in turn be provided to the US tax authority) pursuant to UK regulations Implementing the US-UK IGA. It is expected that the Company will constitute a reporting financial institution for these purposes. The Company will not, however, generally need to report any information in respect of US Shareholders on the basis that the Ordinary Shares are expected to be treated as being regularly traded on an established securities market and should not, therefore, constitute financial accounts for FATCA purposes for so long as the Ordinary Shares are listed on the London Stock Exchange. It is the intention of the Company and the Investment Managers to procure that the Company is treated as complying with the terms of FATCA by complying with the terms of the reporting system contemplated by the US-UK IGA. No assurance can, however, be provided that the Company will be able to comply with FATCA and, in the event that it is unable to do so, a 30 per cent. withholding tax may be imposed on payments the Company receives from (or which are attributable to) US sources or in respect of US assets, which may reduce the amounts available to the Company to make payments to Shareholders.

IMPORTANT INFORMATION

Prospective Shareholders should rely only on the information contained in this Prospectus. No person has been authorised to give any information or make any representations other than as contained in this Prospectus and, if given or made, such information or representations must not be relied on as having been authorised by the Company, the Investment Manager or Stockdale or any of their respective affiliates, officers, directors, employees or agents. Without prejudice to the Company's obligations under the Prospectus Rules, the Listing Rules and the Disclosure and Transparency Rules and MAR neither the delivery of this Prospectus nor any subscription made under this Prospectus shall, under any circumstances, create any implication that there has been no change in the affairs of the Company since the date of this Prospectus or that the information contained herein is correct as at any time subsequent to its date.

Prospective Shareholders must not treat the contents of this Prospectus or any subsequent communications from the Company, the Investment Manager, or Stockdale or any of their respective affiliates, officers, directors, employees or agents as advice relating to legal, taxation, accounting, regulatory, investment or any other matters.

In connection with the Issue, the ZDP Placing, any Subsequent Placing or Subsequent ZDP Placing, Stockdale or any of its affiliates acting as an investor for its or their own account(s) may subscribe for C Shares and Ordinary Shares or ZDP Shares and, in that capacity, may retain, purchase, sell, offer to sell or otherwise deal for its or their own account(s) in Shares, any other securities of the Company or 2025 ZDPCo or related investments in connection with the Issue, the ZDP Placing, any Subsequent Placing and any Subsequent ZDP Placing or otherwise. Accordingly, references in this Prospectus to the C Shares, the Ordinary Shares and the ZDP Shares being issued, offered, subscribed or otherwise dealt with, should be read as including any issue or offer to, or subscription or dealing by, Stockdale or any of its affiliates acting as an investor for its or their own account(s). Stockdale does not intend to disclose the extent of any such investment or transactions otherwise than in accordance with any legal or regulatory obligation to do so.

On Initial Admission the Net Asset Value per C Share is expected to be 98.13 pence, assuming Gross Issue Proceeds of £75 million and the costs and expenses of the Issue that are payable by the Company being equal to 1.87 per cent. of the Gross Issue Proceeds. On Initial ZDP Admission, the Net Asset Value per ZDP Share will be 100 pence, as all of the costs and expenses of the Initial ZDP Admission are payable by the Company.

If you are in doubt about the contents of this Prospectus you should consult your stockbroker, bank manager, solicitor, accountant, legal or professional adviser or other financial adviser.

INTERMEDIARIES

The Company consents to the use of the Prospectus by financial intermediaries in connection with any subsequent resale or final placement of C Shares that are the subject of the Issue by financial intermediaries in the United Kingdom on the following terms: (i) in respect of the financial intermediaries who have been appointed prior to the date of this Prospectus, as listed in paragraph 15 of Part IX (Additional Information) of this Prospectus, from the date of this Prospectus; and (ii) in respect of financial intermediaries who are appointed after the date of this Prospectus, a list of which will appear on the Company's website, from the date on which they are appointed to participate in connection with any subsequent resale or final placement of the C Shares and, in each case, until the closing of the period for the subsequent resale or final placement of the C Shares by financial intermediaries at 11.00 a.m. on 21 December 2017, unless closed prior to that date.

Any financial intermediary that uses the Prospectus must state on its website that it uses the Prospectus with the Company's consent and in accordance with the conditions attached thereto. Any application made by investors to any financial intermediary is subject to the terms and conditions imposed by each financial intermediary. Information on the terms and conditions of any subsequent resale or final placement of securities by any financial intermediary is to be provided at the time of the offer by the financial intermediary.

The Company accepts responsibility for the information contained in the Prospectus with respect to any subscriber for C Shares pursuant to any subsequent resale or final placement by financial intermediaries of securities that are the subject of the Issue.

Any new information with respect to financial intermediaries unknown at the time of approval of this Prospectus will be available on the Company's website.

The distribution of this Prospectus in jurisdictions other than the United Kingdom may be restricted by law and persons into whose possession this Prospectus comes should inform themselves about and observe any such restrictions.

This Prospectus does not constitute, and may not be used for the purposes of, an offer or an invitation to subscribe for any C Shares, Ordinary Shares or ZDP Shares by any person in any jurisdiction: (i) in which such offer or invitation is not authorised; or (ii) in which the person making such offer or invitation is not qualified to do so; or (iii) to any person to whom it is unlawful to make such offer or invitation.

Prospective investors should not treat the contents of this Prospectus as advice relating to legal, taxation, investment, or any other matters. Prospective investors should inform themselves as to: (a) the legal requirements within their own countries for the purchase, holding, transfer or other disposal of Shares; (b) any foreign exchange restrictions applicable to the purchase, holding, transfer or other disposal of Shares which they might encounter; and (c) the income and other tax consequences which may apply in their own countries as a result of the purchase, holding, transfer or other disposal of Shares. Prospective investors must rely upon their own representatives, including their own legal advisers and accountants, as to legal, tax, investment or any other related matters concerning the Company and an investment therein.

DATA PROTECTION

The information that a prospective investor in the Company and/or 2025 ZDPCo provides in documents in relation to a subscription for C Shares or ZDP Shares or subsequently by whatever means which relates to the prospective investor (if it is an individual) or a third party individual ("**personal data**") will be held and processed by the Company and/or 2025 ZDPCo (and any third party in the United Kingdom to whom it may delegate certain administrative functions in relation to the Company and/or 2025 ZDPCo) in compliance with the relevant data protection legislation and regulatory requirements of the United Kingdom. Each prospective investor acknowledges and consents that such information will be held and processed by the Company (or any third party, functionary, or agent appointed by the Company) and/or the Administrator and Company Secretary for the following purposes:

- verifying the identity of the prospective investor to comply with statutory and regulatory requirements in relation to anti-money laundering procedures;
- contacting the prospective investor with information about other products and services provided by the Investment Manager, or its affiliates, which may be of interest to the prospective investor;
- carrying out the business of the Company and/or 2025 ZDPCo and the administering of interests in the Company;
- meeting the legal, regulatory, reporting and/or financial obligations of the Company and/or 2025 ZDPCo in the UK or elsewhere; and
- disclosing personal data to other functionaries of, or advisers to, the Company to operate and/or administer the Company and/or 2025 ZDPCo.

Each prospective investor acknowledges and consents that where appropriate it may be necessary for the Company (or any third party, functionary, or agent appointed by the Company) and/or the Administrator and Company Secretary to:

- disclose personal data to third party service providers, affiliates, agents or functionaries appointed by the Company and/or 2025 ZDPCo or its agents to provide services to prospective investors; and

- transfer personal data outside of the EEA to countries or territories which do not offer the same level of protection for the rights and freedoms of prospective investors the United Kingdom (as applicable).

If the Company and/or ZDPCo (or any third party, functionary or agent appointed by the Company and/or ZDPCo) and/or the Administrator and Company Secretary discloses personal data to such a third party, agent or functionary and/or makes such a transfer of personal data it will use reasonable endeavours to ensure that any third party, agent or functionary to whom the relevant personal data is disclosed or transferred is contractually bound to provide an adequate level of protection in respect of such personal data.

Prospective investors are responsible for informing any third party individual to whom the personal data relates to the disclosure and use of such data in accordance with these provisions.

REGULATORY INFORMATION

This Prospectus does not constitute an offer to sell, or the solicitation of an offer to subscribe for or buy, Shares in any jurisdiction in which such offer or solicitation is unlawful. The issue or circulation of this Prospectus may be prohibited in some countries.

INVESTMENT CONSIDERATIONS

The contents of this Prospectus are not to be construed as advice relating to legal, financial, taxation, accounting, regulatory, investment decisions or any other matter. Prospective investors must inform themselves as to:

- the legal requirements within their own countries for the purchase, holding, transfer, redemption or other disposal of the C Shares, the Ordinary Shares and the ZDP Shares;
- any foreign exchange restrictions applicable to the purchase, holding, transfer, redemption or other disposal of the C Shares, the Ordinary Shares and the ZDP Shares; and
- the income and other tax consequences which may apply to them as a result of the purchase, holding, transfer, redemption or other disposal of the C Shares, the Ordinary Shares and the ZDP Shares.

Prospective investors must rely upon their own representatives, including their own legal advisers and accountants, as to legal, tax, accounting, regulatory, investment or any other related matters concerning the Company and/or 2025 ZDPCo and an investment therein.

An investment in the Company and/or 2025 ZDPCo should be regarded as a long-term investment. There can be no assurance that the Company's investment objective will be achieved.

It should be remembered that the price of the C Shares, the Ordinary Shares and the ZDP Shares, and the income from such C Shares, the Ordinary Shares and the ZDP Shares (if any), can go down as well as up.

This Prospectus should be read in its entirety before making any investment in the C Shares, the Ordinary Shares and/or the ZDP Shares. All Shareholders are entitled to the benefit of, are bound by, and are deemed to have notice of, the provisions of the Articles and the 2025 ZDPCo Articles which investors should review. A summary of the Articles is contained in Part IX of this Prospectus under the section headed "Articles of Association of the Company". A summary of the rights of the ZDP Shares is contained in Part IX of this Prospectus under the section headed "Rights attaching to the ZDP Shares".

FORWARD LOOKING STATEMENTS

This Prospectus includes statements that are, or may be deemed to be, "forward-looking statements". These forward-looking statements can be identified by the use of forward-looking terminology, including the terms "believes", "estimates", "anticipates", "expects", "intends", "may", "will" or "should" or, in each case, their negative or other variations or comparable terminology. These forward-looking statements relate to matters that are not historical facts. They appear in a number of places throughout this Prospectus and include statements regarding the intentions, beliefs or current

expectations of the Company, the Directors and the Investment Manager concerning, amongst other things, the investment strategy, financing strategies, investment performance, results of operations, financial condition, prospects and the dividend policies of the Company and the investments in which it will invest. By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Forward-looking statements are not guarantees of future performance. There are a number of factors that could cause actual results and developments to differ materially from those expressed or implied by these forward-looking statements. These factors include, but are not limited to, changes in general market conditions, legislative or regulatory changes, changes in taxation regimes or development planning regimes, the Company's ability to invest its cash and the proceeds of the Issue, the ZDP Placing, any Subsequent Placing and any Subsequent ZDP Placing in suitable investments on a timely basis and the availability and cost of capital for future investments.

Potential investors are advised to read this Prospectus in its entirety, and, in particular, the section of this Prospectus entitled "Risk Factors" for a further discussion of the factors that could affect the Company's and/or 2025 ZDPCo's future performance. In light of these risks, uncertainties and assumptions, the events described in the forward-looking statements in this Prospectus may not occur or may not occur as foreseen.

These forward-looking statements speak only as at the date of this Prospectus. Subject to its legal and regulatory obligations (including under the Listing Rules, the Prospectus Rules and the Takeover Code), the Company expressly disclaims any obligations to update or revise any forward-looking statement contained herein to reflect any change in expectations with regard thereto or any change in events, conditions or circumstances on which any statement is based unless required to do so by law or any appropriate regulatory authority, including FSMA, the Listing Rules and the Prospectus Rules.

Nothing in the preceding three paragraphs should be taken as limiting the working capital statements in Part VI of this Prospectus.

PRESENTATION OF FINANCIAL INFORMATION

All financial information for the Company prepared to date is, and all future financial information for the Company is intended to be, prepared in accordance with IFRS as adopted by the European Union. In making an investment decision, prospective investors must rely on their own examination of the Company and/or 2025 ZDPCo from time to time and the terms of the Issue, the ZDP Placing, any Subsequent Placing or any Subsequent ZDP Placing (as applicable).

CURRENCY PRESENTATION

Unless otherwise indicated, all references in this Prospectus to "GBP", "pounds sterling", "£", "pence" or "p" are to the lawful currency of the UK, and all references to US Dollars or US\$ are to the lawful currency of the US.

GOVERNING LAW

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

NO INCORPORATION OF WEBSITE

The contents of the Investment Manager's website, <http://chelvertonam.com/fund/small-companies-dividend-trust-plc/>, or any of its Affiliates, the contents of any website accessible from hyperlinks on the Investment Manager's website, any website of its Affiliates or any other website referred to in this Prospectus are not incorporated into, and do not form part of this Prospectus. Investors should base their decision to invest on the contents of this Prospectus and any supplementary prospectus published by the Company and/or 2025 ZDPCo prior to Initial Admission, Initial ZDP Admission, the first Programme Admission and/or the first ZDP Programme Admission alone and should consult their professional advisers prior to making an application to acquire C Shares, Ordinary Shares and/or ZDP Shares.

NOTICE TO PROSPECTIVE INVESTORS IN THE EUROPEAN ECONOMIC AREA

The C Shares, the Ordinary Shares and the ZDP Shares have not been, and will not be, registered under the securities laws, or with any securities regulatory authority of, any member state of the EEA other than the United Kingdom and subject to certain exceptions, the C Shares, the Ordinary Shares and the ZDP Shares may not, directly or indirectly, be offered, sold, taken up or delivered in or into any member state of the EEA other than the United Kingdom. The distribution of this Prospectus in other jurisdictions may be restricted by law and therefore persons into whose possession this Prospectus comes should inform themselves about and observe any such restrictions.

In relation to each member state of the European Economic Area which has implemented the Prospectus Directive (as defined below) (each, a “**Relevant Member State**”), no Shares have been offered or will be offered pursuant to the Offer for Subscription to the public in that Relevant Member State prior to the publication of a prospectus in relation to the Ordinary Shares which has been approved by the competent authority in that Relevant Member State, or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, all in accordance with the Prospectus Directive, except that offers of Shares to the public may be made at any time under the following exemptions under the Prospectus Directive, if they are implemented in that Relevant Member State:

- to any legal entity which is a “qualified investor” as defined in the Prospectus Directive;
- to fewer than 100, or, if the Relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive (as defined hereafter), 150 natural or legal persons (other than “qualified investors” as defined in the Prospectus Directive) in such Relevant Member State; or
- in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Shares shall result in a requirement for the publication of a prospectus pursuant to Article 3 of the Prospectus Directive or any measure implementing the Prospectus Directive in a Relevant Member State and each person who initially acquires any Shares or to whom any offer is made under the Offer for Subscription will be deemed to have represented, acknowledged and agreed that it is a “qualified investor” within the meaning of Article 2(1)(e) of the Prospectus Directive.

For the purposes of this provision, the expression an “offer to the public” in relation to any offer of shares in any Relevant Member State means a communication in any form and by any means presenting sufficient information on the terms of the offer and any shares to be offered so as to enable an investor to decide to purchase or subscribe for the shares, as the same may be varied in that Relevant Member State by any measure implementing the Prospectus Directive in that Relevant Member State and the expression “Prospectus Directive” means Directive 2003/71/EC (and the amendments thereto, including Directive 2010/73/EU (the “2010 PD Amending Directive”)), to the extent implemented in the Relevant Member State and includes any relevant implementing measure in each Relevant Member State.

In the case of any C Shares acquired by a financial intermediary (as that term is used in Article 3(2) of the Prospectus Directive) pursuant to the Issue such financial intermediary will be deemed to have represented, warranted and agreed with the Company and Stockdale that such C Shares acquired by it have not been acquired on a non-discretionary basis on behalf of, and have not been acquired with a view to their offer or resale to, persons in circumstances which may give rise to an offer of any C Shares to the public other than their offer or resale in a Relevant Member State to qualified investors (as defined in the Prospectus Directive) or in circumstances in which the prior consent of Stockdale has been obtained to each such proposed offer or resale. The Company, Stockdale, their respective affiliates and others will rely on the truth and accuracy of such deemed representation, warranty and agreement. Notwithstanding the above, a person who is not a qualified investor and who has notified Stockdale of such fact in writing may, with the consent of Stockdale, be permitted to subscribe for or purchase C Shares pursuant to the Issue.

During the period up to but excluding the date on which the Prospectus Directive is implemented in Member States, this Prospectus may not be used for, or in connection with, and does not constitute,

any offer of C Shares, Ordinary Shares or ZDP Shares or an invitation to subscribe for or purchase any C Shares, Ordinary Shares or ZDP Shares in any Member State in which such offer or invitation would be unlawful.

NOTICE TO PROSPECTIVE INVESTORS IN GUERNSEY

This Prospectus has not been filed with, approved or authorised by, the Guernsey Financial Services Commission for circulation in the Bailiwick of Guernsey. Any distribution of this Prospectus, and to the extent to which any promotion of any Ordinary Shares are deemed to take place in the Bailiwick of Guernsey, is only being distributed and promoted in or from within the Bailiwick of Guernsey either: (i) by a person licensed to do so under the Protection of Investors (Bailiwick of Guernsey) Law, 1987, as amended (“**POI Law**”); or (ii) to persons licensed under the POI Law, the Banking Supervision (Bailiwick of Guernsey) Law, 1994 (as amended), the Insurance Business (Bailiwick of Guernsey) Law, 2002 (as amended) or the Regulation of Fiduciaries, Administration Business and Company Directors etc. (Bailiwick of Guernsey) Law, 2000.

NOTICE TO PROSPECTIVE INVESTORS IN JERSEY

This Prospectus has not been provided to or approved by the Jersey Financial Services Commission and it takes no responsibility for the financial soundness of the Company or for the correctness of any statements made or expressed in this Prospectus. This Prospectus may be circulated in Jersey only by persons who are registered by the Jersey Financial Services Commission in accordance with the Financial Services (Jersey) Law 1998 (as amended) for the conduct of financial services business and the distribution of this Prospectus or are exempt from such registration in accordance with the Financial Services (Jersey) Law 1998, as amended.

NOTICE TO PROSPECTIVE INVESTORS IN IRELAND

The distribution of this Prospectus and the offering or purchase of C Shares, ZDP Shares and Ordinary Shares is restricted to the individual to whom this Prospectus is addressed. Accordingly, it may not be reproduced in whole or in part, nor may its contents be distributed in writing or orally to any third party and it may be read solely by the person to whom it is addressed and his/her professional advisers. C Shares, ZDP Shares and Ordinary Shares must not be publicly marketed to professional investors in Ireland without notification being made and transmitted in accordance with Article 32 of the AIFM Directive. No such notification has yet been made. For the avoidance of doubt this Prospectus has not been reviewed or approved by the Central Bank.

NOTICE TO PROSPECTIVE INVESTORS IN THE ISLE OF MAN

The Issue, the ZDP Placing, any Subsequent Placing and/or any Subsequent ZDP Placing are available, and are and may be made, in or from within the Isle of Man and this Prospectus is being provided in or from within the Isle of Man only: (i) by persons licensed to do so under the Isle of Man Financial Services Act 2008; or (ii) to persons: (a) licensed under Isle of Man Financial Services Act 2008; or (b) falling within exclusion 2(r) of the Isle of Man Regulated Activities Order 2011 (as amended); or (c) whose ordinary business activities involve them in acquiring, holding, managing or disposing of shares or debentures (as principal or agent), for the purposes of their business.

The Issue, any Subsequent Placing and any Subsequent ZDP Placing and this Prospectus are not available in or from within the Isle of Man other than in accordance with paragraphs (i) and (ii) above and must not be relied upon by any person unless made or received in accordance with such paragraphs.

NOTICE TO PROSPECTIVE INVESTORS IN THE UNITED STATES

The Shares have not been, and will not be registered under the Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States and the Shares may not be offered, sold, resold, transferred or delivered, directly or indirectly, within the United States or to, or for the account or benefit of, US Persons (as defined in Regulation S) except pursuant to an exemption from, or in a transaction not subject to, registration under the Securities Act. Accordingly the Issue, the ZDP Issue, any Subsequent Placing and any Subsequent ZDP Placing is made to:

- (i) investors who are not US Persons or persons acquiring for the account or benefit of US Persons outside the United States in “offshore transactions” within the meaning of, and in reliance on Regulation S under the Securities Act.
- (ii) US Persons or to investors within the United States or to persons who are acting for the account or benefit of US Persons in either case who have executed and returned a US subscription agreement and are reasonably believed to be qualified institutional buyers (“QIBs”) within the meaning of Rule 144A (Rule 144A) under the Securities Act, who are also qualified purchasers (“QPs”) as defined in Section 2(a)(51) of the Investment Company Act, pursuant to a transaction that is exempt from, or not subject to, the registration requirements of the Securities Act.

The Company has not been and will not be registered under the Investment Company Act and investors will not be entitled to the benefits of that Act. Persons receiving this Prospectus (including custodians, nominees and trustees) must not forward, distribute, mail or otherwise transmit it in or into the United States or to US Persons or use the United States mails, directly or indirectly, in connection with the Issue, the ZDP Issue, the Placing Programme or the ZDP Placing Programme.

The Shares have not been approved or disapproved by the US Securities and Exchange Commission, any state securities commission in the United States or any other US regulatory authority, nor have any of the foregoing authorities passed on or endorsed the merits of the offering of Shares or the accuracy or adequacy of this Prospectus. Any representation to the contrary is a criminal offence in the United States and any re-offer or resale of any of the Shares in the United States or to US Persons may constitute a violation of US law or regulation.

Unless the Company agrees otherwise in writing, each person who initially acquires Shares pursuant to the Issue, the ZDP Issue, the Placing Programme or the ZDP Placing Programme or to whom any offer of Shares is made pursuant to the Issue, the ZDP Issue, the Placing Programme or the ZDP Placing Programme will be deemed to have represented, warranted and agreed with the Company and Stockdale that the offer of Shares was made to them, and at the time their buy order was originated they were located, outside the United States and that they are not a US Person and are not subscribing for Shares on behalf of a US Person. The Company, Stockdale, the Investment Manager, their respective affiliates and others will rely on the truth and accuracy of such deemed representation, warranty and agreement.

Any person in the United States who obtains a copy of this Prospectus is requested to disregard it.

NOTICE TO PROSPECTIVE INVESTORS IN AUSTRALIA, CANADA, JAPAN, NEW ZEALAND OR THE REPUBLIC OF SOUTH AFRICA

The Shares have not been, and will not be, registered under the laws of Australia, Canada, Japan, New Zealand or the Republic of South Africa or with any securities regulatory authority of Australia, Canada, Japan, New Zealand or the Republic of South Africa. Accordingly, unless an exemption under such laws is applicable, the Shares may not be offered, sold or delivered, directly or indirectly, within Australia, Canada, Japan, New Zealand or the Republic of South Africa (as the case may be).

Unless the Company agrees otherwise in writing, each person who initially acquires Shares pursuant to the Issue, the ZDP Issue, the Placing Programme or the ZDP Placing Programme or to whom any offer of Shares is made pursuant to the Issue, the ZDP Issue, the Placing Programme or the ZDP Placing Programme will be deemed to have represented, warranted and agreed with the Company and Stockdale that they are not a resident of Australia, Canada, Japan, New Zealand or the Republic of South Africa or a corporation, partnership or other entity organised under the laws of Australia or Canada (or any political subdivision of either of them) or Japan, New Zealand or the Republic of South Africa and that they are not subscribing for such Shares for the account of any resident of Canada, Japan, Australia, New Zealand or the Republic of South Africa and will not offer, sell, renounce, transfer or deliver, directly or indirectly, any of the Shares in or into Australia, Canada, Japan, New Zealand or the Republic of South Africa or to any resident in Australia, Canada, Japan, New Zealand or the Republic of South Africa. The Company, Stockdale, their respective affiliates and others will rely on the truth and accuracy of such deemed representation, warranty and agreement.

CONSEQUENCES OF A STANDARD LISTING

Application will be made for the ZDP Shares issued pursuant to the ZDP Issue and any Subsequent ZDP Placing (as applicable) to be admitted to the standard segment of the Official List pursuant to Chapter 14 of the Listing Rules, which sets out the requirements for standard listings. A standard listing affords ZDP Shareholders a lower level of regulatory protection than that afforded to investors in securities that are admitted to the premium segment of the Official List.

As a consequence of admission of the ZDP Shares to the standard segment of the Official List, 2025 ZDPCo is not required to comply with the provisions of, among other things:

- the premium listing principles set out in Listing Rule 7.2.1A of the Listing Rules;
- Chapter 8 of the Listing Rules regarding the appointment of a listing sponsor to guide 2025 ZDPCo in understanding and meeting its responsibilities under the Listing Rules in connection with certain matters;
- Chapter 9 of the Listing Rules relating to continuing obligations;
- Chapter 10 of the Listing Rules relating to significant transactions which require shareholder consent for certain acquisitions;
- Chapter 11 of the Listing Rules regarding related party transactions;
- Chapter 12 of the Listing Rules regarding purchases by an issuer of its own shares; and
- Chapter 13 of the Listing Rules regarding the form and content of circulars to be sent to shareholders.

The ZDP Shareholders will therefore not receive the full protections set out in the Listing Rules which apply to issuers which are admitted to the premium segment of the Official List. The Company, however, as an issuer which is admitted to the premium segment of the Official List, does comply with these Listing Rules as they relate to it and its subsidiary undertakings.

In addition, the 2025 Contribution Agreement and the 2025 ZDPCo Articles (full details of which are provided in Part IX of this Prospectus) contain certain limitations on the actions of the Company and 2025 ZDPCo which are designed to protect the interests of the ZDP Shareholders. The Company has also undertaken that it will remain the sole holder of the ordinary shares in 2025 ZDPCo.

Listing Rule 7.1.1 states that the listing principles set out in Listing Rule 7.2.1 apply to every listed company in respect of all obligations arising from the Listing Rules, the Disclosure and Transparency Rules and the corporate governance rules. Accordingly, as regards these obligations, 2025 ZDPCo must:

- take reasonable steps to establish and maintain adequate procedures, systems and controls to enable it to comply with its obligations; and
- deal with the FCA in an open and co-operative manner.

Listing Rule 14.3 sets out the continuing obligations which will apply to 2025 ZDPCo. It requires that all the 2025 ZDPCo's listed securities must be admitted to trading on a regulated market at all times. In addition, 2025 ZDPCo must have a minimum number of shares (25 per cent.) of any listed class in public hands at all times in the relevant jurisdictions (or such lower percentage that the FCA may agree to if it considers that the market will operate properly with a lower percentage in view of the large number of shares of the same class and the extent of their distribution to the public) and must notify the FCA as soon as possible if these holdings fall below the stated level. There are a number of other continuing obligations set out in Chapter 14 of the Listing Rules that apply to 2025 ZDPCo. These include requirements as to:

- the forwarding of circulars and other documentation to the FCA for publication through the national storage mechanism, and related notification to an RIS;
- the form and content of temporary and definitive documents of title;
- the appointment of a registrar;

- the RIS notification obligation in relation to a range of debt and equity capital issues; and
- compliance with the Disclosure and Transparency Rules.

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Publication of this Prospectus	24 November 2017
General Meeting of the Company	9.00 a.m. on 12 December 2017
First General meeting of Existing ZDPCo	9.15 a.m. on 12 December 2017
Latest time and date for commitments under the Placing	12.00 p.m. on 15 December 2017
Record date for elections by holders of Existing ZDP Shares	6.00 p.m. on 15 December 2017
Latest time and date for the receipt of forms of election or TTE instructions from holders of Existing ZDP Shares	11.00 a.m. on 18 December 2017
Announcement of the result of ZDP Shares to be issued pursuant to the Scheme	8.00 a.m. on 19 December 2017
Latest time and date for receipt of completed applications from Intermediaries in respect of the Intermediaries Offer	11.00 a.m. on 21 December 2017
Latest time and date for receipt of completed Application Forms in respect of the Offer for Subscription	11.00 a.m. on 21 December 2017
Announcement of the results of the Placing, Intermediaries Offer and Offer for Subscription and the number of C Shares to be issued	8.00 a.m. on 22 December 2017
Announcement of the number of ZDP Shares to be issued pursuant to the ZDP Placing	8.00 a.m. on 5 January 2018
Effective Date for the Scheme	8 January 2018
Initial Admission and Initial ZDP Admission and dealings in C Shares and ZDP Shares issued in uncertificated form commence	8.00am on 8 January 2018
CREST accounts credited with uncertificated C Shares and uncertificated ZDP Shares	8 January 2018
Definitive share certificates in respect of C Shares and ZDP Shares dispatched by post in the week commencing	15 January 2018
Underlying Applicants who apply to Intermediaries for C Shares under the Intermediaries Offer will not receive share certificates.	

PLACING PROGRAMME AND ZDP PLACING PROGRAMME

Placing Programme and ZDP Placing Programme opens	9 January 2018
Latest date for issuing Ordinary Shares and ZDP shares under the Placing Programme and the ZDP Placing Programme respectively	23 November 2018

- (i) All times and/or dates in the Expected Timetable set out above and in this Prospectus generally may be subject to adjustment.
- (ii) Any changes to the Expected Timetable set out above will be notified by the Company through a Regulatory Information Service.
- (iii) All references to times in this Prospectus are to London time.

STATISTICS

C SHARE ISSUE STATISTICS

Issue Price per C Share	100 pence
Estimated Net Proceeds receivable by the Company*	£73.60 million
Expected Net Asset Value per C Share on Initial Admission (unaudited)	98.13 pence

* Assuming that the Issue is subscribed as to 75 million C Shares. The number of C Shares to be issued pursuant to the Issue, and therefore the Gross Issue Proceeds, is not known at the date of this Prospectus but will be notified by the Company via an RIS announcement prior to Initial Admission.

ZDP ISSUE STATISTICS

Issue price per ZDP Share	100 pence
Estimated ZDP Net Proceeds *	£20.21 million
Final Capital Entitlement	133.18 pence
Gross redemption yield at ZDP Issue Price	4 per cent.

* Assuming that 75 per cent. of holders of Existing ZDPs elect to receive ZDP Shares under the Scheme and that £20.41 million of ZDP Shares are issued under the ZDP Placing. The number of ZDP Shares to be issued pursuant to the ZDP Placing, and therefore the Gross ZDP Issue Proceeds, is not known at the date of this Prospectus but will be notified by the Company via an RIS announcement prior to Initial ZDP Admission.

ORDINARY SHARE AND ZDP PLACING PROGRAMME STATISTICS

Maximum number of Ordinary Shares to be issued and allotted in aggregate pursuant to the Placing Programme	30.0 million Ordinary Shares
Placing Programme Price per Ordinary Share to be issued under the Placing Programme	Not less than the Net Asset Value (cum income) per Ordinary Share at the time of issue plus a premium to cover the expenses of such issue
Maximum number of ZDP Shares to be issued and allotted in aggregate pursuant to the ZDP Placing Programme	7.5 million ZDP Shares
Placing Programme Price per ZDP Share to be issued under the Placing Programme	Not less than the then capital entitlement of ZDP Shares at the time of issue plus a premium to cover the expenses of such issue

DEALING CODES

The dealing codes for the Ordinary Shares are as follows:

ISIN:	GB0006615826
SEDOL:	0661582
Ticker:	SDV
LEI number:	213800DAF47EJ2HT4P78

The dealing codes for the C Shares to be issued pursuant to the Issue will be as follows:

ISIN:	GB00BZ7MNB52
SEDOL:	BZ7MNB5
Ticker:	SDVC
LEI number:	213800DAF47EJ2HT4P78

The dealing codes for the ZDP Shares to be issued pursuant to the ZDP Issue will be as follows:

ISIN:	GB00BZ7MQD81
SEDOL:	BZ7MQD8
Ticker:	SDVP
LEI number:	213800KMX33J3VAJU95

DIRECTORS, INVESTMENT MANAGER AND ADVISERS

Directors of the Company	The Rt. Hon Lord Lamont of Lerwick (<i>Chairman</i>) David Harris William van Heesewijk Howard Myles <i>all of the registered office below</i>
Directors of 2025 ZDPCo	Howard Myles (<i>Chairman</i>) David Harris William van Heesewijk <i>all of the registered office below</i>
Registered Office	Springfield Lodge Colchester Road Chelmsford Essex CM2 5PW Telephone: +44 (0)1245 398950
Investment Manager	Chelverton Asset Management Limited 11 Laura Place Bath BA2 4BL
Sponsor, Broker and Financial Adviser	Stockdale Securities Limited Beaufort House 15 St Botolph Street London EC3A 7BB
Administrator and Company Secretary	Maitland Administration Services Limited Springfield Lodge Colchester Road Chelmsford Essex CM2 5PW
Registrar and Receiving Agent	Share Registrars Limited The Courtyard 17 West Street Farnham, Surrey GU9 7DR
Custodian	Jarvis Investment Management Limited 78 Mount Ephraim Tunbridge Wells Kent TN4 8BS
English Legal Adviser to the Company	Charles Russell Speechlys LLP 5 Fleet Place London EC4M 7RD
English Legal Adviser to the Sponsor	Dentons UKMEA LLP One Fleet Place London EC4M 7RA
Auditors and Reporting Accountant	Hazlewoods LLP Winsor House Bayshill Road Cheltenham GL50 3AT

PART I

THE COMPANY AND 2025 ZDPCO

INTRODUCTION

Chelverton Small Companies Dividend Trust PLC (“**the Company**”), is an investment trust, the Ordinary Shares of which have been listed on the Main Market of the London Stock Exchange since May 1999. It has a subsidiary, Chelverton Small Companies ZDP PLC (“**Existing ZDPCo**”), which issued zero dividend preference shares (“**Existing ZDP Shares**”) which have been listed on the standard segment of the Official List since August 2012. The Group’s funds are invested principally in mid- and smaller capitalised UK companies. The portfolio comprises companies listed on the Official List and companies admitted to trading on AIM. The Group does not invest in other investment trusts or in unquoted companies. No investment is made in preference shares, loan stock or notes, convertible securities or fixed interest securities.

The Board announced on 6 November 2017 the potential capital raise through the Issue and the ZDP Issue. The Board believes that, given the current economic environment, it is an appropriate time to refinance the Company by a new issue of ZDP Shares and to offer holders of Existing ZDP Shares the ability to continue their investment. The costs of the ZDP Issue, so far as they contribute to the refinancing of the Existing ZDP Shares, will be borne indirectly by the Ordinary Shareholders.

The Ordinary Shares, based on the market price as at the close of the London Stock Exchange on the Latest Practicable Date of 258.5 pence have a dividend yield of 3.86 per cent. based on 9.98 pence dividends declared and paid during the last twelve months. Together with this attractive historic income yield, the Ordinary Shares also provide an opportunity for further capital growth. Since its launch in April 1999, the Company has achieved impressive growth and an enviable track record, realised by focusing on mid- and smaller capitalised, high-yielding stocks. The Company has seen average dividend growth of 5 per cent. per annum since 2012. Growing investor demand for Ordinary Shares has led to the Company’s share price trading at a premium to Net Asset Value on several occasions in the past 12 months, enabling further issues of Ordinary Shares over the period.

Accordingly the Board believes it is the right time to issue C Shares in order to scale up the Group’s capital base with little effect on the Net Asset Value for Ordinary Shares, as the costs of the Issue will be borne by holders of the C Shares, subject to a cap of 2 per cent. of the Gross Issue Proceeds.

The net proceeds of the Issue and the Placing Programme, together with the net proceeds of the ZDP Issue and the ZDP Placing Programme, will be used to make investments in accordance with the Company’s investment policy and investment objective.

BENEFITS

The Board believes that the offer of C shares and ZDP shares will provide the following benefits:

- an increase in the market capitalisation of the Company, which can be expected to improve market liquidity of the C Shares, the Ordinary Shares and the ZDP Shares;
- this may enhance the marketability of the Company and may result in a broader investor base over the longer term;
- the Offer for Subscription also provides Shareholders with the ability to acquire Shares without incurring stamp duty or dealing costs;
- additional monies can be raised in a timely manner pursuant to the Placing Programme and ZDP Placing Programme, to enable the Company to take advantage of opportunities over the next 12 months to make further investments in accordance with its investment policy;
- an increase in the Net Asset Value of the Company will allow the Company to make a larger number of investments and/or to increase the size of holdings in its existing portfolio; and

- an increased number of Shares in issue will provide a larger capital base over which to spread the fixed costs of the Group, which should reduce the Company's ongoing charges and allow for the potential for better returns to investors.

INVESTMENT POLICY AND INVESTMENT OBJECTIVE

The investment objective of the Company is to provide Ordinary Shareholders with a high income and the opportunity for capital growth.

The Company's investment policy is that:

- the Company will invest in equities in order to achieve its investment objective, which is to provide both income and capital growth, predominantly through investment in mid- and smaller capitalised UK companies admitted to the Official List of the UK Listing Authority and traded on the London Stock Exchange's Main Market or traded on AIM;
- the Company will not invest in preference shares, loan stock or notes, convertible securities or fixed interest securities or any similar securities convertible into shares; nor will it invest in the securities of other investment trusts or in unquoted companies; and
- there is no set limit on the Company's gearing.

The investment objective of 2025 ZDPCo is to provide the Final Capital Entitlement to the holders of the ZDP Shares on the ZDP Repayment Date.

2025 ZDPCo does not have an investment policy.

BORROWING POLICY

There are no restrictions in the Articles on borrowing. The Company does not currently have any borrowings, and does not plan to have any.

The Company has no set gearing limits, but is subject to the following covenants under the 2025 Loan Agreement and the 2025 Contribution Agreement:

- not to pay any dividends out of capital reserves unless the Cover for the ZDP Shares is at least 1.9 times following payment of such dividend;
- not to purchase any of its own shares out of capital reserves unless the Cover for the ZDP Shares is at least 1.9 times after the purchase;
- not to take on any debt or issue any prior ranking securities except: (i) for the purposes of redeeming the ZDP Shares; or (ii) short term borrowings in the ordinary course of business e.g. to settle share trades;
- not to implement any reclassification of securities or reduction of capital unless the Cover of the ZDP Shares is at least 1.9 times after such reclassification or reduction;
- not to make any amendment to the Company's investment policy unless, at the time of making such change, it appears unlikely in the reasonable opinion of the Directors to be materially prejudicial to the interests of the ZDP Shareholders;
- not to make any material change to the basis on which the Company charges expenses to its revenue and capital accounts;
- not to pass any resolution to vary, modify or abrogate any of the rights attaching to the ZDP Shares; and
- not to transfer any of the ordinary shares in 2025 ZDPCo which the Company holds to any third party (save that the Company may, with the consent of the board of 2025 ZDPCo, transfer ordinary shares to a member of the Group so long as in the event that such member of the Company's group ceases to be a member of the Group it shall transfer such shares back to the Company).

2025 ZDPCo has no set gearing limits, but as at the date of this Prospectus does not have any borrowings and does not intend to have any at any point.

PERFORMANCE RECORD

The historic investment performance of the Company is set out in the table below.

Performance data ⁽¹⁾	6 months (%)	1 Year (%)	3 Years (%)	5 Years (%)	10 Years (%)
The Company ⁽²⁾ NAV total return	6.12	34.17	18.27	23.33	9.49
Share price total return	12.84	52.01	20.89	27.72	10.63
FTSE 350 High Yield Index total return	2.87	11.72	7.32	9.08	5.21

Source: Morningstar.

(1) To 10 November 2017.

(2) The Company.

The Company has additionally been ranked first in the UK equity income rankings over one, three and five years in the rankings published in *Investment Week* on 16 October 2017.

INVESTMENT RESTRICTIONS

The Company will comply with the investment restrictions set out below and will continue to do so for so long as they remain requirements of the FCA:

- neither the Company nor any of its subsidiaries will conduct any trading activity which is significant in the context of the Group as a whole; and
- the Company must, at all times, invest and manage its assets in a way which is consistent with its object of spreading investment risk and in accordance with its published investment policy.

The Company may invest in cash, cash equivalents, money market instruments, money market funds, bonds, commercial paper or other debt obligations with banks or other counterparties having a single-A (or equivalent) or higher credit rating as determined by an internationally recognised agency, or any “governmental and public securities” (as defined for the purposes of the FCA rules) for cash management purposes and with a view to enhancing returns to Shareholders or mitigating credit exposure.

The Company will not invest in collateralised loan obligations or collateralised debt obligations.

The Directors do not currently intend to propose any material changes to the Company’s investment policy, save in the case of exceptional or unforeseen circumstances. As required by the Listing Rules, any material change to the investment policy of the Company will be made only with the approval of Shareholders.

In the event of any breach of the investment restrictions applicable to the Company, Shareholders will be informed of the remedial actions to be taken by the Company through an RIS announcement.

2025 ZDPCo does not hold any investments, and has no intention of doing so at any point.

In the event of any breach of the investment restrictions applicable to 2025 ZDPCo, ZDP Shareholders will be informed of the remedial actions to be taken by the Company through an RIS announcement.

INVESTMENT PORTFOLIO

The Company expects to have deployed the net proceeds attributable to the Shares issued pursuant to the Issue and the ZDP Issue in a portfolio of investments within four months of Initial Admission.

The Company’s funds will be invested principally in companies with a market capitalisation of up to £500 million; a maximum of 20 per cent. of the Group’s portfolio may be invested in companies without reference to their market capitalisation at the discretion of the Investment Manager. The Company’s portfolio will comprise companies listed on the Official List of the UK Listing Authority and companies admitted to trading on AIM. The Company will not invest in preference shares, loan stock or notes, convertible securities or fixed interest securities or any similar securities convertible into shares. The Company will not invest in other investment trusts or unquoted companies.

As at 22 November 2017, the Company's portfolio comprised investments in 74 companies with an aggregate value of £58.76 million (unaudited).

For the avoidance of doubt, in each case valuations of the Company's portfolio are given as at 17 November 2017, and shareholdings in the Company's portfolio are listed as at the Latest Practicable Date.

TOP TWENTY INVESTMENTS

The table below show the top 20 holdings of the Company, as at the Latest Practicable Date, representing 39.96 per cent. of the investments held by the Company:

Holding	Sector	% of portfolio
Diversified Gas & Oil PLC	Oil & Gas	2.82
McColl's Retail Group PLC	General Retailers	2.38
Jarvis Securities PLC	Speciality & Other Finance	2.35
StatPro Group PLC	Support Services	2.31
The Alumasc Group PLC	Construction & Building Materials	2.14
Acal PLC	Electronic & Electrical Equipment	2.08
Personal Group Holdings PLC	Health	2.04
Galliford Try PLC	Construction & Building Materials	1.97
Gattaca PLC	Support Services	1.97
Ramsdens Holdings PLC	General Retailers	1.95
Belvoir Lettings PLC	Real Estate	1.94
Connect Group PLC	Industrials	1.90
Amino Technologies PLC	Information Technology Hardware	1.87
Curtis Banks Group PLC	Banks	1.79
Braemar Shipping Services PLC	Support Services	1.77
Marston's PLC	Leisure, Entertainment & Hotels	1.77
Numis Corporation PLC	Speciality & Other Finance	1.75
A&J Mucklow Group PLC	Investment Managers & REITs	1.70
Strix Group PLC	Diversified Industrials	1.70
N Brown Group PLC	General Retailers	1.68

PORTFOLIO STATEMENT

The table below shows all of the holdings of the Group as at the Latest Practicable Date, which comprise listed securities and cash, and show the sector weightings. The Group's portfolio is unaudited.

Holding	Value £	% of Net Asset Value
Banks		
Curtis Banks Group PLC	1,050,000.00	2.26%
	1,050,000.00	2.26%
Construction & Building Materials		
The Alumasc Group PLC	1,260,000.00	2.71%
Castings PLC	550,000.00	1.18%
Coral Products PLC	750,000.00	1.61%
Kier Group PLC	812,800.00	1.75%
Titon Holdings PLC	434,000.00	0.93%
Severfield PLC	950,000.00	2.04%
Galliford Try PLC	1,160,000.00	2.49%
Epwin Group PLC	603,500.00	1.30%
	6,520,300.00	14.01%
Consumer Goods		
Dairy Crest Group PLC	711,875.00	1.53%
	711,875.00	1.53%
Diversified Industrials		
Strix Group PLC	999,250.00	2.15%
	999,250.00	2.15%
Electronic & Electrical Equipment		
Acal PLC	1,220,000.00	2.62%
T. Clarke Public Limited Company	742,500.00	1.60%
XP Power Limited	702,000.00	1.51%
	2,664,500.00	5.73%
Engineering & Machinery		
Chamberlin PLC	395,000.00	0.85%
Flowtech Fluidpower PLC	739,500.00	1.59%
	1,134,500.00	2.44%
Food Producers & Processors		
Hilton Food Group PLC	840,000.00	1.81%
Produce Investments PLC	636,400.00	1.37%
	1,476,400.00	3.17%
General Retailers		
N Brown Group PLC	985,600.00	2.12%
Conviviality PLC	836,500.00	1.80%
Ramsdens Holdings PLC	1,143,750.00	2.46%
McColl's Retail Group PLC	1,400,000.00	3.01%
Shoe Zone (Holdings) Limited	800,000.00	1.72%
	5,165,850.00	11.10%
Health		
Personal Group Holdings PLC	1,200,000.00	2.58%
	1,200,000.00	2.58%

Holding	Value £	% of Net Asset Value
<i>Housing Goods & Textiles</i>		
Low & Bonar PLC	670,000.00	1.44%
Moss Bros Group PLC	870,000.00	1.87%
DFS Furniture PLC	488,750.00	1.05%
	2,028,750.00	4.36%
<i>Industrials</i>		
Connect Group PLC	1,115,000.00	2.40%
	1,115,000.00	2.40%
<i>Information Technology Hardware</i>		
Amino Technologies PLC	1,097,400.00	2.36%
	1,097,400.00	2.36%
<i>Insurance</i>		
Chesnara PLC	714,000.00	1.53%
Hansard Global PLC	588,000.00	1.26%
Randall & Quilter Investment Holdings Ltd	931,000.00	2.00%
	2,233,000.00	4.80%
<i>Investment Managers & REITs</i>		
A&J Mucklow Group PLC	1,000,000.00	2.15%
GLI Finance Ltd	587,500.00	1.26%
Polar Capital Holdings PLC	900,000.00	1.93%
Palace Capital PLC	660,000.00	1.42%
Regional REIT Ltd	679,250.00	1.46%
Premier Asset Management Group Ltd	820,000.00	1.76%
	4,646,750.00	9.99%
<i>Leisure, Entertainment & Hotels</i>		
Games Workshop Group PLC	562,250.00	1.21%
Marston's PLC	1,039,000.00	2.23%
Revolution Bars Group PLC	455,250.00	0.98%
	2,056,500.00	4.42%
<i>Media & Photography</i>		
Photo-Me International PLC	896,250.00	1.93%
Bloomsbury Publishing PLC	922,500.00	1.98%
Centaur Media PLC	750,000.00	1.61%
	2,568,750.00	5.52%
<i>Oil & Gas</i>		
Anglo African Oil & Gas PLC	343,750.00	0.74%
Diversified Gas & Oil PLC	1,660,000.00	3.57%
	2,003,750.00	4.31%
<i>Packaging</i>		
Macfarlane Group PLC	765,000.00	1.64%
	765,000.00	1.64%
<i>Real Estate</i>		
Town Centre Securities PLC	755,000.00	1.62%
Belvoir Lettings PLC	1,140,000.00	2.45%
Foxtons Group PLC	504,000.00	1.08%
	2,399,000.00	5.16%
<i>Restaurants, Pubs & Breweries</i>		
Restaurant Group PLC	583,600.00	1.25%
	583,600.00	1.25%

Holding	Value £	% of Net Asset Value
Software & Computer Services		
Sanderson Group PLC	620,000.00	1.33%
GVC Holdings PLC	827,100.00	1.78%
	1,447,100.00	3.11%
Speciality & Other Finance		
Brewin Dolphin Holdings PLC	697,200.00	1.50%
Park Group PLC	935,000.00	2.01%
Fairpoint Group PLC	0.00	0.00%
Jarvis Securities PLC	1,380,000.00	2.97%
Numis Corporation PLC	1,030,750.00	2.22%
BCA Marketplace PLC	198,750.00	0.43%
Orchard Funding Group PLC	750,000.00	1.61%
	4,991,700.00	10.73%
Support Services		
Braemar Shipping Services	1,043,000.00	2.24%
RTC Group PLC	500,000.00	1.07%
StatPro Group PLC	1,359,000.00	2.92%
RPS Group PLC	536,000.00	1.15%
St Ives PLC	564,375.00	1.21%
Wilmington PLC	557,500.00	1.20%
Murgitroyd Group PLC	712,500.00	1.53%
Huntsworth PLC	790,000.00	1.70%
Gattaca PLC	1,160,000.00	2.49%
De La Rue PLC	963,000.00	2.07%
UP Global Sourcing Holdings PLC	82,500.00	0.18%
	8,267,875.00	17.77%
Telecommunications Services		
Kcom Group PLC	612,000.00	1.32%
	612,000.00	1.32%
Transport		
Go-Ahead Group PLC	724,050.00	1.56%
DX Group PLC	298,500.00	0.64%
	1,022,550.00	2.20%
Total equity investments	58,761,400.00	126.30%
Cash less other net current liabilities	(12,690,978.30)	(27.28)%
Total net assets	46,527,010.46	100.0

BREAKDOWN OF PORTFOLIO BY MARKET CAPITALISATION

The table below shows the market capitalisation weightings for the Company as at the latest Practicable Date:

Market cap	% of portfolio	No of stocks
Above £1bn	3	2
£500m-£1bn	23	17
£250m-£500m	12	9
£100m-£250m	27	20
Below £100m	35	26
Total	100	74

BREAKDOWN OF PORTFOLIO BY SECTOR

Market sector	% of portfolio
Support Services	14.07%
Construction & Building Materials	11.10%
General Retailers	8.79%
Speciality & Other Finance	8.49%
Investment Companies	7.91%
Electronic & Electrical Equipment	4.53%
Media & Photography	4.37%
Real Estate	4.08%
Insurance	3.80%
Leisure, Entertainment & Hotels	3.50%
Housing Goods & Textiles	3.45%
Oil & Gas	3.41%
Food Producers & Processors	2.51%
Software & Computer Services	2.46%
Health	2.04%
Engineering & Machinery	1.93%
Industrials	1.90%
Information Technology Hardware	1.87%
Banks	1.79%
Transport	1.74%
Diversified Industrials	1.70%
Packaging	1.30%
Consumer Goods	1.21%
Telecommunications Services	1.04%
Restaurants, Pubs & Breweries	0.99%
Total	100.0%

NET ASSET VALUE PER SHARE

As at 22 November 2017, the unaudited Net Asset Value per Ordinary Share was 261.76 pence.

On Initial Admission, the unaudited Net Asset Value per C Share is expected to be 98.13 pence, assuming Gross Issue Proceeds of £75 million and the costs and expenses of the Issue that are payable by the Company being equal to 1.87 per cent. of the Gross Issue Proceeds.

On Initial ZDP Admission, the unaudited Net Asset Value per ZDP Share will be 100 pence, as all of the costs and expenses of Initial ZDP Admission are payable by the Company.

A calculation of the simulated daily valuation of the ZDP Shares is undertaken on behalf of the Company.

THE ISSUE, THE ZDP ISSUE, THE PLACING PROGRAMME AND THE ZDP PLACING PROGRAMME

The Company and its newly formed wholly-owned subsidiary, 2025 ZDPCo, are proposing to raise up to £105.0 million, in aggregate, pursuant to the Issue and the ZDP Issue. The maximum amount to be received under the Placing Programme and the ZDP Placing Programme will depend on subscriptions received. The Company is listed on the Official List and the C Shares, the Ordinary Shares and the ZDP Shares will be traded on the Main Market of the London Stock Exchange.

The Company's newly formed subsidiary, 2025 ZDPCo, is proposing to issue up to 12,780,083 ZDP Shares pursuant to the Scheme. Immediately following Initial ZDP Admission of the ZDP Shares, 2025 ZDPCo will advance to the Company, by way of loan, the gross proceeds of the ZDP Issue, to be deployed by the Company in accordance with its investment policy. The terms of the Loan are set out in the 2025 Loan Agreement to be entered into between the Company and 2025 ZDPCo, a summary of which is set out in paragraph 10 of Part IX of this Prospectus. Holders of ZDP Shares are entitled to a Final Capital Entitlement of 133.18 pence per ZDP Share on 30 April 2025, equivalent to a gross redemption yield of 4 per cent.

2025 ZDPCo may, subject to compliance with the 2025 Contribution Agreement and the 2025 ZDPCo Articles, issue up to a further 15 million ZDP Shares pursuant to the ZDP Placing Programme ending on 23 November 2018. To the extent that further ZDP Shares are issued, the gross proceeds of such issue will be lent to the Company pursuant to the 2025 Loan Agreement and the Company will bear the costs of the ZDP Placing Programme.

The Company must also comply with the terms of the 2025 Contribution Agreement, which it has entered into with 2025 ZDPCo pursuant to the 2025 Loan Agreement. Under the 2025 Loan Agreement, the Company is required to repay the Loan to 2025 ZDPCo immediately prior to 30 April 2025 (the “**ZDP Repayment Date**”) and it has undertaken that, if, on such date (or if earlier, the date on which a resolution to wind up 2025 ZDPCo (“**Winding-up Resolution**”) is approved) (after taking into account the monies to be received by it on repayment of the Loan), 2025 ZDPCo does not have sufficient funds to meet the then current capital entitlement in respect of the ZDP Shares, the Company will, immediately prior to the ZDP Repayment Date (or, if earlier, the date on which a Winding-Up Resolution is approved), subscribe for such number of ordinary shares in the capital of 2025 ZDPCo (or make a capital contribution for, gift of or otherwise pay such amount) as is necessary to provide 2025 ZDPCo with the necessary funds.

The Company has entered into the Existing Loan and the Existing Contribution Agreement with Existing ZDPCo in order to meet the final capital entitlement of the Existing ZDP Shares on 8 January 2018, amounting to £12,780,083 in aggregate. Under the Scheme, holders of Existing ZDP Shares who elect to rollover their investment will receive ZDP Shares at the ZDP Issue Price in an aggregate amount equivalent to the final capital entitlement of their holdings of Existing ZDP Shares pursuant to the Scheme. To the extent that holders of Existing ZDP Shares make Rollover Elections, the Company will be released from its obligations under the Existing Contribution Agreement, and the Existing Loan Agreement will be amended to extend the repayment date to 30 April 2025 in respect of an amount equivalent to the final capital entitlement under the articles of association of Existing ZDPCo attributable to holders of Existing ZDP Shares who have made Rollover Elections. Holders of Existing ZDP Shares who do not make or are not eligible to make Rollover Elections under the Scheme will receive their final capital entitlement of 136.7 pence per Existing ZDP Share in cash under the Scheme on 8 January 2018.

In the Company’s opinion, the Group does not have sufficient working capital for its present requirements, that is, for at least the 12 months following the date of this Prospectus. This statement reflects the requirement to redeem the Existing ZDP Shares on 8 January 2018 and the conditionality of the Issue, the Placing Programme, the ZDP Issue and the ZDP Placing Programme.

The maximum aggregate amount payable to redeem the Existing ZDP Shares on 8 January 2018 is £12,780,083. The Group is therefore dependent on the reduction in this aggregate redemption sum payable following Rollover Elections under the Scheme, and on the proceeds from the Issue, the Placing Programme, the ZDP Placing and the ZDP Placing Programme, in order to meet its working capital requirements for at least the 12 months following the date of this Prospectus.

If the Group is unable to fund the redemption on 8 January 2018 of the Existing ZDP Shares, the Company would make sales of investments from the Company’s investment portfolio in order to fund such redemption amount. The Group currently has no debt financing. The closing time and date for Rollover Elections under the Scheme is 11.00 a.m. on 18 December 2017, and therefore in the unlikely event that there were no Rollover Elections made and no proceeds received from the Issue and the ZDP Placing, the Company would have until 8 January 2018 to realise sufficient investments from the Company’s investment portfolio to redeem the Existing ZDP Shares in full on that date in the total sum of £12,780,083. The Company believes that these alternative arrangements would be successful and could be implemented prior to 8 January 2018. Therefore, even if the Group is required to redeem the Existing ZDP Shares in full in the total sum of £12,780,083 on 8 July 2018, the Directors believe that funds to meet the Group’s working capital requirements will be available.

In the event that a sale of the Company’s investments could not be made to generate sufficient proceeds to repay the amount required to redeem those Existing ZDP Shares which are required to be redeemed on 8 January 2018, then the Company would be unable to pay its debts as they fall due on 8 January 2018 and the Directors would convene a general meeting of the Company at which a

resolution would be proposed requiring the Company to be wound up pursuant to the Insolvency Act 1986. The Directors believe that such a scenario is extremely unlikely and that it is extremely unlikely that the Company would become insolvent or enter into administration arrangements.

Therefore, even if the Group's required to redeem the Existing ZDP Shares in full the total sum of £12,780,083 on 8 January 2018, the Directors believe that financing to fund their working capital requirement will be available.

In 2025 ZDP Co's opinion, the working capital available to 2025 ZDP Co is sufficient for its present requirements, that is for at least 12 months following the date of this Prospectus.

DIVIDEND POLICY

The Company's dividend policy is to pay four quarterly interim dividends. It is the Company's intention, over time, to move the dividend profile gradually to a position where the four interim dividends paid are equal. This will be achieved by maintaining the fourth interim dividend at the same level and increasing the first, second and third dividends in future years to reflect earnings, such increases to be made evenly.

The Directors have considered the potential impact of the Issue on the payment of dividends to holders of Ordinary Shares and will take steps to ensure that it will not result in any material dilution of the dividends attributable to Ordinary Shareholders. The Directors may also declare an interim dividend payable to holders of the C Shares, should the revenue reserves attributable to the C Shares prior to Conversion constitute a material amount (in the opinion of the Directors). Any such dividend would be announced via an RIS announcement and would be payable to holders of C Shares on the Register at a record date preceding as close as practicable the Conversion Date.

In accordance with regulation 19 of the Investment Trust Regulations 2011, the Company will not retain more than 15 per cent. of its income in respect of an accounting period. Any excess revenue would be paid by way of a special interim dividend.

CONVERSION OF C SHARES

The Net Proceeds of the Issue and the investments made with such Net Proceeds will be accounted for and managed as a separate pool of assets until the Calculation Date, being a date determined by the Directors occurring not more than 10 Business Days after the day on which the Investment Manager shall have given notice to the Directors that at least 90 per cent. of such Net Proceeds (or such other percentage as the Directors and the Investment Manager shall agree) shall have been invested (or, if earlier, six months after the date of issue of the C Shares). It is expected that the Net Proceeds of the Issue will initially be invested in cash and cash equivalents whilst opportunities for investment are sought by the Investment Manager. The Investment Manager expects the Net Proceeds of the Issue to be fully invested within four months of Initial Admission.

The Conversion Ratio will then be calculated (to eight decimal places) and the C Shares in issue will convert into a number of Ordinary Shares calculated by reference to the net assets then attributable to the C Shares compared to the net assets at the same time attributable to the Ordinary Shares then in issue. Entitlements to Ordinary Shares will be rounded down to the nearest whole number. The C Shares will convert into Ordinary Shares on the Conversion Date, being the close of business on such Business Day as may be selected by the Directors falling not more than 10 Business Days after the Calculation Date.

Further details on the rights attaching to the C Shares are set out in Part IX of this Prospectus.

OVERVIEW OF THE ZDP SHARES

Summary of rights attaching to the ZDP Shares

The ZDP Shares have a Final Capital Entitlement of 133.18 pence per ZDP Share on the ZDP Repayment Date. All ZDP Shares shall rank *pari passu*. The ZDP Shares issued pursuant to the ZDP Placing will have a Redemption Yield of four per cent. per annum on the ZDP Issue Price. The Redemption Yield of a ZDP Share is not and should not be taken as a forecast of profits and there can be no assurance that the Final Capital Entitlement of the ZDP Shares will be repaid in full on the ZDP Repayment Date.

On a return of capital, on a winding up or otherwise, subject to the Companies Act, ZDP Shareholders will be entitled to receive an amount equal to the initial capital entitlement of 100 pence per share as increased at such rate as accrues daily and compounds daily to give an entitlement to 133.18 pence at 30 April 2025 per ZDP Share, the first such increase to be deemed to have occurred on 9 January 2018 and the last to occur on 29 April 2025. Potential investors should note, however, that a Final Capital Entitlement amount of 133.18 pence per ZDP Share is not a guaranteed or secured repayment amount.

The Final Capital Entitlement will rank behind any bank debt of the Group and in priority to the capital entitlements of the Ordinary Shares. The ZDP Shares carry no entitlement to income and the whole of their return, therefore, takes the form of capital. The ZDP Shareholders are not entitled to receive any part of the revenue profits (including any accumulated revenue reserves) of the Company on a winding-up, even if the accrued capital entitlement of the ZDP Shares will not be met in full.

The ZDP Shares do not carry the right to vote at general meetings of the Company, although they carry the right to vote as a class on certain proposals which would be likely to materially affect their position. Further ZDP Shares (or any shares or securities which rank *pari passu* with the ZDP Shares) may be issued without the separate class approval of the ZDP Shareholders provided that the Directors determine that the ZDP Shares would have a Cover of not less than 1.9 times immediately following such issue.

Final Capital Entitlement

The Final Capital Entitlement will depend on, amongst other factors, the capital value of the Company's portfolio. Prospective investors should note that, based on the Principal Bases and Assumptions, the Final Capital Entitlement would not be repaid in full on the ZDP Repayment Date if the capital value of the Company's portfolio falls by 73.33 per cent. or 16.54 per cent. per annum.

Further information on the rights attaching to the ZDP Shares are set out in Part IX of this document.

DISCOUNT AND PREMIUM MANAGEMENT

Premium management

Once the proceeds of the Issue have been fully invested, the Company intends to implement the Placing Programme. The Directors have authority to issue up to an aggregate nominal amount of £7.5 million of Ordinary Shares in the period immediately following Initial Admission until the annual general meeting of the Company in 2018. Shareholders' pre-emption rights over this unissued share capital have been disapplied so that the Directors will not be obliged to offer such Ordinary Shares to Shareholders on a *pro rata* basis. Unless authorised by Shareholders, no Ordinary Shares will be issued at a price less than the prevailing Net Asset Value per Ordinary Share at the time of the issue plus the expenses of the issue unless they are offered *pro rata* to Existing Shareholders. Further details of the Placing Programme are set out in Part V of this Prospectus.

Investors should note that the issuance of Ordinary Shares and the timing and structure of any such issuance is subject to the discretion of the Board.

Purchase of own Ordinary Shares

The Company may seek to address any significant discount to NAV at which its Ordinary Shares may be trading by purchasing its own Ordinary Shares in the market on an ad hoc basis.

The Directors currently have the authority to purchase in the market up to 2,600,765 Ordinary Shares, being 14.99 per cent. of the Ordinary Shares in issue on 14 July 2017. As at the Latest Practicable Date, the Company has not repurchased any Ordinary Shares in the market. This authority will expire at the conclusion of the Company's next annual general meeting or, if earlier, 15 months from the date on which the resolution conferring the authority was passed. The Board is seeking at the General Meeting convened for 7 December 2017 additional shareholder authority to purchase in the market up to 14.99 per cent of the C Shares in issue following the conclusion of the Issue. The Directors intend to seek annual renewal of the authority to purchase Shares in the market from Shareholders at each annual general meeting. Whether the Company purchases any such Ordinary Shares and/or

C Shares, and the timing and the price paid on any such purchase, will be at the discretion of the Directors. Ordinary Shares which are bought back may be cancelled or held in treasury.

It is the current intention of the Directors to hold any Ordinary Shares which have been bought back in treasury. This would give the Company the ability to re-issue Ordinary Shares quickly and cost effectively, thereby improving liquidity and providing the Company with additional flexibility in the management of its capital base. Ordinary Shares held in treasury may be sold by the Company at prices equal to or above the prevailing Net Asset Value per Ordinary Share.

Investors should note that the repurchase of Ordinary Shares and the timing and structure of any such purchases is subject to the discretion of the Board.

INVESTMENT TRUST STATUS

The Company currently conducts, and intends at all times to conduct, its affairs so as to enable it to qualify as an investment trust for the purposes of section 1158 of the Corporation Tax Act 2010, as amended.

In summary, in order for the Company to be eligible as an investment trust in an accounting period, the following conditions must be satisfied throughout the period:

- all or substantially all of the Company's business consists of investing its funds in shares, land or other assets with the aim of spreading investment risk and giving Shareholders the benefit of the results of the management of its funds;
- the C Shares, the Ordinary Shares and the ZDP Shares must be admitted to trading on a regulated market, such as the Main Market of the London Stock Exchange, throughout the accounting period; and
- the Company must not be a venture capital trust (within the meaning of Part 6 of the Income Tax Act 2007) or UK REIT (within the meaning of Part 12 of the Corporation Tax Act 2010).

In order for the Company to maintain its investment trust status it must:

- not be a close company;
- not retain in respect of any accounting period an amount which is greater than 15 per cent. of its income for the period; and
- notify HMRC if it revises its investment policy or breaches the regime.

NMPI STATUS

As the Company is an investment trust, the C Shares, the Ordinary Shares and the ZDP Shares will be "excluded securities" under the FCA's rules on non-mainstream pooled investments. Accordingly, the promotion of the C Shares, the Ordinary Shares and the ZDP Shares is not subject to the FCA's restriction on the promotion of non-mainstream pooled investments.

TAXATION

Potential investors are referred to Part VII (UK Taxation) of this Prospectus for details of the taxation of the Company and Shareholders in the UK. Investors who are in any doubt as to their tax position or who are subject to tax in jurisdictions other than the UK are strongly advised to consult their professional advisers prior to making a subscription for Shares.

RISK FACTORS

The Company's performance is dependent on many factors and potential investors should read the whole of this Prospectus and, in particular, the section entitled "Risk Factors" on pages 18 to 30 of this Prospectus.

PART II

DIRECTORS AND ADMINISTRATION

THE DIRECTORS OF THE COMPANY

The Directors of the Company are responsible for managing the business affairs of the Company in accordance with the Articles and the investment policy and have overall responsibility for the Company's activities including its investment activities and reviewing the performance of the Company's portfolio.

The Directors may delegate certain functions to other parties such as the Investment Manager, the Administrator and Company Secretary, the Custodian and the Registrar. In particular, the Directors have delegated responsibility for day to day management of the investments comprised in the Company's portfolio to the Investment Manager. The Directors have responsibility for exercising supervision of the appointed service providers.

The Rt. Hon. Lord Lamont of Lerwick *(Chairman) (independent)*

Lord Lamont was Chancellor of the Exchequer between 1990 and 1993. Prior to his appointment, Lord Lamont was Chief Secretary to the Treasury between 1989 and 1990. Following his retirement as a Member of Parliament in 1997, he has held numerous positions as a director of various organisations and funds, including NM Rothschild & Sons Limited. He is an adviser to BC Partners and Stanhope Capital.

Lord Lamont was appointed to the Board on 27 February 2006.

David Harris *(independent)*

David Harris is Chief Executive of InvaTrust Consultancy Limited, which specialises in marketing issues relating to the investment and financial services industry. He writes regular articles for the national and trade press on investment matters. From 1995 to 1999 he was a director of the AIC with specific responsibility for training and education of independent financial advisers. He is a non-executive director of the Character Group PLC, Aseana Properties Limited, F&C Managed Portfolio Trust PLC and Manchester and London Investment Trust PLC.

Mr Harris was appointed to the Board on 30 May 2000 and was chairman of the audit committee until 15 June 2016.

William van Heesewijk

William van Heesewijk began his career with Lloyds Bank International in 1981, working for both the merchant banking and investment management arms. He has been involved in the investment trust industry since 1987 in various capacities. During his tenure with Fidelity Investments International, Gartmore Investment Management PLC and BFS Investments PLC he managed several launches of onshore and offshore investment funds, including a number of roll-overs and reconstructions involving complex capital structures and across several geographic regions. His roles involved business development, project management, sales and marketing. He is Business Development Director with the Company's investment manager, Chelverton Asset Management Limited. He is a member of the Association of Investment Companies Managers' forum.

Mr van Heesewijk was appointed to the Board on 1 December 2005.

Howard Myles *(independent)*

Howard Myles was a partner in Ernst & Young from 2001 to 2007 and was responsible for the Investment Funds Corporate Advisory Team. He was previously with UBS Warburg from 1987 to 2001. Mr Myles began his career in stockbroking in 1971 as an equity salesman and in 1975 joined Touche Ross & Co, where he qualified as a chartered accountant. In 1978 he joined W Greenwell & Co in the corporate broking team and in 1987 moved to SG Warburg Securities, where he was involved in a wide range of commercial and industrial transactions in addition to leading Warburg's corporate finance function for investment funds. He is now a non-executive director of Lazard World Trust Fund

SICAF S.A., Aberdeen Private Equity Fund Limited, Baker Steel Resources Trust Limited, JP Morgan Brazil Investment Trust PLC, BBGI SICAV S.A. and The Forest Company Limited.

Mr Myles was appointed to the Board on 15 March 2011 and became chairman of the audit committee on 15 June 2016.

THE DIRECTORS OF 2025 ZDPCo

Howard Myles (Chairman), David Harris and William van Heesewijk are the directors of 2025 ZDPCo.

CORPORATE GOVERNANCE

The Listing Rules require that the Company must “comply or explain” against the UK Corporate Governance Code (the “**Governance Code**”). In addition, the Disclosure and Transparency Rules require the Company to: (i) make a corporate governance statement in its annual report and accounts based on the code to which it is subject, or with which it voluntarily complies; and (ii) describe its internal control and risk management arrangements.

The Directors have considered the principles and recommendations of the AIC Code by reference to the AIC Guide. The AIC Code, as explained in the AIC Guide, addresses all the principles set out in the Governance Code, as well as setting out additional principles and recommendations on issues that are of specific relevance to the Company as an investment company.

The Board considers that reporting against the principles and recommendations of the AIC Code, and by reference to the AIC Guide (which incorporates the Governance Code) provides better information to Shareholders. Accordingly, the Board has resolved that the Company will comply, so far as is possible given the Company’s size and nature of business, with the AIC Code. Save as explained below, there are currently no instances of non-compliance by the Company with the AIC Code.

Senior independent director

The Directors have determined that the size of the Board does not warrant the appointment of a senior independent director.

Internal audit function

Due to the current size and nature of the Company’s operations, and the fact that all executive functions are carried out by service providers, no internal audit function is considered necessary.

Shareholder information

The Company does not provide a complete portfolio listing as the Board has determined that to do so would not be in the interests of the Company and its Shareholders. Instead, the Board provides relevant portfolio information and summaries in its annual reports and monthly updates.

AUDIT COMMITTEE

The Company’s audit committee, comprising all the independent Directors of the Company meets formally at least twice a year for the purpose, amongst other things, of considering the appointment, independence and remuneration of the auditor and to review the annual accounts, interim reports and interim management statements. Where non-audit services are to be provided by the auditor, full consideration of the financial and other implications on the independence of the auditor arising from any such engagement will be considered before proceeding. Mr Myles is the chairman of the audit committee.

MANAGEMENT ENGAGEMENT COMMITTEE

The functions performed by this committee are carried out by the Board.

The Board reviews annually the performance of the Investment Manager’s obligations under the Investment Management Agreement. It also reviews the performance of the Administrator and Company Secretary, the Custodian and the Registrar and Receiving Agent and matters concerning their respective engagements with the Company.

NOMINATIONS COMMITTEE

The functions performed by this committee are carried out by the Board.

The Board evaluates the performance of individual Directors and the Chairman and whether each Director contributes effectively and has the skills and experience relevant to the leadership and direction of the Company.

REMUNERATION COMMITTEE

The functions performed by this committee are carried out by the Board.

The Board assesses the Directors' fees, following proper consideration of the roles that individual Directors fulfil in respect of Board and committee responsibilities, the time committed to the Company's affairs and remuneration levels generally in the investment trust sector.

DIRECTORS' SHARE DEALINGS

The Directors have adopted a code of directors' dealings in the C Shares, the Ordinary Shares and the ZDP Shares, which is in accordance with the Market Abuse Regulation. The Board is responsible for taking all proper and reasonable steps to ensure any dealings by Directors, and any persons closely associated with such Directors are in compliance with Market Abuse Regulation.

ADMINISTRATOR AND COMPANY SECRETARY

Maitland Administration Services Limited provides company secretarial and administration services to the Group pursuant to the Company Secretarial Agreement (further details of which are set out in paragraph 10 of Part IX of this Prospectus).

The Administrator and Company Secretary is responsible for the maintenance of the books and financial accounts of the Company and 2025 ZDPCo and the calculation, in conjunction with the Investment Manager, of the Net Asset Value of the Company and 2025 ZDPCo.

The Administrator and Company Secretary is responsible for overseeing the production of the Company's accounts, regulatory compliance of the Company and providing support to the Board's corporate governance process and its continuing obligations under the Listing Rules and the Disclosure and Transparency Rules. In addition, the Administrator and Company Secretary is responsible for liaising with the Company, the Investment Manager and the Registrar and Receiving Agent in relation to the payment of any dividends, as well as general secretarial functions required by the Companies Act (including, but not limited to, the maintenance of the Company's statutory books).

Maitland provides administration and regulatory overnight solutions for a wide range of investment companies.

REGISTRAR

Share Registrars Limited is the Company's registrar appointed pursuant to the Registrar Agreement, the Receiving Agent Agreement and the Scheme Receiving Agent Agreement (further details of which agreements are set out in paragraph 10 of Part IX of this Prospectus). Share Registrars Limited provides registration services to over 200 client companies.

CUSTODIAN AND CUSTODY ARRANGEMENTS

Jarvis Investment Management Limited is the Company's custodian pursuant to the Custody Agreement (further details of which are set out in paragraph 10 of Part IX of this Prospectus).

2025 ZDPCo has not appointed a custodian as it does not hold any investments.

BROKER

Stockdale Securities Limited has been appointed as corporate broker to the Company.

AUDITOR

Hazlewoods LLP provides audit services to the Company.

FEES AND EXPENSES

Issue expenses

The costs and expenses of the Issue are payable by the Company, are not expected to exceed £1.40 million and will be indirectly borne by holders of C Shares, subject to a cap of 2 per cent. of the Gross Issue Proceeds, with any balance being indirectly borne by holders of Ordinary Shares but compensated through a reduction by the Investment Manager of its fees by a commensurate sum. The costs and expenses of the ZDP Issue are not expected to exceed £0.38 million and will be paid by the Company, and indirectly borne by holders of Ordinary Shares to the extent that the ZDP Shares replace the financing currently provided by Existing ZDPCo and as to the balance by holders of C Shares subject to the 2 per cent. cap of the Gross Issue Proceeds.

The costs and expenses of the Scheme and the ZDP Placing, to the extent that the ZDP Placing Proceeds replace the financing provided by Existing ZDPCo, will be indirectly borne by the Ordinary Shareholders. Subject to the said 2 per cent. cap, the costs and expenses of the ZDP Placing of additional ZDP Shares in proportion to the C Shares will be borne by C Shareholders.

All costs and expenses in relation to the Placing Programme and the ZDP Placing Programme will be borne by the Company.

2025 ZDPCo will not bear any costs or expenses in relation to the ZDP Placing or the ZDP Placing Programme.

The costs and expenses of the Issue, the ZDP Issue, Initial Admission, Initial ZDP Admission and the establishment of the Placing Programme and the ZDP Placing Programme are not expected to exceed 2.1 per cent. of the Gross Issue Proceeds and 5.3 per cent. of the Gross ZDP Issue Proceeds (as appropriate), assuming Gross Issue Proceeds are £75 million and Gross ZDP Issue Proceeds are £30.0 million. To the extent that the Gross Issue Proceeds are less than £75 million, such costs and expenses will be a greater amount as a percentage of the Gross Issue Proceeds (58.2 per cent. costs at Minimum Gross Proceeds). To the extent that the Gross ZDP Issue Proceeds are less than £30.0 million, such costs and expenses will be a greater amount as a percentage of the Gross ZDP Issue Proceeds (3.5 per cent. costs at ZDP Minimum Gross Proceeds).

The costs and expenses of the Issue will be paid on or around Initial Admission and will include, without limitation, placing fees and commissions; registration, listing and admission fees; printing, advertising and distribution costs; legal fees, and any other applicable expenses. All such expenses will be immediately written off.

If the target number of C Shares permitted to be issued under the Issue are issued, namely 75 million C shares, the Net Asset Value of the Company immediately following Initial Admission is expected to increase by £73.60 million.

Ongoing expenses

Placing Programme and ZDP Placing Programme

The costs and expenses of the Placing Programme and ZDP Placing Programme will depend on subscriptions received in respect of individual Subsequent Placings and Subsequent ZDP Placings.

Investment Manager's fees

Under the terms of the Investment Management Agreement, the Investment Manager is entitled to a periodic fee payable quarterly in arrears at an annual rate of 1 per cent of the value of the gross assets under the management of the Company, a performance fee payable annually and subject to the satisfactions of certain conditions, and reimbursement of reasonable expenses incurred by it in the performance of its duties.

Other fees and expenses

The Company will also incur further on-going annual fees and expenses, including those set out below. For the avoidance of doubt, the ongoing fees and expenses of 2025 ZDPCo (including, without limitation, fees and expenses incurred on any further offer and/or issuance of ZDP Shares)

will be borne by, or funded through the subscription of further ordinary shares in 2025 ZDPCo by the Company, in accordance with the 2025 Contribution Agreement.

- *Administrator and Company Secretary*

Under the terms of the Company Secretarial Agreement, the Administrator and Company Secretary is entitled to a minimum annual fee in respect of its fund valuation, accounting and investment services of 0.09 per cent. per annum for the first £50,000,000 in value of the cash, securities or other assets of the Company (“**Scheme Property**”), 0.07 per cent. per annum on the next £50,000,000 of Scheme Property, 0.05 per cent. per annum on the next £100,000,000 of Scheme Property and 0.02 per cent. per annum on all Scheme Property thereafter. These fees are calculated monthly and payable monthly in arrears subject to a minimum fee of £40,000 per annum (plus VAT).

Under the terms of the Company Secretarial Agreement, the Administrator and Company Secretary is additionally entitled to an annual fee of £20,000 per annum (plus VAT) in respect of the company secretarial services it provides to the Company and to 2025 ZDPCo. For the calendar year 2016, the Company paid the Administrator and Company Secretary a total fee of £63,999.96 (including VAT).

The Administrator and Company Secretary is, in addition, entitled to recover reasonable third party expenses and disbursements.

- *Registrar and Receiving Agent*

The Registrar and Receiving Agent is entitled to an annual fee from the Company with a minimum of £2,000 plus VAT per annum. Other registrar activity will be charged for in accordance with the Registrar and Receiving Agent's normal tariffs as published from time to time. The Registrar and Receiving Agent is additionally entitled to separate fees of £3,000 (plus certain other fees and expenses) in relation to the Issue and the ZDP Issue, and £1,500 plus VAT in relation to the Scheme.

- *Custodian*

The Custodian is entitled to be paid a fee of £10,000 plus VAT per annum in addition to a bargain charge of £10 per transaction, and is also entitled to recover its reasonable expenses and disbursements.

- *Directors*

Each Director (other than William van Heesewijk) is currently entitled to be paid a fee of £17,500 per annum (with an additional £2,500 for the Chairman and £2,500 for the chair of the Audit Committee).

Further information in relation to the remuneration of the Directors is set out in Part IX of this Prospectus.

- *Other operational expenses*

All other ongoing operational expenses (excluding fees and expenses paid to service providers as detailed above) of the Company are borne by the Company including, without limitation, the incidental costs of making its investments and the implementation of its investment objective and policy (including any fees or commissions payable to intermediaries in respect of the sourcing of investments to the extent that the Investment Manager is unable to source such investments directly and any fees or commissions payable to any due diligence agents or other specialists engaged by the Investment Manager in connection with the implementation of the investment policy); travel, accommodation and printing costs; the cost of directors' and officers' liability insurance and website maintenance; audit and legal fees; and annual listing fees. All-out-of pocket expenses (that are reasonably and properly incurred) of the Investment Manager, the Administrator and Company Secretary, the Custodian and the Registrar and Receiving Agent and the Directors relating to the Company are also borne by the Company. No fees or expenses, including those listed above, will be borne directly by investors.

MEETINGS AND REPORTS

All the annual general meetings of the Company are expected to be held in the third quarter of each calendar year. The next annual general meeting of the Company is expected to be held in September 2018.

The Company's audited annual report and financial statements will be prepared to 30 April each year, with copies sent to Shareholders by the following August or earlier if possible. An unaudited interim report will be made available to Shareholders each year in respect of the six month period to 31 October, expected to be published in November each year. The Company's audited financial statements and the unaudited interim report are available on the Company's website.

NET ASSET VALUE PUBLICATION AND CALCULATION

The Net Asset Value for each class of the Company's Shares is the value of all assets of the Company attributable to that class of the Company's Shares less its liabilities to creditors (including provisions for liabilities) determined in accordance with applicable accounting standards and the Company's valuation principles and procedures. The Net Asset Value per Ordinary Share is the Net Asset Value attributable to the class of Ordinary Shares divided by the number of Ordinary Shares in issue (excluding any Ordinary Shares held in treasury) from time to time and the Net Asset Value per C Share is the Net Asset Value attributable to the C Shares divided by the number of C Shares in issue (excluding any C Shares held in treasury) from time to time.

The Company's Net Asset Value is the value of all the Company's assets less its liabilities to creditors (including provisions for liabilities) determined in accordance with applicable accounting standards and our valuation principles and procedures. Net Asset Value per Ordinary Share is the Company's Net Asset Value divided by the number of Ordinary Shares in issue (excluding any Ordinary Shares held in treasury) from time to time.

The Administrator and Company Secretary calculates the unaudited estimated Net Asset Value and of each class of Share on a weekly basis and will announce these estimates through a Regulatory Information Service.

The Board decides the principles and procedures by which the Net Asset Value and Net Asset Value per class of the Company's shares are calculated. In particular, the value of the Company's assets will be calculated on the following bases:

- securities trading on a stock exchange are to be valued generally at the latest available bid-market price quoted on such exchange or, in the absence of such bid-market price, the last known price quoted on such exchange;
- unlisted securities for which there is an ascertainable market value are to be valued generally at the last known bid price quoted on the principal market on which the securities are traded;
- unlisted securities for which there is no ascertainable market value will be valued at cost plus interest (if any) accrued from purchase to (but excluding) the relevant valuation date plus or minus the premium or discount (if any) from par value written off over the life of the security;
- any value otherwise than in pounds sterling shall be converted into pounds sterling at the rate (whether official or otherwise) which the Directors shall in their absolute discretion deem appropriate to the circumstances having regard, *inter alia*, to any premium or discount which they consider may be relevant and to the costs of exchange.
- the value of any cash in hand or on deposit, bills and demand notes and accounts receivable, prepaid expenses, cash dividends and interest accrued and not yet received shall be deemed to be the full amount thereof, unless it is unlikely to be paid or received in full, in which case the value thereof shall be arrived at after making such discount as the Directors may consider appropriate to reflect the true value thereof; and

If, in any case, a particular value is not ascertainable as above provided, or if the Directors shall consider that some other method of valuation better reflects the fair value of the relevant investments, then in such case the method of valuation of the relevant investment shall be such as the Directors shall determine.

The Directors may temporarily suspend the calculation, and publication, of the Net Asset Value and the Net Asset Value per Ordinary Share and Net Asset Value per C Share during a period when, in their opinion:

- there are political, economic, military or monetary events or any circumstances outside the control, responsibility or power of the Board, and disposal or valuation of investments of the Company or other transactions in the ordinary course of the Company's business is not reasonably practicable without this being materially detrimental to the interests of Shareholders or if, in the opinion of the Board, the Net Asset Value cannot be fairly calculated;
- there is a breakdown of the means of communication normally employed in determining the calculation of the Net Asset Value; or
- it is not reasonably practicable to determine the Net Asset Value on an accurate and timely basis. Any suspension in the calculation of the Net Asset Value will be notified through a Regulatory Information Service as soon as practicable after any such suspension occurs.

2025 ZDPCO'S NET ASSET VALUE PUBLICATION AND CALCULATION

It is expected that, subject to any impairment of the Loan to the extent that 2025 ZDPCo is aware that the Company will be unable to repay the Loan or meet its obligations pursuant to the Contribution Agreement in full, the Net Asset Value per ZDP Share will increase on a straight line basis from £1.00.

The Net Asset Value per ZDP Share is the Net Asset Value attributable to the class of ZDP Shares divided by the number of ZDP Shares in issue (excluding any ZDP Shares held in treasury) from time to time.

The Administrator and Company Secretary is responsible for calculating the Net Asset Value of the ZDP Shares.

The Directors may temporarily suspend the calculation, and publication, of the Net Asset Value and the Net Asset Value per ZDP Share during a period when, in their opinion:

- there are political, economic, military or monetary events or any circumstances outside the control, responsibility or power of the Board, and disposal or valuation of investments of the Company or other transactions in the ordinary course of the Company's business is not reasonably practicable without this being materially detrimental to the interests of ZDP Shareholders or if, in the opinion of the Board, the Net Asset Value cannot be fairly calculated;
- there is a breakdown of the means of communication normally employed in determining the calculation of the Net Asset Value; or
- it is not reasonably practicable to determine the Net Asset Value on an accurate and timely basis. Any suspension in the calculation of the Net Asset Value will be notified through a Regulatory Information Service as soon as practicable after any such suspension occurs.

PART III

THE INVESTMENT MANAGER, PROCESS AND STRATEGY

CHELVERTON ASSET MANAGEMENT LIMITED (“CHELVERTON”)

Chelverton was formed in 1998 by David Horner, who has considerable experience of analysing investments and working with smaller companies. Chelverton is largely owned by its employees.

Chelverton is a specialist fund manager, focused on UK small- and mid-cap companies, and has a successful track record. At 30 September 2017, Chelverton had total funds under management of approximately £700 million, including two investment trusts and two OEICs. The fund management team includes David Horner and David Taylor.

Chelverton is authorised and regulated by the FCA.

Biographies of the key personnel of the Investment Manager involved in the provision of services to the Company are as follows:

David Horner (*Managing Director*)

David is an acclaimed fund manager, specialising in small- to mid-cap quoted investments and SME unquoted investments. He has 30 years' experience in corporate finance assignments, identifying, structuring and managing investments as well as purchasing and managing private equity, specialist listed and AIM portfolios. He qualified as a chartered accountant in 1985 and has held senior positions in Deloitte, 3i Corporate Finance and Strand Partners Limited, with numerous public and private company directorships. David set up Chelverton to provide the investment management for the investment trust now known as Chelverton Growth Trust PLC, and was responsible for launching the Company in May 1999; both funds he still manages. He has also co-managed MI Chelverton UK Equity Income Fund since its launch, the success of which consistently earns him a Citywire AAA fund manager rating.

David Taylor (*Fund Manager*)

David is an award winning fund manager, with specialist expertise investing in companies with sub-£1 billion market capitalisations. He began his career as an analyst in the research department at Wedd Durlacher, later moving into fund management in 1987 with the Merchant Navy Officers Pension Fund. He joined Gartmore Investment Limited in 1991, where he ran a combination of institutional funds and investment trusts, namely the Clydesdale Investment Trust and London & Strathclyde Trust. In 1995, he moved to Liechtenstein Global Trust to manage small- to mid-cap retail funds and latterly spent nearly seven years as head of UK smaller companies at HSBC Asset Management. David joined Chelverton in January 2006 and has co-managed MI Chelverton UK Equity Income Fund and MI Chelverton UK Equity Growth since launch. He also co-manages the Company and his work on MI Chelverton UK Equity Income Fund consistently earns him a Citywire AAA fund manager rating.

INVESTMENT SELECTION AND DUE DILIGENCE

Chelverton aims to deliver a growing income for the Company through investments in small- to mid-cap companies with a market capitalisation of less than £500 million. The Company has received numerous awards throughout the years, including best UK high income trust and best performing small company fund.

Chelverton specialises in the small- to mid-cap income area of the UK market because it believes that this is overlooked by both brokers and competitors. Fund managers tend to seek growth above income and brokers have little financial incentive to provide research into the “dull but worthy” companies liked by Chelverton. Chelverton believes this creates compelling opportunities and believes its performance record provides that the application of a rigorous investment discipline, combined with patience and a long-term outlook can produce outstanding returns for investors. Chelverton seeks to find companies that generate cash on a sensible and sustainable basis, which is

then used to grow the business, and looks to back management teams which strike an appropriate balance between current and future income.

Chelverton will only invest in a company for the first time if it yields at least 4 per cent. on a 12 month view. Balance sheets are tested to ensure that there is not too much debt and that the working capital requirements are not too onerous.

CONFLICTS OF INTEREST

Investment Manager conflicts of interest

The Investment Manager and its affiliates and their respective officers and employees may from time to time act for other clients or manage other funds which may have similar investment objectives and policies to that of the Company. Circumstances may arise where investment opportunities will be available to the Company which are also suitable for one or more of such clients of the Investment Manager or such other funds. The Directors have satisfied themselves that the Investment Manager has procedures in place to address potential conflicts of interest and that, where a conflict arises, the Investment Manager will allocate the opportunity on a fair basis.

The Investment Manager has a conflicts of interest policy which contains the details of identified conflicts or potential conflicts of interest and the procedures it follows in order to avoid, minimise and manage such conflicts or potential conflicts.

The Investment Manager is structured and organised in a way so as to mitigate the risks of a client's interests being prejudiced by conflicts of interest and will wherever possible try to ensure that a conflict of interest does not arise. In the event that a conflict of interest between the Company and the Investment Manager cannot be avoided, the Investment Manager will always act in what it believes to be the best interests of the Company.

If circumstances arise such that the Investment Manager's arrangements for avoiding and managing conflicts of interest are not sufficient to ensure with reasonable confidence that the risks of material damage to the interests of the Company or its Shareholders will be prevented, the senior management of the Investment Manager must act to ensure that appropriate action is taken in what it believes to be the best interests of the Company and its Shareholders.

Any such situation will be disclosed to the Shareholders in the next annual or half yearly report together with details of the action taken by the Investment Manager to resolve the situation in the best interests of the Company.

The conflicts of interest policy is reviewed by senior management of the Investment Manager's chief compliance officer at least once a year or whenever there are material changes in the business services to be offered by the Investment Manager.

Other conflicts of interest

Each of the other service providers to the Company may from time to time serve other investment funds, however, this does not give rise to any conflicts in respect of their provision of services to the Company.

PART IV

DETAILS OF THE ISSUE AND THE ZDP ISSUE

THE ISSUE

The offer of C Shares comprises a maximum of 75 million C Shares to be issued at the Issue Price of 100 pence per share through the Placing, Intermediaries Offer and the Offer for Subscription.

The Issue is not being underwritten. The maximum number of C Shares that may be issued in aggregate under the Issue is 75 million shares. The maximum number of C Shares available under the Issue should not be taken as an indication of the final number of C Shares that will be issued pursuant to it. Therefore, the number of C Shares actually issued pursuant to the Issue may be less than the 75 million C Shares available. The actual number of C Shares to be issued pursuant to the Issue will be notified by the Company through a Regulatory Information Service and the Company's website, prior to Initial Admission. Dealings in the C Shares issued pursuant to the Issue will not be permitted prior to Initial Admission.

The aggregate Net Proceeds of the Issue, after deduction of expenses payable by the Company, are expected to be £73.60 million, on the assumption that the Gross Issue Proceeds are £75 million.

The Issue is conditional on raising the Minimum Gross Proceeds.

The net proceeds of the Issue will be invested in investments consistent with the Company's investment objective and policy.

THE PLACING

Stockdale has agreed to use its reasonable endeavours as agent of the Company to procure subscribers for the C Shares pursuant to the Placing on the terms and subject to the conditions set out in the Placing Agreement. Details of the Placing Agreement are set out in paragraph 10 of Part IX of this Prospectus.

The Placing Agreement contains provisions entitling Stockdale to terminate the Placing (and the arrangements associated with it) at any time prior to Initial Admission in certain circumstances. In that event, the Issue and these arrangements will lapse and any monies received in respect of the Issue will be returned to applicants without interest at the applicant's risk.

The terms and conditions which shall apply to any subscription for C Shares procured by Stockdale pursuant to the Placing are set out in Part XI of this Prospectus. The latest time for commitments under the Placing is 12.00 p.m. on 15 December 2017 (or such later time and/or date, not being later than 31 January 2018, as the Company and Stockdale may agree). If the Placing is extended, the revised timetable will be notified through a Regulatory Information Service.

THE OFFER FOR SUBSCRIPTION

The Directors are also proposing to offer C Shares under the Offer for Subscription. The Offer for Subscription is being made in the United Kingdom only. Shareholders and the public generally (unless they are located or resident outside the United Kingdom) may apply for C Shares through the Offer for Subscription.

The C Shares are being made available under the Offer for Subscription at the Issue Price, subject to the terms and conditions of application under the Offer for Subscription set out in Part X of this Prospectus. These terms and conditions, and the Application Form attached as the Appendix to this Prospectus, should be read carefully before an application is made.

The Offer for Subscription will close at 11.00 a.m. on 21 December 2017 (or such later time and/or date, not being later than 31 January 2018, as the Company may determine). If the Offer for Subscription is extended, the revised timetable will be notified through a Regulatory Information Service.

Applications under the Offer for Subscription must be for C Shares with a minimum subscription amount of £1,000 (although the Board may accept applications below the minimum amount stated above in its absolute discretion). Multiple subscriptions under the Offer for Subscription by individual investors will not be accepted.

The procedure for, and the terms and conditions of, application under the Offer for Subscription are set out in Part X of this Prospectus and an Application Form for use under the Offer for Subscription is set out in the Appendix at the end of this Prospectus. Completed Application Forms accompanied by a cheque or banker's draft in Sterling made payable to "Share Registrars Limited Receiving Agent Account" and crossed "A/C Payee Only" for the appropriate sum should be returned to Share Registrars Limited, no later than 11.00 a.m. on 21 December 2017. All times and/or dates in this Prospectus and the Application Form, including the Notes to the Application Form, may be subject to adjustment. Any such changes to times and/or dates will be notified through a Regulatory Information Service. Commitments under the Offer for Subscription, once made, are irrevocable and may not be withdrawn without the consent of the Directors.

In the event that valid applications under the Offer for Subscription exceed the maximum number of C Shares available under the Issue (being 75 million C Shares), priority will be given to existing Shareholders. Please refer to the paragraph headed "Scaling back" in this Part IV for further information.

If you are in any doubt as to the procedure for acceptance, please telephone the Helpline on 01252 821390 from within the UK or on +44 (0)1252 821390 if calling from outside the UK. Lines are open from 8.30 a.m. to 5.30 p.m. (London time) Monday to Friday (except English and Welsh public holidays). Calls to the helpline from within the UK will be charged at your service provider's standard geographic rate. Calls to the Helpline from outside the UK will be charged at the applicable international rate. Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. The Helpline cannot provide advice on the merits of the Offer for Subscription or give any financial, legal or tax advice and, accordingly, for such advice you should consult your stockbroker, solicitor, accountant, bank manager or other independent professional adviser.

THE INTERMEDIARIES OFFER

Investors may also subscribe for C Shares at the Issue Price pursuant to the Intermediaries Offer. Only the investor clients of Intermediaries resident in the United Kingdom are eligible to participate in the Intermediaries Offer.

No C Shares allocated under the Intermediaries Offer will be registered in the name of any person whose registered address is outside the United Kingdom. The number of C Shares offered will be determined solely by Stockdale (following consultation with the Company). Allocations to Intermediaries will be determined solely by Stockdale (following consultation with the Company).

An application for C Shares in the Intermediaries Offer means that the underlying Applicant agrees to acquire the C Shares applied for at the Issue Price. Each Underlying Applicant must comply with the appropriate money laundering checks required by the relevant Intermediary and all other laws and regulations applicable to their agreement to subscribe for C Shares. Where an application is not accepted or there are insufficient C Shares available to satisfy an application in full, the relevant Intermediary will be obliged to refund the underlying Applicant as required and all such refunds shall be made without interest. The Company and Stockdale accept no responsibility with respect to the obligation of the Intermediaries to refund monies in such circumstances. Each Intermediary has agreed, or will on appointment agree, to the Intermediaries Terms and Conditions, which regulate, *inter alia*, the conduct of the Intermediaries Offer on market standard terms and provide for the payment of commission (if any) to Intermediaries from the Company or Share Registrars Limited (acting on behalf of the Company). Pursuant to the Intermediaries Terms and Conditions, in making an application, each Intermediary will also be required to represent and warrant that they are not located in the United States and are not acting on behalf of anyone located in the United States.

In addition, the Intermediaries may prepare certain materials for distribution or may otherwise provide information or advice to investors in the United Kingdom subject to the terms of the Intermediaries

Terms and Conditions. Any such materials, information or advice are solely the responsibility of the relevant Intermediary and will not be reviewed or approved by any of the Company or Stockdale. Any liability relating to such documents shall be for the relevant Intermediaries only.

The Intermediaries Terms and Conditions provide for the Intermediaries to be able to (where the payment of such commission is not prohibited) be paid a commission by Stockdale (acting on behalf of the Company) in respect of the C Shares allocated to and paid for by them pursuant to the Intermediaries Offer.

All expenses incurred by an Intermediary are for its own account. Investors should confirm separately with any Intermediary whether there are any commissions, fees or expenses that will be applied by such Intermediary in connection with any application made through that Intermediary pursuant to the Intermediaries Offer.

The publication of the Prospectus and any actions of the Company, Stockdale, the Intermediaries or other persons in connection with the Issue should not be taken as any representation or assurance as to the basis on which the number of C Shares to be offered under the Issue or allocations between applications in the Issue (from Intermediaries or otherwise) will be determined and any such actions or statements are hereby disclaimed by the Company, Stockdale and the Intermediaries.

CONDITIONS OF THE ISSUE

The Issue is conditional, *inter alia*, on:

- (i) Initial Admission occurring by 8.00 a.m. on 8 January 2018 (or such later time and/or date, not being later than 31 January 2018, as the Company and Stockdale may agree);
- (ii) the Placing Agreement becoming otherwise unconditional in all respects and not having been terminated in accordance with its terms prior to Initial Admission; and
- (iii) the Minimum Gross Proceeds being raised.

If the Minimum Gross Proceeds are not raised, the Issue will not proceed and application monies received under the Issue will be returned to applicants without interest at the applicants' risk.

The Issue, the ZDP Issue, the Scheme, the Placing Programme and the ZDP Placing Programme are not inter-conditional.

SCALING BACK

In the event that valid applications under the Issue exceed the maximum number of C Shares available under the Issue (being 75 million C Shares), applications under the Issue will be scaled back in favour of Existing Shareholders at the Company's discretion, having consulted with Stockdale.

To the extent that any commitment or application is scaled back, subscription monies received in respect of unsuccessful applications (or to the extent scaled back) will be returned, either by cheque without interest (at the risk of the applicant), or direct to the account of the bank or building society on which the relevant cheque or banker's draft was drawn.

MINIMUM NUMBER OF C SHARES IN PUBLIC HANDS

The Listing Rules require that the Company must have a minimum number of C Shares (25 per cent.) in public hands at all times (or such lower percentage that the FCA may agree to if it considers that the market will operate properly with a lower percentage in view of the large number of shares of the same class and the extent of their distribution to the public) and must notify the FCA as soon as possible if these holdings fall below the stated level.

THE ZDP ISSUE

2025 ZDP Co is proposing to issue 30.0 million ZDP Shares to holders of Existing ZDP Shares through the Scheme and to new investors through the ZDP Placing (together the **ZDP Issue**). The Company will issue ZDP Shares at the ZDP Issue Price of 100 pence per ZDP Share.

The ZDP Issue is not being underwritten. The maximum number of ZDP Shares that may be issued in aggregate under the ZDP Issue is 30.0 million shares. The maximum number of ZDP Shares available under the ZDP Issue should not be taken as an indication of the final number of ZDP Shares that will be issued pursuant to it. Therefore, the number of ZDP Shares actually issued pursuant to the ZDP Issue may be less than the 30.0 million ZDP Shares available. The actual number of ZDP Shares to be issued pursuant to the ZDP Issue will be notified by the Company through a Regulatory Information Service and the Company's website, prior to Initial ZDP Admission. Dealings in the ZDP Shares issued pursuant to the ZDP Issue will not be permitted prior to Initial ZDP Admission.

The aggregate ZDP Net Proceeds in relation to the ZDP Issue, after deduction of expenses payable by the Company, are expected to be approximately £29.8 million, on the assumption that holders of 75 per cent of Existing ZDP Shares make Rollover Elections and the Scheme is approved.

The ZDP Net Proceeds of the 2025 ZDP Issue will be loaned by 2025 ZDP Co to the Company pursuant to the 2025 Loan Agreement and invested in investments consistent with the Company's investment objective and policy.

The ZDP Issue is conditional on raising the ZDP Minimum Gross Proceeds.

THE SCHEME

Existing ZDP Co is required under its articles of association to propose a winding up resolution on or within three months prior to 8 January 2018. The Existing ZDP Co Directors are therefore recommending that Existing ZDP Co be wound up voluntarily under section 110 of the Insolvency Act 1986 and a scheme of reconstruction for taxation of chargeable gains purposes be implemented. Under the terms of the Scheme the Company, as holder of all the ordinary shares in Existing ZDP Co will receive ordinary shares in 2025 ZDP Co, and holders of Existing ZDP Shares may elect to:

- (i) rollover some or all of their investment in Existing ZDP Co into ZDP Shares at 100 pence per ZDP Share (the "**Rollover Option**"); and/or
- (ii) receive cash in respect of some or all of their investment in Existing ZDP Co (the "**Cash Option**").

Holders of Existing ZDP Shares who do not make a valid election under the Scheme will be deemed to have elected for the Cash Option.

In exchange for 2025 ZDP Co issuing ordinary shares to the Company and ZDP Shares to holders of Existing ZDP Shares who elect for the Rollover Option pursuant to the Scheme, 2025 ZDP Co will receive the Rollover Fund.

As holder of all the ordinary shares in Existing ZDP Co, the Company has undertaken to pass the resolutions required to implement the Scheme.

THE ZDP PLACING

Stockdale has agreed to use its reasonable endeavours as agent of the Company to procure subscribers for the ZDP Shares pursuant to the ZDP Placing on the terms and subject to the conditions set out in the Placing Agreement. Details of the Placing Agreement are set out in paragraph 10 of Part IX of this Prospectus.

The Placing Agreement contains provisions entitling Stockdale to terminate the ZDP Placing (and the arrangements associated with it) at any time prior to Initial ZDP Admission in certain circumstances. In that event, the ZDP Placing and these arrangements will lapse and any monies received in respect of the ZDP Placing will be returned to applicants without interest at the applicant's risk.

The terms and conditions which shall apply to any subscription for ZDP Shares procured by Stockdale pursuant to the ZDP Placing are set out in Part XII of this Prospectus. The ZDP Placing will

close at 12.00 p.m. on 4 January 2018 (or such later time and/or date, not being later than 31 January 2018, as the Company and Stockdale may agree). If the ZDP Placing is extended, the revised timetable will be notified through a Regulatory Information Service.

SUBSCRIBER WARRANTIES

Each subscriber of C Shares in the Issue and of ZDP Shares in the ZDP Issue and each subscriber of Shares in any Subsequent Placing and Subsequent ZDP Placing will be deemed to have represented, warranted, undertaken, acknowledged and agreed to the representations, warranties, acknowledgments and agreements set out in the section entitled “Important Information” and, as applicable, Part XI “Terms and Conditions of Application under the Placing and the Placing Programme”, and Part X “Terms and Conditions of applications under the Offer for Subscription” and Part XII “Terms and Conditions of Application under the ZDP Placing and the ZDP Placing Programme”.

The Company and Stockdale and their respective directors, officers, members, agents, employees, advisers and others will rely upon the truth and accuracy of the representations, warranties, undertakings, acknowledgments and agreements contained in this Prospectus.

If any of the representations, warranties, undertakings, acknowledgments or agreements contained in this Prospectus and deemed made by each investor are no longer accurate or have not been complied with, the investor will immediately notify the Company.

CONDITIONS OF THE ZDP PLACING

The ZDP Placing is conditional, *inter alia*, on:

- (i) Initial ZDP Admission occurring by 8.00 a.m. on 8 January 2018 (or such later time and/or date, not being later than 31 January 2018, as the Company and Stockdale may agree);
- (ii) the Placing Agreement becoming otherwise unconditional in all respects and not having been terminated in accordance with its terms prior to Initial ZDP Admission; and
- (iii) ZDP Minimum Gross Proceeds being raised.

If ZDP Minimum Gross Proceeds are not raised, the ZDP Placing will not proceed and application monies received under the ZDP Placing will be returned to applicants without interest at the applicants' risk.

CONDITIONS OF THE SCHEME

The Scheme is conditional upon:

- (i) the passing of the special resolution to be proposed at the general meeting of the Company convened for 9.15 a.m. on 12 December 2017 or any adjournment therefor and on any conditions of such resolution (other than any such conditions under this heading “Conditions of the Scheme”) being satisfied and the passing of the first resolution to be proposed at the general meeting of the Company convened for 9.00 a.m. on 5 January 2018 or any adjournment thereof and on any conditions of such resolution (other than any such conditions under this heading “Conditions of the Scheme”) being satisfied;
- (ii) the UK Listing Authority having acknowledged to 2025 ZDPCo or its agent (and such acknowledgement not having been withdrawn) that the application for Initial ZDP Admission has been approved and (after satisfaction of any conditions to which such approval is expressed to be subject (“**listing conditions**”)) will become effective as soon as a dealing notice has been issued by the FCA and any listing conditions having been satisfied and the London Stock Exchange having acknowledged to 2025 ZDPCo or its agent (and such acknowledgement not having been withdrawn) that the 2025 ZDP Shares will be admitted to trading; and
- (iii) the Existing ZDPCo Directors not having resolved to abandon the Scheme.

NO INTER-CONDITIONALITY

The Issue, the ZDP Placing, the Scheme, the Placing Programme and the ZDP Placing Programme are not inter-conditional.

INITIAL ADMISSION AND INITIAL ZDP ADMISSION

Initial Admission and Initial ZDP Admission are each expected to take place at 8.00 a.m. on 8 January 2018. Where applicable, definitive share certificates in respect of the C Shares and ZDP Shares are expected to be dispatched, by post at the risk of the recipients, to the relevant holders, within 14 days of allotment. The C Shares and ZDP Shares are in registered form and can also be held in uncertificated form. Prior to the dispatch of definitive share certificates in respect of any C Shares or ZDP Shares which are held in certificated form, transfers of those C Shares or ZDP Shares will be certified against the Register. No temporary documents of title will be issued.

INFORMATION FOR NON-UK PERSONS

The attention of potential investors who are not resident in, or who are not citizens of, the UK is drawn to the paragraphs below.

The offer of C Shares or ZDP Shares to Overseas Persons may be affected by the laws of the relevant jurisdictions. Such persons should consult their professional advisers as to whether they require any government or other consents or need to observe any applicable legal requirements to enable them to obtain C Shares or ZDP Shares under the Issue or ZDP Issue. It is the responsibility of all Overseas Persons receiving this Prospectus and/or wishing to subscribe for C Shares or ZDP Shares under the Issue or ZDP Issue to satisfy themselves as to full observance of the laws of the relevant territory in connection therewith, including obtaining all necessary governmental or other consents that may be required and observing all other formalities needing to be observed and paying any Issue, transfer or other taxes due in such territory.

No person receiving a copy of this Prospectus in any territory other than the UK may treat the same as constituting an offer or invitation to him/her, unless in the relevant territory such an offer can lawfully be made to him/her without compliance with any further registration or other legal requirements.

Persons (including, without limitation, nominees and trustees) receiving this Prospectus should not distribute or send it to any US Person or in or into the United States or any other jurisdiction where to do so would or might contravene local securities laws or regulations. In particular, investors should note that the Company has not, and will not be, registered under the Investment Company Act and the offer, issue and sale of the C Shares or ZDP Shares have not been, and will not be, registered under the Securities Act or with any securities regulatory authority of any State or other jurisdiction of the United States.

Accordingly, the C Shares and ZDP Shares are only being offered and sold outside the United States to non-US Persons in reliance on the exemption from registration provided by Regulation S. The Ordinary Shares may not be offered, sold, pledged or otherwise transferred or delivered, directly or indirectly, except: (a) outside the United States to a person not known to be a US Person in an offshore transaction in accordance with Regulation S under the Securities Act; or (b) to the Company or a subsidiary thereof, in each case circumstances which will not require the Company to register under the Investment Company Act. The re-offer or resale of any C Shares or ZDP Shares in the United States may constitute a violation of US law.

Investors should additionally consider the provisions set out under the heading "Important Information" on pages 31 to 37 of this Prospectus.

The Company reserves the right to treat as invalid any agreement to subscribe for C Shares, Ordinary Shares or ZDP Shares if it appears to the Company or its agents to have been entered into in a manner that may involve a breach of the securities legislation of any jurisdiction.

PROFILE FOR TYPICAL C SHARE AND/OR ZDP INVESTOR

The Issue and ZDP Issue are designed to be suitable for institutional investors and professionally-advised private investors. The C Shares and/or ZDP Shares may also be suitable for other private investors who are capable of evaluating the risks and merits of such an investment and who have sufficient resources to bear any loss which may result from such an investment. Such investors may wish to consult an independent financial adviser who specialises in advising on the acquisition of shares and other securities before investing in C Shares and/or ZDP Shares.

C SHARES

The Issue is designed to overcome the potential disadvantages for existing holders of Ordinary Shares which could arise out of a conventional fixed price issue of further Ordinary Shares for cash. In particular:

- the C Shares will not convert into Ordinary Shares until at least 90 per cent. of the Net Proceeds of the Issue (or such other percentage as the Directors and Investment Manager shall agree) have been invested in accordance with the Company's investment policy (or, if earlier, six months after the date of their issue);
- the assets representing the Net Proceeds from the Issue of the C Shares will be accounted for and managed as a distinct pool of assets until the Conversion Date. By accounting for the Net Proceeds of the Issue separately, holders of existing Ordinary Shares will not be exposed to a portfolio containing a substantial amount of uninvested cash arising from the issue before Conversion;
- the Net Asset Value of the existing Ordinary Shares will not be diluted by the expenses associated with the Issue, which will be borne by the subscribers for C Shares; and
- the basis upon which the C Shares will convert into Ordinary Shares is such that the number of Ordinary Shares to which holders of C Shares will become entitled will reflect the relative Net Asset Values per Share of the C Shares and the Ordinary Shares. As a result, the Net Asset Value per Ordinary Share can be expected to be unchanged by the issue and conversion of any C Shares.

The new Ordinary Shares arising on Conversion of the C Shares will rank *pari passu* with the Ordinary Shares then in issue and will have the rights set out in the Articles which are summarised in paragraph 3 of Part IX of this Prospectus.

CONVERSION OF C SHARES

The Net Proceeds of the Issue and the investments made with such proceeds will be accounted for and managed as a separate pool of assets until the date (as determined by the Directors) which is not more than 10 Business Days after the date on which at least 90 per cent. of the Net Proceeds of the Issue (or such other percentage as the Directors and Investment Manager shall agree) has been invested in accordance with the Company's investment policy (or, if earlier, six months after the date of issue of the C Shares pursuant to the Issue). The Conversion Ratio will then be calculated and the C Shares in issue will convert into a number of Ordinary Shares calculated by reference to the Net Asset Values per C Share compared to the Net Asset Values per Ordinary Share. Entitlements to Ordinary Shares will be rounded down to the nearest whole number.

A summary of the calculation methodology for the Conversion Ratio is set out in paragraph 3 of Part IX of this Prospectus. Pursuant to the Articles, the Directors may make such adjustments to the terms and timing of Conversion as they in their discretion consider are fair and reasonable having regard to the interests of all Shareholders. Any adjustments to the terms and timing of Conversion would be announced via a Regulatory Information Service.

CREST

CREST is a paperless settlement procedure operated by Euroclear enabling securities to be evidenced otherwise than by a certificate and transferred otherwise than by written instrument. The Articles and the 2025 ZDPCo Articles respectively permit the holding of C Shares and ZDP Shares

under the CREST system. The Company has applied for the C Shares and ZDP Shares to be admitted to CREST with effect from Initial Admission in respect of the C Shares issued under the Issue and with effect from Initial ZDP Admission in respect of the ZDP Shares issued under the ZDP Issue and it is expected that the C Shares and ZDP Shares will be admitted with effect from that time. Accordingly, settlement of transactions in the C Shares and ZDP Shares following Initial Admission and Initial ZDP Admission may take place within the CREST system if any Shareholder so wishes.

It is expected that the Company will arrange for Euroclear to be instructed on 8 January 2018 to credit the appropriate CREST accounts of the subscribers concerned or their nominees with their respective entitlements to C Shares and/or ZDP Shares. The names of subscribers or their nominees investing through their CREST accounts will be entered directly on to the share registers of the Company and 2025 ZDP Co (as appropriate).

The transfer of C Shares or ZDP Shares out of the CREST system following the Issue and ZDP Issue respectively should be arranged directly through CREST. However, an investor's beneficial holding held through the CREST system may be exchanged, in whole or in part, only upon the specific request of the registered holder to CREST for share certificates or an uncertificated holding in definitive registered form.

CREST is a voluntary system and Shareholders who wish to receive and retain share certificates will be able to do so. An investor applying for C Shares and/or ZDP Shares in the Issue and ZDP Issue respectively may elect to receive C Shares and/or ZDP Shares in uncertificated form if such investor is a system-member (as defined in the Regulations) in relation to CREST. If a Shareholder or transferee requests C Shares and/or ZDP Shares to be issued in certificated form and is holding such C Shares and/or ZDP Shares outside CREST, a share certificate will be dispatched either to him or his nominated agent (at his risk) within 21 days of completion of the registration process or transfer, as the case may be, of the C Shares and/or ZDP Shares. Shareholders holding definitive certificates may elect at a later date to hold such C Shares and/or ZDP Shares through CREST or in uncertificated form provided they surrender their definitive certificates.

USE OF PROCEEDS

The Directors intend to use the Gross Issue Proceeds and the Gross ZDP Issue Proceeds, after paying the expenses (including the Issue and ZDP Issue commissions) of the Issue and ZDP Issue, to fund investments in accordance with the Company's investment policy as well as to fund the Company's operational expenses. Such expenses include acquisition costs and expenses (such as due diligence costs, legal, tax advice and taxes), the Management Fee, Directors' fees, and other operational costs and expenses.

Suitable acquisition opportunities may not be immediately available. It is likely, therefore, that for a period following Initial Admission, Initial ZDP Admission, any Programme Admission, any Programme Admission and at certain other times, the Company will have surplus cash.

The Directors expect that the annual running costs of the Company will be approximately £2,124,113.68 million per annum assuming Gross Issue Proceeds of £75 million and Gross ZDP Issue Proceeds of £30.0 million. The Company may use part of the Net Proceeds to meet the running costs of the Company from time to time. To the extent that Net Proceeds are used, before Conversion of C Shares, to meet costs or discharge liabilities attributable to the Ordinary Shares, such use will be appropriately reflected in respective Net Asset Values per C Share and per Ordinary Share, and, accordingly, the Conversion Ratio.

PART V

THE PLACING PROGRAMME AND ZDP PLACING PROGRAMME

INTRODUCTION

Following completion of the Issue and ZDP Issue, the Company intend to implement the Placing Programme and ZDP Placing Programme. The Placing Programme and ZDP Placing Programme are intended partially to satisfy market demand for Ordinary Shares and ZDP Shares respectively, to assist in managing any premium to NAV per Ordinary Share at which the Ordinary Shares trade and to raise further money for investment in accordance with the Company's investment policy.

Any issue of Ordinary Shares and ZDP Shares under the Placing Programme and ZDP Placing Programme respectively will be at the discretion of the Directors. The Directors are authorised to issue Ordinary Shares and ZDP Shares pursuant to the Placing Programme and ZDP Placing Programme respectively without having to first offer those shares to Existing Shareholders.

Applications will be made for all of the Ordinary Shares to be issued pursuant to the Placing Programme to be admitted to the premium segment of the Official List and to trading on the Main Market of the London Stock Exchange. Applications will be made for all of the ZDP Shares to be issued pursuant to the ZDP Placing Programme to be admitted to the standard segment of the Official List and to trading on the Main Market of the London Stock Exchange.

The Placing Programme and ZDP Placing Programme may have a number of closing dates in order to provide the Company with the ability to issue Ordinary Shares and ZDP Shares over the duration of the Placing Programme and ZDP Placing Programme. Ordinary Shares may be issued under the Placing Programme and ZDP Shares may be issued under the ZDP Placing Programme from 8.00 a.m. on 9 January 2018 until 5.00 p.m. on 23 November 2018 (or any earlier date on which it is fully subscribed).

The Company may issue up to 30 million Ordinary Shares and 7.5 million ZDP Shares pursuant to the Placing Programme and ZDP Placing Programme. The number of Ordinary Shares available under the Placing Programme and the number of ZDP Shares available under the ZDP Placing Programme is intended to be flexible and should not be taken as an indication of the number of shares to be issued.

The minimum subscription amount for Ordinary Shares and ZDP Shares under the Placing Programme and ZDP Placing Programme will be £1,000 (although the Board may accept a lower amount in its absolute discretion). Fractions of Ordinary Shares and ZDP Shares will not be issued. The Placing Programme and ZDP Placing Programme will not be underwritten.

In the event that there are any significant changes affecting any of the matters described in this Prospectus or where any significant new matters have arisen after the publication of this Prospectus and prior to any Programme Admission or ZDP Programme Admission pursuant to the Placing Programme and ZDP Placing Programme respectively, the Company and 2025 ZDPCo (as the case may be) will publish a supplementary prospectus. Any supplementary prospectus published will give details of the significant change(s) or the significant new matter(s).

Further details about any Subsequent Placings and Subsequent ZDP Placings under the Placing Programme and ZDP Placing Programme (including the Placing Programme Price and the ZDP Placing Programme Price for any such Subsequent Placing or Subsequent ZDP Placings) will be notified by the Company or 2025 ZDPCo by an RIS announcement and on the Investment Manager's website as soon as practicable in conjunction with each issue.

PLACING PROGRAMME PRICE AND ZDP PLACING PROGRAMME PRICE

The Placing Programme Price per Ordinary Share will be not less than the Net Asset Value (cum income) per Ordinary Share at the time of issue plus a premium to cover the expenses of such issue.

The ZDP Placing Programme Price per ZDP Share will be not less than the then current capital entitlement per ZDP Share plus a premium to cover the expenses of the issue.

The Directors will determine the Placing Programme Price on the basis described above so as to cover the costs and expenses of each issue under the Placing Programme and to thereby avoid any dilution of the Net Asset Value of the existing Ordinary Shares. In determining the Placing Programme Price, Directors will also take into consideration, *inter alia*, the prevailing market conditions at that time.

CONDITIONS OF THE PLACING PROGRAMME AND/OR THE ZDP PLACING PROGRAMME

Each issue of Ordinary Shares and ZDP Shares pursuant to the Placing Programme and/or ZDP Placing Programme will be conditional on, *inter alia*:

- (i) the Placing Agreement becoming and remaining unconditional (save only for Programme Admission or ZDP Programme Admission) and not having been terminated in accordance with its terms;
- (ii) the Placing Programme Price and/or the ZDP Placing Programme Price (or appropriate) being determined by the Directors as described above;
- (iii) Programme Admission or ZDP Programme Admission of the relevant Ordinary Shares and/or ZDP Shares being issued pursuant to such issue; and
- (iv) a valid supplementary prospectus being published by the Company and 2025 ZDPCo, if it is required by the Prospectus Rules.

In circumstances where these conditions are not fully met, the relevant issue of Ordinary Shares and ZDP Shares pursuant to the Placing Programme and/or ZDP Placing Programme will not take place.

THE PLACING AGREEMENT

By a Placing Agreement dated 24 November 2017 between the Company, 2025 ZDPCo, Stockdale and the Investment Manager, Stockdale has undertaken, as agent for the Company and 2025 ZDPCo, *inter alia*, to use its reasonable endeavours to procure subscribers under the Placing Programme for Ordinary Shares and under the ZDP Placing Programme for ZDP Shares (as applicable) at the relevant Placing Programme Price or ZDP Placing Programme Price.

Stockdale is entitled to terminate the Placing Agreement at any time in certain circumstances. If this right is exercised, the Placing Programme and/or ZDP Placing Programme and these arrangements will lapse and any monies received in respect of any subsequent placing which has not become unconditional will be returned to applicants without interest at the applicant's risk.

Further details of the terms of the Placing Agreement are set out in paragraph 10 of Part IX of this Prospectus.

ADMISSION, CLEARING AND SETTLEMENT

Applications will be made for all of the Ordinary Shares issued pursuant to the Placing Programme to be admitted to the premium segment of the Official List and to be admitted to trading on the Main Market of the London Stock Exchange. Application will be made to the UKLA for all of the ZDP Shares to be issued pursuant to the ZDP Placing Programme to be admitted to the standard segment of the Official List and to be admitted to trading on the Main Market of the London Stock Exchange. It is expected that any Programme Admission or ZDP Programme Admission will become effective and that dealings for normal settlement in such Ordinary Shares and/or ZDP Shares will commence between 9 January 2018 and 23 November 2018 (or any earlier date on which the Placing Programme and/or ZDP Placing Programme is fully subscribed).

Ordinary Shares and ZDP Shares issued pursuant to the Placing Programme and/or ZDP Placing Programme will be issued fully paid and in registered form, and may be issued in uncertificated form or in certificated form. Ordinary Shares and ZDP Shares issued in uncertificated form will be credited to the relevant CREST accounts. Share certificates in respect of Ordinary Shares and ZDP Shares issued in certificated form are expected to be dispatched within five Business Days after the date on which dealings in such shares commence on the Main Market of the London Stock Exchange. Temporary documents of title will not be issued pending the dispatch of any definitive certificates for

Ordinary Shares and ZDP Shares issued in certificated form and, pending such dispatch, transfers of Ordinary Shares and ZDP Shares in certificated form will be certified against the applicable Register. Dealings in Ordinary Shares and ZDP Shares in advance of the crediting of the relevant CREST accounts or the issue of certificates will be at the risk of the persons concerned.

OVERSEAS PERSONS

The availability of Ordinary Shares and ZDP Shares pursuant to the Placing Programme and ZDP Placing Programme to persons not resident in, or who are outside, the United Kingdom may be affected by the laws or regulatory requirements of relevant jurisdictions. Persons not resident in, or who are outside, the United Kingdom and who wish to acquire Ordinary Shares or ZDP Shares pursuant to the Placing Programme and ZDP Placing Programme should read the section headed "Important Information" starting on page 31 of this Prospectus and "Information for non-UK Persons" on page 70 of this Prospectus. Investors who are in any doubt as to their position are strongly advised to consult their own professional advisers.

PART VI

FINANCIAL INFORMATION

A. THE COMPANY

The annual reports and audited financial statements of the Company for each of the three financial years ended 30 April 2015, 2016 and 2017, and the interim report and unaudited financial statements for the six month periods from 1 May 2015 to 31 October 2015, 1 May 2016 to 31 October 2016 and 1 May 2017 to 31 October 2017 are incorporated by reference.

Where the annual reports and audited financial statements of the Company make reference to other documents, such other documents are not incorporated into and do not form part of this document.

Contained in the annual reports and the unaudited financial information is a discussion of the Company's results of operations and financial condition for the financial years ended 30 April 2015, 2016 and 2017 and for the six month periods from 1 May 2015 to 31 October 2015, 1 May 2016 to 31 October 2016 and 1 May 2017 to 31 October 2017, which have all been prepared in accordance with IFRS. Prospective investors should read the following discussion, together with the whole of this document, including the risk factors, and the annual reports and audited financial statements of the Company and the interim report and unaudited financial statements of the Group and should not just rely on the key or summarised information contained in this Part VI of the Prospectus. Save for the audited annual financial statements incorporated by reference, none of the information in this document has been audited.

Statutory accounts for three financial years ended 30 April 2017

Statutory accounts of the Company for the three financial years ended 30 April 2017, in respect of which Hazlewoods LLP, the Company's auditor, of Winsor House, Bayshill Road, Cheltenham GL50 3AT, has given unqualified opinions that the accounts give a true and fair view of the state of affairs of the Company and of its total return and cash flows for the three financial years ended 30 April 2017, have been properly prepared in accordance with the Companies Act. Hazlewoods LLP is a member of the Institute of Chartered Accountants in England and Wales.

Save for the historical financial information of the Company for the three financial years ended 30 April 2017 set out, or incorporated by reference, in this Part VI of the Prospectus, none of the information in this Prospectus has been audited. Unless otherwise indicated, all unaudited financial information relating to the Company contained in this document has been sourced, without material adjustment, from the internal accounting records of the Company which are maintained by the Investment Manager on the Company's behalf on a basis consistent with the Company's accounting policies.

Accounting policies

The financial statements of the Company incorporated by reference have been prepared in accordance with IFRS. IFRS comprises standards and interpretations approved by the International Accounting Standards Board and the International Financial Reporting Interpretations Committee as at each relevant accounting period.

As set out in IFRS 10, a parent entity that qualifies as an investment entity (such as the Company) should not consolidate its subsidiaries. The Company meets all the following criteria to qualify as an investment entity:

- obtaining funds from one or more investors for the purpose of providing those investors with investment management services – the Board has delegated this function to the Investment Manager;
- committing to its investors that its business purpose is to invest funds solely for returns from capital appreciation, investment income or both; and

- measures and evaluates the performance of substantially all of its investments on a fair value basis.

On the basis of the above, the Company's financial statements represent the stand-alone figures of the Company.

Operating and financial review

The published annual reports and audited financial statements for the three financial years ended 30 April 2015, 2016 and 2017, and the interim report and unaudited financial statements for the six month periods from 1 May 2015 to 31 October 2015, 1 May 2016 to 31 October 2016 and 1 May 2017 to 31 October 2017 include, on the pages specified in the table below, descriptions of the Company's financial condition (in both capital and revenue terms), changes in its financial condition and details of the Company and the Group's portfolio for each of those years.

Report (page number of Report)	12 months to 30 April 2015	6 months to 31 October 2015	12 months to 30 April 2016	6 months to 31 October 2016	12 months to 30 April 2017	6 months to 31 October 2017
Portfolio Performance	4-8	2	4-9	2	4-10	2-3
Financial condition	1	1	1	1	1	1
Significant factors affecting income	8-9	3	9-10	3	10-11	3
Material changes in revenue and operating results	1	1	1	1	1	1
Policies and factors which could affect operations	8-9	3	9-10	3	10-11	3
Capital resources	1-3	1	1-3	1	1-3	1

Summary financial information

The table below sets out the key financial information that has been extracted without material adjustment from the audited financial statements in respect of the financial years ended 30 April 2015, 2016 and 2017, and the interim report and unaudited financial statements for the six month periods from 1 March 2015 to 31 October 2015, 1 March 2016 to 31 October 2016 and 1 March 2017 to 31 October 2017, each of which is incorporated by reference. The Company believes that the information summarises the financial condition and operating results over the relevant period.

Investments at fair value through profit or loss

£'000 otherwise stated	As at 30 April 2015	As at 31 October 2015	As at 30 April 2016	As at 31 October 2016	As at 30 April 2017	As at 31 October 2017 (unaudited)
Investments at fair value through profit or loss	41,681	46,032	45,376	44,605	53,827	59,806
Net Asset Value	32,349	36,102	35,077	34,037	41,724	47,431
Net Asset Value per share (pence) – undiluted	195.46p	218.14p	211.95p	205.66p	248.35p	266.84p
Net Asset Value per share (pence) – diluted	195.46p	218.14p	211.95p	205.66p	248.35p	266.84p
Profit/(loss) before taxation (revenue)	1,524	1,061	1,859	1,104	2,018	1,121
Profit/(loss) before taxation (capital)	753	3,420	2,160	(1,176)	5,640	3,250
Profit/(loss) before taxation (total)	2,277	4,481	4,019	(72)	7,658	4,371
Earnings/(loss) per Share (pence)	13.76	27.07	24.28	(0.44)	46.20	24.90

The total profit/(loss) after taxation is the "total comprehensive income" as defined by International Accounting Standard 1 'Presentation of Financial Statements'. There is no other comprehensive income as defined by IFRS and all items derive from continuing operations.

Capitalisation and indebtedness of the Company

The indebtedness information set out below has been extracted without material adjustment from the Company's unaudited interim financial statements as at 31 October 2017. The capitalisation information set out below has been extracted without material adjustment from the Company's interim report and unaudited financial statements for the period from 1 May 2017 to 31 October 2017. This information is presented under IFRS and the accounting policies of the Company as adopted in the financial statements for the year ended 30 April 2017. As at 31 October 2017, the Company had unaudited gross indebtedness of £12,649,000.

	As at 31 October 2017 £'000 (unaudited)
Total current debt	
Guaranteed	12,649
Secured	NIL
Unguaranteed/unsecured	NIL
	<hr/>
Total current debt	12,649
	<hr/>
Total non-current debt	
Guaranteed	NIL
Secured	NIL
Unguaranteed/unsecured	NIL
	<hr/>
Total non-current debt	NIL
	<hr/>
Capitalisation	
	£'000 (unaudited)
Equity attributable to equity shareholders of the Company	
Share capital	4,444
Reserves	42,987
	<hr/>
Total capitalisation	47,431
	<hr/>
Net liquidity	
	£'000 (unaudited)
<i>Cash</i>	
Cash equivalents	377
Trading securities	NIL
	<hr/>
Liquidity	377
	<hr/>
Current financial receivable	NIL
	<hr/>
Current bank debt	NIL
	<hr/>
Current portion of non-current debt	NIL
Other current financial debt	(12,649)
Current financial indebtedness	NIL
Net current financial indebtedness	NIL
Non-current bank loan	NIL
Bonds issued	NIL
Non-current financial indebtedness	NIL
Non-current financial indebtedness	NIL
	<hr/>
Net financial liquidity	(12,272)
	<hr/>

As at the Latest Practicable Date, there has been no material change to the capitalisation or indebtedness of the Company.

Working capital of the Company

In the Company's opinion, the Group does not have sufficient working capital for its present requirements, that is, for at least the 12 months following the date of this Prospectus. This statement reflects the requirement to redeem the Existing ZDP Shares on 8 January 2018 and the conditionality of the Issue, the Placing Programme, the ZDP Issue and the ZDP Placing Programme.

The maximum aggregate amount payable to redeem the Existing ZDP Shares on 8 January 2018 is £12,780,083. The Group is therefore dependent on the reduction in this aggregate redemption sum payable following Rollover Elections under the Scheme, and on the proceeds from the Issue, the Placing Programme, the ZDP Placing and the ZDP Placing Programme, in order to meet its working capital requirements for at least the 12 months following the date of this Prospectus.

If the Group is unable to fund the redemption on 8 January 2018 of the Existing ZDP Shares the Company would make sales of investments from the Company's investment portfolio in order to fund such redemption amount. The Group currently has no debt financing. The closing time and date for Rollover Elections under the Scheme is 11.00 a.m. on 18 December 2017, and therefore in the unlikely event that there were no Rollover Elections made and no proceeds received from the Issue and the ZDP Placing, the Company would have until 8 January 2018 to realise sufficient investments from the Company's portfolio to redeem the Existing ZDP Shares in full on that date in the sum of £12,780,083. The Company believes that these alternative arrangements would be successful and could be implemented prior to 8 January 2018. Therefore, even if the Group is required to redeem the Existing ZDP Shares in full in the total sum of £12,780,083 on 8 January 2018, the Directors believe that funds to meet the Group's working capital requirements will be available.

In the event that a sale of the Company's investments could not be made to generate sufficient proceeds to repay the amount required to redeem those Existing ZDP Shares which are required to be redeemed on 8 January 2018, then the Company would be unable to pay its debts as they fall due on 8 January 2018 and the Directors would convene a general meeting of the Company at which a resolution would be proposed requiring the Company to be wound up pursuant to the Insolvency Act 1986. The Directors believe that such a scenario is extremely unlikely and that it is extremely unlikely that the Company would become insolvent or enter into administration arrangements.

No significant change in relation to the Company and the Group

There has been no significant change in the financial or trading position of the Company or the Group since 31 October 2017, being the date to which the Company's unaudited financial information for the six months then ended has been prepared.

B. 2025 ZDPCO

Capitalisation and indebtedness of 2025 ZDPCo

As at the Latest Practicable Date, 2025 ZDPCo had share capital of £50,000 and no indebtedness.

Working capital of 2025 ZDPCo

In 2025 ZDPCo's opinion, the working capital available to 2025 ZDPCo is sufficient for its present requirements, that is for at least 12 months following the date of this Prospectus.

No significant change in relation to 2025 ZDPCo

There has been no significant change in the financial or trading position of 2025 ZDPCo since its incorporation.

PART VII

UK TAXATION

INTRODUCTION

This section of the Prospectus summarises certain UK tax consequences of investing in the Company or 2025 ZDPCo as a Shareholder. These summaries are based upon the law and practice in force in the UK as at the date of this Prospectus. The tax treatment applicable to each prospective Shareholder will depend on their particular circumstances and may differ from the summary below. Prospective Shareholders should also note that such law and practice may change as a result of legislative, judicial and administrative actions, which may have retrospective effect.

The summaries provide general guidance only and are not intended to provide a comprehensive guide to the taxation of the Company, 2025 ZDPCo or any of their Shareholders. There may be other tax consequences of an investment in the Company or 2025 ZDPCo and all prospective Shareholders, in particular those who are in any doubt about their tax position, or who are resident or otherwise subject to taxation in a jurisdiction outside the UK, should consult their own professional advisers on the potential tax consequences of subscribing for, purchasing, holding or disposing of any C Shares, Ordinary Shares and ZDP Shares under the laws of their country and/or state of citizenship, domicile or residence, and should not rely on the summary provided in this Prospectus to determine their own particular tax position. The tax treatment of an investment in the Company or 2025 ZDPCo will depend on the individual circumstances of each Shareholder and may be subject to future change. Nothing in this Prospectus should be taken as providing personal tax advice and neither the Company nor any of its officers, directors, employees, agents or advisers can take any responsibility in this regard.

The following paragraphs summarise certain UK tax consequences for Shareholders. It is intended as a general guide only and is not intended to be comprehensive. It does not refer to UK inheritance tax – should a Shareholder be concerned about any potential UK inheritance tax implications in relation to their holding of Shares, they should consult their own independent tax advice. Unless otherwise stated, the following summary does not address:

- Shareholders who hold their Shares in the Company or 2025 ZDPCo in connection with a trade, profession or vocation;
- Shareholders who have (or are deemed to have) acquired their Shares in connection with an office or employment or who play a role in investment management for the Company;
- Shareholders who hold their Shares as part of a hedging transaction;
- Shareholders subject to special tax rules such as insurance companies, investment trusts, charities, dealers in securities, broker-dealers or persons connected with the Company; or
- Shareholders who hold their Shares otherwise than as absolute beneficial owners, such as Trustees.

Unless expressly stated, Shareholders are assumed to be resident and domiciled in the UK for UK tax purposes.

THE COMPANY

The Directors conduct the affairs of the Company in compliance with the conditions in section 1158 CTA 2010 and the Investment Trust Regulations and the Company was approved by HMRC as an investment trust for all relevant accounting periods. However, neither the Investment Manager nor the Directors can guarantee that this approval will be maintained.

In respect of each accounting period for which the Company continues to be approved by HMRC as an investment trust, the Company will be exempt from UK corporation tax on its chargeable gains. The Company will, however, (subject to what follows) be liable to UK corporation tax on its income in the normal way.

In principle, the Company will be liable to UK corporation tax on any dividend income it receives. However, there are exemptions from this charge which are expected to be applicable in respect of many of the dividends it receives.

A company that is an investment trust in respect of an accounting period is able to take advantage of modified UK tax treatment in respect of its “qualifying interest income” for an accounting period (referred to here as the “streaming regime”). Pursuant to the streaming regime, the Company may, if it so chooses, designate as an “interest distribution” all or part of any amount it distributes to Shareholders as dividends, to the extent that it has “qualifying interest income” for the accounting period. Were the Company to designate any dividend it pays in this manner, it would be able to deduct such interest distributions from its income in calculating its taxable profit for the relevant accounting period.

Income arising from overseas investments may be subject to foreign withholding tax at the applicable rate of the jurisdiction in question. In the event that withholding taxes are imposed with respect to any of the Company’s investments, the effect will generally be to reduce the income received by the Company on such investments unless relief is available under the terms of an applicable double tax treaty.

SHAREHOLDERS

Taxation of chargeable gains – C Shares acquired through the Issue

The conversion of C Shares into Ordinary Shares should be treated as a reorganisation of share capital and so should not give rise to a disposal for UK capital gains tax purposes.

Taxation of chargeable gains – disposal of Shares

Individual Shareholders who are resident in the UK for tax purposes will generally be subject to capital gains tax in respect of any gain arising on a disposal, or deemed disposal, of their Shares (including in the case of ZDP Shares on a winding up of 2025 ZDPCo). Each such individual has an annual exemption, such that capital gains tax is only chargeable on gains arising from all sources during the tax year in excess of this figure.

The annual exemption for individuals for the 2017-2018 tax year is £11,300. Subject to available reliefs and allowances, gains arising on a disposal of Shares to an individual shareholder who is resident in the UK for tax purposes will be taxed at the rate of 10 per cent., except to the extent that the gain, when it is added to the Shareholder’s other taxable income and gains in the relevant tax year, exceeds the upper limit of the income tax rate band (£33,500 for the tax year ending 5 April 2018), in which case it will be taxed at the rate of 20 per cent. No indexation allowance will be available to individual Shareholders.

A gain on the disposal or deemed disposal of Shares by a corporate Shareholder within the charge to UK corporation tax will form part of the Shareholder’s profits chargeable to corporation tax (the rate of which is currently 19 per cent., but set to reduce to 17 per cent. from 1 April 2020). Indexation allowance may be available to reduce the amount of chargeable gain that is subject to corporation tax but cannot create or increase an allowable loss.

Subject to the paragraph below (dealing with temporary non-residents) Shareholders who are not resident in the UK for UK tax purposes will not generally be subject to UK tax on chargeable gains, unless they carry on a trade, profession or vocation in the UK through a branch or agency or (in the case of a company) permanent establishment and the C Shares, the Ordinary Shares and the ZDP Shares disposed of are used or held for the purposes of that branch, agency or permanent establishment. However, Shareholders who are not resident in the UK may be subject to charges to foreign taxation depending on their personal circumstances.

UK resident individual Shareholders should note that proceeds (over and above the amount originally subscribed for ZDP Shares) received on a redemption or repurchase of the ZDP Shares by 2025 ZDPCo other than in the course of a winding up of 2025 ZDPCo would fall to be treated as a distribution to Shareholder. Such a distribution may be chargeable to income tax.

UK resident corporate Shareholders should note that proceeds (over and above the original amount subscribed for the ZDP Shares) received on a redemption or repurchase of ZDP Shares by 2025 ZDPCo other than in the course of a winding up of 2025 ZDPCo would fall to be treated as a distribution to Shareholders. Such a distribution may potentially be taxable as income but may qualify to be treated as exempt under Part 9A of the Corporation Act 2009.

A shareholder who is an individual, who has ceased to be resident for tax purposes in the UK for a period of less than five years and who disposes of Shares during that period may be liable to UK taxation on capital gains (subject to any available exemption or relief). If applicable, the tax charge will arise in the tax year that the individual returns to the UK.

Disguised Interest Rules

The statements above which relate to ZDP Shareholders assume that the “disguised interest” rules contained in Chapter 2A of Part 4 of the Income Tax (Trading and Other Income) Act 2005 and Chapter 2A (Disguised Interest) and 6A (Shares Accounted for as Liabilities) of Part 6 of the Corporation Tax Act 2009 do not apply. Were these provisions to apply, amounts received by ZDP Shareholders in relation to a disposal of their ZDP Shares could be subject to tax as income, rather than as capital.

The disguised interest provisions can apply where there are arrangements relating to shares which would produce a return which is “economically equivalent to interest”, one of the requirements for which is that there must be no “practical likelihood” that the return will cease to be produced. In principle, the disguised interest rules are capable of applying to zero dividend preference shares. Whilst HMRC’s published practice confirms that an investment portfolio genuinely exposed to investment risk is unlikely to be caught by these rules, there is no guarantee that HMRC’s guidance would apply in these circumstances.

Taxation of dividends – individuals

The Company will not be required to withhold tax at source when paying a dividend. UK resident individuals receive an annual tax free allowance of £5,000 in relation to dividend receipts (tax year 2017/2018). Dividend receipts in excess of this allowance will be taxed at the rates of 7.5 per cent. for basic rate income tax payers, 32.5 per cent. for higher rate income tax payers, and 38.1 per cent. for additional rate income tax payers.

The UK government announced on 8 July 2015 that the dividend allowance would be reduced to £2,000 from the tax year 2018/2019. Due to the announcement of a UK general election, these proposals were not included in the truncated Finance Act 2017 which was enacted on 27 April 2017. However, the proposals to reduce the dividend allowance to £2,000 are included within the Finance Bill 2017-19, which is intended to be enacted in late November 2017. The proposals as drafted will take effect from the tax year 2018/2019.

An individual Shareholder who is not UK tax resident should generally be entitled to receive dividends designated as interest distributions without deduction of UK tax, provided the Company has received the necessary declarations of non-residence.

Taxation of dividends – companies

(A) *Dividends which are not designated as “interest distributions”*

Subject to the discussion of “interest distributions” below, UK resident Shareholders within the charge to corporation tax may be exempt from corporation tax on dividends paid by the Company (if the conditions set out in Part 9A of the Corporation Tax Act 2009) are satisfied.

(B) *“Interest distributions”*

Dividends paid by the Company to a Shareholder which is a company (whether or not UK resident) should not generally be subject to any deduction at source of UK tax (regardless of whether the dividends are designated as “interest distributions”).

It is particularly important that prospective investors who are not resident in the UK for tax purposes obtain their own tax advice concerning tax liabilities on dividends received from the Company.

ISAS, SIPPS AND SSASs

The Directors have been advised that the C Shares, the Ordinary Shares and the ZDP Shares should be eligible for inclusion in a UK self-invested pension plan (a “**SIPP**”) or a UK small self-administered scheme (a “**SSAS**”), subject to the terms of, and the discretion of the trustees (or, where applicable, the providers) of, the SIPP or the SSAS, as the case may be.

Ordinary Shares acquired pursuant to the Offer for Subscription or the Intermediaries offer and Ordinary Shares, C Shares or ZDP Shares acquired in the secondary market should be qualifying investments for inclusion in an ISA.

For the 2017-18 tax year ISAs have an overall subscription limit of £20,000, all of which can be invested in stocks and shares, as to which C Shares, ZDP Shares and Ordinary Shares will qualify.

Investments held in ISAs will be free of UK tax on both capital gains and income. Sums received by a Shareholder on a disposal of Ordinary Shares, C Shares or ZDP Shares would not count towards the shareholder’s annual limit; but a disposal of Ordinary Shares, C Shares or ZDP Shares held in an ISA will not serve to make available, again any part of the annual subscription limit that has already been used by the Shareholder in that tax year.

Individuals wishing to invest in Shares through an ISA should consult their professional advisers regarding their eligibility.

STAMP DUTY AND STAMP DUTY RESERVE TAX

Neither UK stamp duty nor stamp duty reserve tax (“**SDRT**”) should arise on the issue of the C Shares, the Ordinary Shares and the ZDP Shares.

Transfers on sale of Shares outside of CREST will generally be subject to UK stamp duty at the rate of 0.5 per cent. of the consideration given for the transfer, rounded up to the nearest £5. The purchaser normally pays the stamp duty.

However, where the consideration for the transfer is £1,000 or less (and the instrument of transfer is certified that the instrument does not form part of a larger transaction or series of transactions for which the aggregate consideration exceeds £1,000) no stamp duty will be payable.

An agreement to transfer Shares will normally give rise to a charge to SDRT at the rate of 0.5 per cent. of the amount or value of the consideration payable for the transfer. If a duly stamped transfer in respect of the agreement is produced within six years of the date on which the agreement is made (or, if the agreement is conditional, the date on which the agreement becomes unconditional) any SDRT paid is repayable, generally with interest, and otherwise the SDRT charge is cancelled. SDRT is, in general, payable by the purchaser.

PART VIII

PRINCIPAL BASES AND ASSUMPTIONS

Unless otherwise indicated, the statistics contained in this document relating to the ZDP Shares have been calculated on the Assumptions set out below. For the avoidance of doubt, the Assumptions have not been used in preparing the working capital statement set out in Part VI of this document.

There can be no guarantee that the Assumptions set out below will be realised. In particular, the actual gross proceeds and net proceeds of the Placing, the Intermediaries Offer, the Offer for Subscription and the ZDP Issue, as well as the gross proceeds and the net proceeds of the Placing Programme and the ZDP Placing Programme, may differ from the assumed amounts; market gains or losses between the date of this document and the date of Initial Admission and Initial ZDP Admission will affect the amount of the Gross Assets and the Net Asset Value of the Company and 2025 ZDP Co at Initial Admission and Initial ZDP Admission; costs will be incurred in investing the net proceeds of the Issue and the ZDP Issue, as well as the net proceeds of the Placing Programme and the ZDP Placing Programme, and the annual running expenses of the Group may exceed the assumed level. Accordingly, no reliance should be placed on the illustrative financial statistics derived from the Assumptions set out below. The attention of prospective investors is also drawn to the risk factors set out on pages 18 to 30 of this Prospectus.

The Assumptions used are:

- the unaudited Gross Assets and unaudited Net Asset Value of the Company as at 22 November 2017 were £58.22 million and £46.53 million respectively;
- as at 22 November 2017, the unaudited Net Asset Value per Ordinary Share was 261.76 pence;
- Gross Issue Proceeds of £75 million are raised pursuant to the Issue, and Gross ZDP Issue Proceeds of £30.0 million are raised pursuant to the ZDP Issue;
- assuming 75 million C Shares are issued in total pursuant to the Placing, the Intermediaries Offer and the Offer for Subscription, the costs thereupon will be approximately £1.40 million (excluding VAT);
- assuming 30.0 million ZDP Shares are issued in total pursuant to the ZDP Issue, the costs thereupon will be approximately £0.20 million (excluding VAT);
- no allowance is made for the costs of investing the Gross Issue Proceeds and the Gross ZDP Issue Proceeds;
- the Company's investment income is excluded from the Cover ratio calculation;
- Cover is calculated as the ratio of the gross assets less current liabilities at 17 November 2017 plus the estimated net proceeds of the Issue and of the ZDP Placing (estimated to be £95.4 million) to the aggregate assets required to pay the Final Capital Entitlement.
- as at the date of this Prospectus, the Company has no outstanding bank debt;
- the capital accrual of an Existing ZDP Share is 6.0 per cent., compounded from an issue date of 28 August 2012 up to and including its repayment date and is accounted for on a daily basis in arrears as to 100 per cent. to capital reserve. The final capital entitlement of each Existing ZDP Share of 136.7 pence is payable on 8 January 2018;
- the capital accrual of a ZDP Share is 4.0 per cent. per annum, compounded daily from an issue date of 8 January 2018 up to and including the ZDP Repayment Date and is accounted for on a daily basis in arrears as to 100 per cent. to capital reserve. The Final Capital Entitlement of 133.18 pence per ZDP Share is payable on 30 April 2025;
- the Company will use the Net Proceeds of the Placing, the Intermediaries Offer and the Offer for Subscription to acquire investments in accordance with its investment objective and policy;
- the Company has an indefinite life;

- no corporation tax or capital gains tax is payable by the Company or 2025 ZDPCo and no other changes occur in any relevant taxation law and practice;
- there are no changes to generally accepted accounting practices relevant to the Company and no changes in its accounting policies;
- 75 per cent. of Existing ZDP Shareholders make Rollover Elections under the Scheme; and
- no redemptions, conversions or repurchases of the Ordinary Shares or ZDP Shares are made prior to the redemption of the ZDP Shares, and no other changes to the numbers of Ordinary Shares or ZDP Shares in issue are made prior to the redemption of the ZDP Shares.

PART IX
ADDITIONAL INFORMATION

1. THE COMPANY, EXISTING ZDPCO AND 2025 ZDPCO

- (a) The Company was incorporated and registered in England and Wales on 6 April 1999 with registered number 3749536 under the Companies Act 1985 (as amended) as a closed-ended investment company. The Company is not regulated as a collective investment scheme by the Financial Conduct Authority, but the Company is registered by the Financial Conduct Authority as a small internally managed UK registered AIFM. The Company is subject to the Market Abuse Regulation, the Prospectus Rules, the Disclosure and Transparency Rules and the rules of the London Stock Exchange. The principal legislation under which the Company operates and under which the C Shares and the Ordinary Shares will be issued is the Companies Act. The Company has received a certificate under section 761 of the Companies Act entitling it to commence business and to exercise its borrowing powers.
- (b) The Company has two wholly-owned subsidiaries, Existing ZDPCo and 2025 ZDPCO. Existing ZDPCo was incorporated and registered in England and Wales on 13 July 2012 with registered number 08142169 as a public company limited by shares and as a closed-ended investment company. All of its ordinary shares are held by the Company. Existing ZDPCo is registered by the Financial Conduct Authority as a small UK registered AIFM. Existing ZDPCo has received a certificate under section 761 of the Companies Act entitling it to commence business and to exercise its borrowing powers.
- (c) 2025 ZDPCo was incorporated and registered in England and Wales on 25 October 2017 with registered number 11031268 as a public company limited by shares and as a closed-ended investment company. All of its ordinary shares are held by the Company. Subject to Initial ZDP Admission, 2025 ZDPCo will be registered with the Financial Conduct Authority as a small internally managed UK registered AIFM. The principal legislation under which 2025 ZDPCo operates and under which the ZDP Shares will be issued is the Companies Act. 2025 ZDPCo has received a certificate under section 761 of the Companies Act entitling it to commence business and to exercise its borrowing powers. Since its incorporation, 2025 ZDPCo has not commenced operations (other than enter into certain of the material contracts referred to at paragraph 10 of this Part IX), has not declared any dividend, and no financial statements in respect of 2025 ZDPCo have been made up as at the date of this Prospectus. The Company is domiciled in England and Wales and has no employees.
- (d) The registered offices of the Company and 2025 ZDPCo are at Springfield Lodge, Colchester Road, Chelmsford, Essex CM2 5PW and the telephone number of the Company and 2025 ZDPCo is 01245 398950.
- (e) The registrars of the Company and 2025 ZDPCo are Share Registrars Limited. They are responsible for maintaining the register of members of the Company and 2025 ZDPCo.

2. SHARE AND LOAN CAPITAL OF THE COMPANY AND 2025 ZDPCO

The Company

- (a) The following shows the issued share capital of the Company as at 31 October 2017 (being the last date in respect of which the Company has published financial information):

	Number of Ordinary Shares
Issued share capital (Ordinary Shares, fully paid)	17,775,000

- (b) As at the Latest Practicable Date, the Company had 17,775,000 Ordinary Shares in issue.
- (c) The Company's issued share capital history during the last three financial years and since 1 May 2017 is as follows:
- (A) At 30 April 2015, the Company had 16,550,000 Ordinary Shares in issue.

- (B) At 30 April 2016, the Company had 16,550,000 Ordinary Shares in issue.
- (C) The Company issued 250,000 Ordinary Shares on 17 March 2017.
- (D) At 30 April 2017, the Company had 16,800,000 Ordinary Shares in issue.
- (E) The Company issued 250,000 Ordinary Shares on 15 May 2017.
- (F) The Company issued 150,000 Ordinary Shares on 16 May 2017.
- (G) The Company issued 150,000 Ordinary Shares on 5 July 2017.
- (H) The Company issued 150,000 Ordinary Shares on 28 September 2017.
- (I) The Company issued 275,000 Ordinary Shares on 10 October 2017.
- (J) The Company has not repurchased any Ordinary Shares during this period.
- (d) No share or loan capital of the Company is under option or agreed conditionally or unconditionally to be put under option.
- (e) At the Company's annual general meeting held on 7 September 2017, the following authorities were granted:
- (A) the Directors were generally and unconditionally authorised pursuant to section 551 of the Companies Act to exercise all the powers of the Company to allot Ordinary Shares and to grant rights to subscribe for, or to convert any security into, Ordinary Shares in the Company (the "**Rights**") up to an aggregate nominal value equal to £1,445,833, being one-third of the issued Ordinary Share capital of the Company as at 14 July 2017, during the period commencing on 7 September 2017 and expiring at the conclusion of the annual general meeting of the Company to be held in 2018, or 15 months from 7 September 2017, whichever is earlier, but so that the Directors may, at any time prior to the expiry of this authority, make offers or agreements which would or might require Ordinary Shares to be allotted and/or Rights to be granted after the expiry of this authority and the Directors may allot Ordinary or grant Rights in pursuance of such offers or agreements as if this authority had not expired;
- (B) the Company was generally and unconditionally authorised in accordance with section 701 of the Companies Act to make market purchases (within the meaning of section 693(4) of the Companies Act) of Ordinary Shares for cancellation or for placing into treasury provided that:
- the maximum aggregate number of Ordinary Shares authorised to be acquired is 2,600,765, or if less, 14.99 per cent. of the Ordinary Shares in issue and in circulation immediately following the passing of this resolution;
 - the minimum price which may be paid for each Ordinary Share is 25 pence (exclusive of expenses);
 - the maximum price which may be paid for each Ordinary Share is, in respect of a share contracted to be purchased on any day, an amount which shall not be more than the higher of (i) 5 per cent. above the average of the middle market quotations (as derived from the Daily Official List of the London Stock Exchange) of the Ordinary Shares for the five Business Days immediately preceding the date on which the Ordinary Share is purchased, and (ii) the higher of the price of the last independent trade and the highest current independent bid on the London Stock Exchange;
 - this authority will (unless renewed) expire at the conclusion of the annual general meeting of the Company to be held in 2018 or, if earlier, 15 months from 7 September 2017; and
 - any Ordinary Shares bought back under the authority hereby granted may, at the discretion of the Directors, be cancelled or held in treasury and if held in treasury may be cancelled at the discretion of the Directors.

- (f) At the Company's general meeting, convened for 12 December 2017, special resolutions will be proposed whereby, if passed, *inter alia*,:
- (A) the Directors will be generally and unconditionally authorised for the purposes of section 551 of the Companies Act to exercise all or any of the powers of the Company to allot C Shares in the capital of the Company up to an aggregate nominal amount of £75 million in connection with the Issue, such authority to expire at the conclusion of the next annual general meeting of the Company, save that the Company may, at any time prior to the expiry of such authority, make an offer or enter into an agreement which would or might require the allotment of C Shares in pursuance of such an offer or agreement as if such authority had not expired;
 - (B) the Directors will be generally authorised (pursuant to section 570 of the Companies Act) to allot C Shares for cash pursuant to the authority referred to in paragraph 2f(A) above as if section 561 of the Companies Act did not apply to any such allotment, such authority to expire at the conclusion of the next annual general meeting of the Company, save that the Company may before such expiry make an offer or enter into an agreement which would or might require C Shares to be allotted after such expiry and the Directors may allot equity securities in pursuance of such offer or agreement as if the power had not expired;
 - (C) the Directors will be generally and unconditionally authorised for the purposes of section 551 of the Companies Act to exercise all or any of the powers of the Company to allot Ordinary Shares up to an aggregate nominal amount of: (i) £7.5 million pursuant to the Placing Programme; and (ii) 20 per cent. of the aggregate nominal amount of the issued Ordinary Share capital of the Company immediately following the completion of the Issue, such authority to expire at the conclusion of the next annual general meeting of the Company, save that the Company may, at any time prior to the expiry of such authority, make an offer or enter into an agreement which would or might require the allotment of shares in pursuance of such an offer or agreement as if such authority had not expired;
 - (D) the Directors will be empowered (pursuant to sections 570 and 573 of the Companies Act) to allot Ordinary Shares and to sell Ordinary Shares from treasury for cash pursuant to the authority referred to in paragraph 2(f)(C) above as if section 561 of the Companies Act did not apply to any such allotment or sale, such power to expire at the conclusion of the next annual general meeting of the Company, save that the Company may, at any time prior to the expiry of such power, make an offer or enter into an agreement which would or might require equity securities to be allotted or sold from treasury after the expiry of such power, and the Directors may allot or sell from treasury equity securities in pursuance of such an offer or an agreement as if such power had not expired;
 - (E) the Company will be authorised in accordance with section 701 of the Companies Act to make market purchases (within the meaning of section 693(4) of the Companies Act) of C Shares, provided that the maximum number of C Shares authorised to be purchased is 14.99 per cent. of the issued C Shares following completion of the Issue. The maximum price which may be paid for a C Share must not be more than the higher of: (i) 5 per cent. above the average of the mid-market values of the C Shares for the five Business Days before the purchase is made; or (ii) if higher, that stipulated by Article 5(6) of the Market Abuse Regulation. The minimum price (exclusive of expenses) which may be paid for a C Share is 100 pence. Such authority will expire on the earlier of the conclusion of the next annual general meeting of the Company and the date 15 months after the date on which the resolution was passed, save that the Company may contract to purchase its C Shares under this authority prior to the expiry of such authority, which contract will or may be executed wholly or partly after the expiry of such authority and may purchase its C Shares in pursuance of such contract;

- (F) the Articles will be adopted as the articles of association of the Company with immediate effect in substitution for, and to the exclusion of, the existing articles of association of the Company; and
- (G) the Directors of the Company will be authorised pursuant to sections 570 and 573 of the Companies Act to allot equity securities (within the meaning of section 560 of the Companies Act) or sell shares held in treasury (within the meaning of section 560(3) of the Companies Act) for cash as if section 561(1) of the Companies Act did not apply to any such allotment, provided that this power shall be limited to:
- the allotment of equity securities in connection with a rights issue, open offer or any other offer in favour of Ordinary Shareholders where the equity securities respectively attributable to the interests of all Ordinary Shareholders are proportionate (as nearly as may be) to the respective number of Ordinary Shares held by them subject to such exclusions or other arrangements as the Directors may deem fit to deal with fractional entitlements, record dates, legal, regulatory or practical problems arising under the laws of any overseas territory or the requirements of any regulatory authority or any stock exchange; and
 - to the allotment (otherwise than pursuant to the first bullet point immediately above) of equity securities up to 10 per cent. of the issued Ordinary share capital, representing 1,775,000 Ordinary shares at 16 November 2017,

and shall expire at the conclusion of the annual general meeting of the Company to be held in 2018, or 15 months from the passing of this resolution, whichever is earlier, save that the Company may before such expiry make offers, agreements or arrangements which would or might require equity securities to be allotted after such expiry and so that the Directors of the Company may allot equity securities in pursuance of such offers, agreements or arrangements as if the power conferred hereby had not expired.

- (g) In accordance with the authority referred to in paragraph 2(f)(C) above, it is expected that the C Shares in respect of the Issue will be allotted pursuant to a resolution of the Board to be passed on or around 5 January 2018, conditional upon Initial Admission.
- (h) The provisions of section 561 of the Companies Act (which, to the extent not disapplied pursuant to section 570 of the Companies Act, confer on Shareholders rights of pre-emption in respect of the allotment or sale of equity securities for cash) shall apply to any unissued share capital of the Company, except to the extent disapplied by the resolutions referred to in paragraphs 2(f)(B), (D) and (G) above.
- (h) Save as disclosed in this paragraph 2, since 1 April 2014: (i) there has been no alteration in the share capital of the Company; (ii) no share or loan capital of the Company has been issued or agreed to be issued, or is now proposed to be issued for cash or any other consideration; and (iii) no commissions, discounts, brokerages or other special terms have been granted by the Company in connection with the issue or sale of any such capital and no share or loan capital of the Company is under option or agreed, conditionally or unconditionally, to be put under option.
- (i) Applicants under the Placing, the Offer for Subscription and/or the Intermediaries Offer may not withdraw their applications for C Shares, subject to their statutory right of withdrawal in the event of the publication of a supplementary prospectus.

2025 ZDPCo

- (a) As at the date of this Prospectus, 2025 ZDPCo has 50,000 ordinary shares of 100 pence each (partly paid up as to 25 pence each) in issue.
- (b) No share or loan capital of 2025 ZDPCo is under option or agreed conditionally or unconditionally to be put under option.
- (c) Application has been made for the ZDP Shares to be listed on the standard segment of the Official List and to be traded on the Main Market of the London Stock Exchange. The ZDP Shares are not listed or traded on, and no application has been or is being made for the

admission of the ZDP Shares to listing or trading on, any other stock exchange or securities market.

- (d) The ZDP Shares are in registered form and, from Initial ZDP Admission or the relevant ZDP Programme Admission (as applicable), will be capable of being held in uncertificated form and title to such ZDP Shares may be transferred by means of a relevant system (as defined in the Regulations). Where the ZDP Shares are held in certificated form, share certificates will be sent to the registered members or their nominated agent (at their own risk) within 21 days of the completion of the registration process or transfer, as the case may be, of the ZDP Shares. Where ZDP Shares are held in CREST, the relevant CREST stock account of the registered members will be credited. The Registrar and Receiving Agent maintains a register of ZDP Shareholders holding their ZDP Shares in CREST.
- (e) ZDP Shares are being issued pursuant to the ZDP Issue at a price of 100 pence per ZDP Share which represents a premium of nil over their nominal value of 100 pence each. The issue price of the ZDP Shares issued pursuant to the ZDP Placing Programme will be determined by the Directors and Stockdale by reference to the prevailing cum-income NAV per Ordinary Share and a premium to cover the costs of the relevant Subsequent ZDP Placing and having regard to prevailing market conditions. No expenses are being charged to any subscriber or purchaser.
- (f) Each ZDP Share will rank *pari passu* in all respects with each other ZDP Share and will have the same rights (including voting and dividend rights and rights on a return of capital) and restrictions as each other ZDP Share, as set out in the 2025 ZDP Co Articles. The ZDP Shares will be denominated in Sterling.

3. ARTICLES OF ASSOCIATION OF THE COMPANY

The Articles, which will be proposed to be adopted by special resolution at the Company's general meeting convened for 12 December 2017, contain provisions, *inter alia*, to the following effect:

(a) **Objects**

The Articles provide that the objects of the Company are to carry on business as an investment trust company and to invest or reinvest the funds of the Company for the benefit of its members in accordance with its published investment policy for the time being.

(b) **Variation of rights**

Subject to the provisions of the Companies Act and every other statute for the time being in force concerning companies and affecting the Company, if at any time the share capital of the Company is divided into different classes of shares, the rights attached to any class may be varied either with the consent in writing of the holders of three-quarters in nominal value of the issued shares of that class or with the sanction of a special resolution passed at a separate meeting of the holders of the shares of that class (but not otherwise) and may be so varied either whilst the Company is a going concern or during or in contemplation of a winding-up. At every such separate general meeting the necessary quorum shall be at least two persons holding or representing by proxy at least one-third in nominal value of the issued shares of the class in question (but at any adjourned meeting any holder of shares of the class present in person or by proxy shall be a quorum), any holder of shares of the class present in person or by proxy may demand a poll and every such holder shall on a poll have one vote for every share of the class held by him. Where the rights of some only of the shares of any class are to be varied, the foregoing provisions apply as if each group of shares of the class differently treated formed a separate class whose rights are to be varied.

(c) **Alteration of share capital**

The Company may by ordinary resolution:

- (a) consolidate and divide all or any of its share capital into shares of larger nominal value than its existing shares;

- (b) sub-divide its shares, or any of them, into shares of smaller nominal value than its existing shares; and
- (c) determine that, as between the shares resulting from such a sub-division, one or more shares may, as compared with the others, have any such preferred, deferred or other rights or be subject to any such restrictions as the Company has power to attach to unissued or new shares.

(d) **Issue of shares**

Subject to the provisions of the Companies Act and 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 if the Company has not so determined, as the directors may determine).

(e) **Ordinary Shares**

(a) ***Dividends***

Subject to the provisions of the Companies Act, the Company may by ordinary resolution declare dividends in accordance with the respective rights of the Ordinary Shareholders but no dividends shall exceed the amount recommended by the directors. Subject to the provisions of the Companies Act, the directors may pay interim dividends, or dividends payable at a fixed rate, if it appears to them that they are justified by the profits of the Company available for distribution. If the directors act in good faith they shall not incur any liability to the holders of Ordinary Shares conferring preferred rights for any loss they may suffer by the lawful payment of an interim dividend on any shares having deferred or non-preferred rights.

Subject to the rights of persons (if any) entitled to shares with special rights as to dividend, all dividends shall be declared and paid according to the amounts paid up on the shares on which the dividend is paid. Dividends shall be apportioned and paid proportionately to the amount paid up on the shares during any portion(s) of the period in respect of which the dividend is paid, but no amount paid up on a share in advance of calls shall be treated for the purposes of this article as paid up on the share.

(b) ***Voting Rights***

Subject to any rights or restrictions attached to any shares, on a show of hands every Ordinary Shareholder present in person has one vote and every proxy present who has been duly appointed by an Ordinary Shareholder entitled to vote has one vote, and on a poll every shareholder (whether present in person or by proxy) has one vote for every share of which he is the holder. In the case of joint holders, the vote of the senior who tenders a vote shall be accepted to the exclusion of the vote of the other joint holders, and seniority shall be determined by the order in which the names of the holders stand in the Register.

No Ordinary Shareholder shall have any right to vote at any general meeting or at any separate meeting of the holders of any class of shares, either in person or by proxy, in respect of any share held by him unless all amounts presently payable by him in respect of that share have been paid.

(f) **C Shares**

(a) ***Dividends***

The directors may determine as part of the terms of issue of C Shares that C Shareholders shall be entitled, in that capacity, to receive as a special dividend such amount as the directors may resolve to pay out of the net assets attributable to the C Shares and from income received and accrued and attributable to the C Shares (“**Special Dividend**”) payable on a date falling after the Conversion Date as the directors shall determine.

The New Ordinary Shares (as defined below) shall rank *pari passu* with the existing Ordinary Shares for all dividends and other distributions made or declared by reference to a record date falling after the Conversion Date save that (for the avoidance of doubt and irrespective of whether the same is declared before or after the Conversion Date) the directors may determine as part of the terms of issue they shall not rank for dividends including any special interim dividend which may be declared by reference to a record date falling on or prior to Conversion.

The Deferred Shares (as defined below) (to the extent that they are in issue and extant) shall entitle the holders thereof to a cumulative dividend at a fixed rate of 0.01 per cent., per annum of the nominal amount of the Deferred Shares held by the holders (the “**Deferred Dividend**”) payable on the date six months after the Conversion Date to the holders thereof on the register of members on that date as holders of Deferred Shares, and thereafter at six monthly intervals, but shall confer no other right on the holders thereof to share in the profits of the Company. The Deferred Dividend shall not become payable in any way until the date six months after the Conversion Date and shall then only be payable to those holders of Deferred Shares registered in the register of members of the Company as holders of Deferred Shares on the date six months after the Conversion Date. It should be noted that given the intended repurchase of the Deferred Shares as set out in paragraph 3(f)(e) of this Part IX, it is not expected that any dividends will be paid on the Deferred Shares.

Save for the Special Dividend, no dividend or other distribution shall be made or paid by the Company on any of its shares between the Calculation Date and the Conversion Date of the C Shares (both dates inclusive) and no dividend shall be declared with a record date falling between the Calculation Date and the Conversion Date (both dates inclusive).

(b) **Voting Rights**

The C Shares shall carry the right for holders thereof to receive notice of and to attend or vote at any general meeting of the Company. The voting rights of C Shareholders will be the same as those applying to holders of the Ordinary Shares as if the C Shares and existing Ordinary Shares were a single class.

The Deferred Shares shall not carry any right to receive notice of or attend or vote at any general meetings of the Company.

(c) **Conversion**

(i) The C Shares shall be converted into New Ordinary Shares on the Conversion Date in accordance with the following provision:

(ii) The directors shall procure that within 10 Business Days of the Calculation Date:

- the Administrator and Company Secretary shall calculate the Conversion Ratio as at the Calculation Date and the numbers of Ordinary Shares and Deferred Shares to which each C Shareholder shall be entitled on Conversion, and
- the Auditors shall state, whether, in their opinion such calculations have been performed in accordance with the Articles; and are arithmetically accurate whereupon such calculations shall become final and binding upon the Company and all Shareholders.

(iii) The directors shall procure that as soon as practicable following such confirmation and in any event within 10 Business Days of the Calculation Date an announcement through a Regulatory Information Service is made stating the Conversion Date, the Conversion Ratio and the numbers of New Ordinary Shares and Deferred Shares which will arise upon Conversion.

- (iv) On the Conversion Date each C Share shall automatically subdivide into four conversion shares of 25 pence and such conversion shares of 25 pence each arising upon sub-division shall automatically convert into such number of Ordinary Shares and Deferred Shares (such Conversion being deemed authorised by the resolution creating the C Shares) as shall be necessary to ensure that, upon such Conversion being completed:
 - the aggregate number of conversion shares of 25 pence each which are converted into New Ordinary Shares equals the number of C Shares in issue at the Calculation Date multiplied by the Conversion Ratio (rounded down to the nearest whole Ordinary Share); and
 - each conversion share of 25 pence each which does not so convert into a New Ordinary Share shall convert into one Deferred Share.
 - (v) The New Ordinary Shares and Deferred Shares arising upon Conversion shall be divided amongst the former C Shareholders *pro rata* according to their respective former holdings of C Shares (provided always that the directors may deal in such manner as they think fit with fractional entitlements to New Ordinary Shares and Deferred Shares arising upon Conversion including, without prejudice to the generality of the foregoing, the right to sell any such fractional entitlements and retain the proceeds for the benefit of the Company) and for such purposes any director is authorised as agent on behalf of the former C Shareholders, in the case of a Share in certificated form, to execute any stock transfer form and to do any other act or thing as may be required to give effect to the same including, or in the case of a Share in uncertificated form, the giving of directions to or on behalf of the former C Shareholders who shall be bound by them.
 - (vi) Following Conversion, the Company shall issue to each former C Shareholder new certificates in respect of the New Ordinary Shares which have arisen upon Conversion unless such former C Shareholder elects (or is deemed to have elected) to hold their New Ordinary Shares in uncertificated form. Share certificates in respect of the Deferred Shares will not be issued.
 - (vii) Forthwith upon Conversion:
 - the rights attaching to the C Shares shall lapse; and
 - the Company shall at the absolute discretion of the directors repurchase all the Deferred Shares arising upon Conversion.
 - (viii) The directors shall be authorised to make such non-material adjustments to the terms and timing of Conversion as they shall in their discretion consider fair and reasonable having regard to the interests of all shareholders.
 - (ix) The Company shall use its reasonable endeavours to procure that on Conversion the New Ordinary Shares arising on Conversion are admitted to the premium segment of the Official List and to trading on the London Stock Exchange's Main Market.
- (d) ***Rights as to Capital***
- (i) The capital and assets of the Company shall, on a winding up or on a return of capital (otherwise than on a purchase by the Company of any of its shares) prior to Conversion, be applied as follows:
 - the Ordinary Share Surplus shall be divided amongst the holders of the Ordinary Shares *pro rata* according to the nominal capital paid up on their holdings of ordinary shares as if the Ordinary Share Surplus comprised the assets of the Company available for distribution, and

- the C Share Surplus shall be divided amongst the holders of the C Shares *pro rata* according to the nominal share capital paid up on their holdings of C Shares.
- (ii) The capital and assets of the Company available to Shareholders shall on a winding up or on a return of capital (otherwise than on a purchase by the Company of any of its shares) after Conversion of all C Shares, be applied as follows.
- first, if there are for the time being Deferred Shares in issue, amongst the Deferred Shareholders *pro rata* according to the nominal capital paid up on their holdings of Deferred Shares provided however that the holders of the Deferred Shares shall only receive an amount up to the capital paid up on such Deferred Shares and the Deferred Shares shall not confer the right to participate in any surplus remaining following payment of such amount; and
 - second, the surplus shall be divided amongst the holders of the Ordinary Shares *pro rata* according to the nominal capital paid up on their holdings of Ordinary Shares.
- (e) **Repurchase of Deferred Shares**
- (i) The C Shares are issued on terms that the Deferred Shares, but not the new Ordinary Shares arising on Conversion, shall at the absolute discretion of the directors be repurchased by the Company in accordance with the terms set out in this Article.
- (ii) With effect from the relevant Conversion each holder of Deferred Shares grants an irrevocable authority to the Company to appoint at any time thereafter any person to execute on behalf of the holders of such C Shares a transfer thereof (and/or an agreement to transfer the same) to such person(s) as the Company may determine as custodian thereof and/or to redeem the same itself (in accordance with the provisions of the Companies Act), in any such case for one penny for all such Deferred Shares held by any member without obtaining any further sanction of the holder or holders thereof. Subject to the Companies Act, the Company shall on the relevant conversion (or as soon as practicable thereafter) redeem all of the relevant Deferred Shares then in issue, at a price of one penny in aggregate for all such Deferred Shares held by any member and redeemed at any one time and the provisions of the Articles shall be deemed to constitute notice to each holder of Deferred Shares (and any person or persons having rights to acquire or acquiring Deferred Shares on or after the Calculation Date) that the Deferred Shares shall be so redeemed (and the Company shall not be obliged to account to any holder of Deferred Shares for the redemption arising in respect of such Deferred Shares).

The following definitions are only relevant for the purpose of the foregoing:

“Administrator and Company Secretary”	the administrator of the Company from time to time;
“Business Day”	a day on which the London Stock Exchange and banks in England and Wales are normally open for business;
“Calculation Date”	means the earliest of: <ul style="list-style-type: none"> (a) the close of business on the day to be determined by the directors occurring on or after the day on which the Investment Manager shall have given notice to the directors that at least 90 per cent. of the Net Proceeds have been invested in accordance with the Company’s investment policy; or

- (b) the close of business on such date as the directors may determine as is necessary to enable the Company to comply with its obligations in respect of Conversion; or
- (c) the close of business on the day the directors resolve that Force Majeure Circumstances have arisen or are in contemplation; or
- (d) the close of business on the last Business Day falling six months after the Issue Date;

“Conversion”

the conversion of the C Shares to be issued pursuant to the Placing into Ordinary Shares and Deferred Shares in accordance with the Articles;

“Conversion Date”

the date on which Conversion will occur, being close of business on such Business Day as may be selected by the directors falling not more than 10 Business Days after the Calculation Date;

“Conversion Ratio”

means the ratio at the Calculation Date to be used to determine the number of New Ordinary Shares and Deferred Shares arising on Conversion, being the ratio of the Net Asset Value per C Share to the Net Asset Value per Ordinary Share at the Calculation Date, calculated to eight decimal places (with 0.000000005 being rounded upwards) more particularly being:

$$\frac{A}{B}$$

$$\text{Where } A = \frac{(C-D)}{B} \text{ and } B = \frac{(F-G)}{H}$$

Where C is the aggregate of:

- (a) the value of all the investments of the Company attributable to the C Shares valued in accordance with the Company’s normal accounting policies subject to such adjustments as the Directors may deem appropriate;
- (b) the amount which in the Directors’ opinion fairly reflects at the Calculation Date the value of the current assets of the Company attributable to the C Shares (excluding the investments valued at (a) above but including cash and deposits with or balances at bank and any accrued income less accrued expenses and other items of a revenue nature); and
- (c) any currency hedging arrangements attributable to the C Shares shall be deemed to have been closed out at the Calculation Date and the value of (or liability arising from) any such currency hedging arrangements taken out in relation to the C Shares shall be taken into account in full as an asset (or liability), as the case may be;

“conversion share”

means conversion shares of 25 pence each in the capital of the Company arising on the Conversion Date upon subdivision of the C Shares;

“D”	is the amount (to the extent not otherwise deducted in the calculation of “C”) which in the Directors’ opinion fairly reflects the amount of the liabilities and expenses attributable to the C Shares at the Calculation Date (including, for the avoidance of doubt, all expenses of the issue of the C Shares and any declared but unpaid special dividend in respect of the C Shares);
“E”	is the number of C Shares in issue at the Calculation Date;
“F”	is the aggregate of: <ul style="list-style-type: none"> (a) the value of all the investments of the Company attributable to the Ordinary Shares valued in accordance with the Company’s normal accounting policies, subject to such adjustments as the Directors may deem appropriate; (b) the amount which, in the Directors’ opinion, fairly reflects at the Calculation Date the value of current assets of the Company attributable to the Ordinary Shares (excluding the investments valued under (a) above but including cash and deposits with or balances at bank and any accrued income less accrued expenses and other items of a revenue nature); and (c) any currency hedging arrangements attributable to the Ordinary Shares shall be deemed to have been closed out at the Calculation Date and the value of (or liability arising from) any such currency hedging arrangements taken out in relation to the Ordinary Shares shall be taken into account in full as an asset (or liability), as the case may be;
“G”	is the amount which (to the extent not otherwise deducted in the calculation of F) in the Directors’ opinion fairly reflects the amount of the liabilities and expenses of the Company attributable to the Ordinary Shares at the Calculation Date including any declared but unpaid interim dividend; and
“H”	is the aggregate of the number of Ordinary Shares (excluding any Ordinary Shares held in treasury) in issue at the Calculation Date provided that the Directors shall be entitled to make such adjustments to the value or amount of A or B as the Auditors shall state, in their opinion, is appropriate having regard, <i>inter alia</i> , (a) to the assets of the Company immediately prior to the Issue Date and (b) to the reasons for the issue of the C Shares set out in the terms of issue of the C Shares;
“C Share Surplus”	means the net assets of the Company attributable to the C Shareholders (for the avoidance of doubt, including any income and/or revenue arising from or relating to such assets less such proportion of the Company’s liabilities, including the fees and expenses of the liquidation or return of capital (as the case may be) as the directors or any liquidator (as the case may be) shall reasonably allocate to the assets of the Company attributable to the C Shareholders);
“Deferred Shares”	means deferred shares of 25 pence each in the capital of the Company arising upon Conversion;

“Force Majeure Circumstances”	<p>means:</p> <p>(a) any political and/or economic circumstances and/or actual or anticipated changes in fiscal or other legislation which, in the reasonable opinion of the directors, renders Conversion necessary or desirable notwithstanding that less than the appropriate percentage of the Net Proceeds have been invested or that the date set as the date for Conversion by the directors for the C Shares has not been reached;</p> <p>(b) the issue of any legal proceedings challenging or seeking to challenge the power of the Company and/or its directors to issue the C Shares with the rights proposed to be attached to them and/or to the persons to whom they are, and/or the terms upon which they are, proposed to be issued; or</p> <p>(c) the convening of any general meeting of the Company at which a resolution is to be proposed to wind up the Company,</p> <p>whichever shall happen earliest;</p>
“the Investment Manager”	means the investment manager from time to time of the Company’s investments;
“the Issue Date”	means the day on which the Company receives the proceeds of the issue of the C Shares (whether received gross or net of expenses);
“Net Proceeds”	means the net cash proceeds of the issue of C Shares (after deduction of all commissions and expenses attributable to C Shares and payable by the Company);
“New Ordinary Shares”	means the new Ordinary Shares arising upon Conversion; and
“Ordinary Share Surplus”	means the net assets of the Company attributable to the holders of Ordinary Shares (for the avoidance of doubt, including any income and/or revenue arising from or relating to such assets less such proportion of the Company’s liabilities, including the fees and expenses of the liquidation or return of capital (as the case may be) as the directors or any liquidator (as the case may be) shall reasonably allocate to the assets of the Company attributable to the holders of Ordinary Shares).

(g) Transfer of shares

A share in certificated form may be transferred by an instrument of transfer, which may be in any usual form or in any other form approved by the directors, executed by or on behalf of the transferor and, where the share is not fully paid, by or on behalf of the transferee. A share in uncertificated form may be transferred by means of the relevant electronic system concerned.

The directors may refuse to register the transfer of a share in certificated form which is not fully paid.

The directors may also refuse to register a transfer of a share in certificated form unless the instrument of transfer:

- (i) is lodged, duly stamped, at the registered office of the Company or such other place as the directors may appoint and is accompanied by the certificate for the share 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;

- (ii) is in respect of only one class of share; and
- (iii) is not in favour of more than four transferees.

The directors may refuse to register a transfer of a share in any case where the Company is entitled to refuse to register the transfer under the Regulations provided that such refusal does not prevent dealings in the shares from taking place on an open and proper basis.

No fee shall be charged for the registration of any instrument of transfer or other document or instruction relating to or affecting the title to any share.

If at any time the holding or beneficial ownership of any shares in the Company by any person (whether on its own or taken with other shares), in the opinion of the directors: (i) would cause the assets of the Company to be treated as “plan assets” of any Benefit Plan Investor under section 3(42) of ERISA or under the US Tax Code; (ii) would or might result in the Company and/or its shares and/or any of its appointed Portfolio Managers or investment advisers being required to be registered or qualified under the Investment Company Act and/or the Investment Advisers Act and/or the Securities Act and/or the Exchange Act and/or any similar legislation (in any jurisdiction) that regulates the offering and sale of securities; (iii) may cause the Company not to be considered a “Foreign Private Issuer” under the Exchange Act; (iv) would result in a person holding shares in the Company in violation of the transfer restrictions set forth in any prospectus published by the Company, from time to time; (v) may cause the Company to be a “controlled foreign corporation” for the purpose of the US Tax Code; (vi) may cause the Company to become subject to any withholding tax or reporting obligation under FATCA or any similar legislation in any territory or jurisdiction, or to be unable to avoid or reduce any such tax or to be unable to comply with any such reporting obligation (including by reason of the failure of the shareholder concerned to provide promptly to the Company such information and documentation as the Company may have requested to enable the Company to avoid or minimise such withholding tax or to comply with such reporting obligation); or (vii) would result in any shares being owned, directly or indirectly, by any person who is deemed to be a non-qualified member, then the directors may declare the Shareholder in question a “**Non-Qualified Member**” and the directors may require that any shares held by such Shareholder (“**Prohibited Shares**”) (unless the Shareholder concerned satisfies the directors that he is not a Non-Qualified Member) be transferred to another person who is not a Non-Qualified Member, failing which the Company may itself dispose of such Prohibited Shares at the best price reasonably obtainable and pay the net proceeds to the former holder.

(h) **Untraced shareholders**

Subject to various notice requirements, the Company may sell any of a shareholder’s shares if, during a period of 12 years, at least three cash dividends (either interim or final) on such shares have become payable and no cheque for amounts payable in respect of such shares has been presented and no warrant or other method of payment has been effected and no communication has been received by the Company from the shareholder or person concerned.

(i) **Appointment of directors**

Unless the Company determines otherwise by ordinary resolution, the number of directors (other than alternate directors) shall not be subject to any maximum but shall not be less than two.

Subject to the Articles, the Company may by ordinary resolution appoint a person who is willing to act as, and is permitted by law to do so, to be a director either to fill a vacancy or as an additional director. The directors may appoint a person who is willing to act, and is permitted by law to do so, to be a director, either to fill a vacancy or as an additional director. A person appointed as a director by the other directors is required to retire at the Company’s next annual general meeting and shall then be eligible for reappointment.

(j) **Powers of directors**

The business of the Company shall be managed by the directors who, subject to the provisions of the Articles and to any directions given by special resolution to take, or refrain from taking, specified action, may exercise all the powers of the Company.

Any director may appoint any other director, or any other person approved by resolution of the directors and willing to act and permitted by law to do so, to be an alternate director.

(k) **Voting at board meetings**

No business shall be transacted at any meeting of the directors unless a quorum is present and the quorum may be fixed by the directors; unless so fixed at any other number the quorum shall be two. A director shall not be counted in the quorum present in relation to a matter or resolution on which he is not entitled to vote but shall be counted in the quorum present in relation to all other matters or resolutions considered or voted on at the meeting. An alternate director who is not himself a director shall, if his appointor is not present, be counted in the quorum.

Questions arising at a meeting of the directors shall be decided by a majority of votes. In the case of an equality of votes, the chairman of the meeting shall have a second or casting vote.

(l) **Restrictions on voting and directors' interests**

Subject to the provisions of the Companies Act and provided that the director has disclosed to the other directors the nature and extent of any material interest of his, a director, notwithstanding his office, 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 of, or employed by, or a party to any transaction or arrangement with, or otherwise interested in, any body corporate in which the Company is interested, save that the relevant director (and any other director with a similar interest) shall not count towards the quorum nor vote on any resolution approving his conflict, and the relevant director (and any other director with a similar interest) may be excluded from any meeting of the Board whilst the conflict is under consideration.

(m) **Indemnity**

Subject to the provisions of the Companies Act, the Company may indemnify any director or any former director of the Company or of any associated company against any liability and may purchase and maintain insurance for any director or former director or of any associated company insurance against any liability.

(n) **General meetings**

In the case of the annual general meeting, 21 clear days' notice at the least shall be given to all the Shareholders and to the auditors. All other general meetings may be called by not less than 14 clear days' notice.

Meetings may be physical or electronic or a combination of both.

No business shall be transacted at any meeting unless a quorum is present. Two persons entitled to vote upon the business to be transacted, each being a Shareholder or a proxy for a Shareholder or a duly authorised representative of a corporation which is a Shareholder (including for this purpose two persons who are proxies or corporate representatives of the same shareholder), shall be a quorum.

A Shareholder is entitled to appoint another person as his proxy to exercise all or any of his rights to attend and to speak and vote at a meeting of the Company. Subject to the provisions of the Companies Act, any corporation (other than the Company itself) which is a Shareholder may, by its common seal or signed on its behalf lawfully by an agent also appoint a proxy.

The appointment of a proxy shall not preclude a Shareholder from attending and voting at the meeting or at any adjournment of it.

Directors may attend and speak at general meetings and at any separate meeting of the holders of any class of shares, whether or not they are Shareholders.

A poll on a resolution may be demanded at a general meeting either before a vote on a show of hands on that resolution or immediately after the result of a show of hands on that resolution is declared. A poll may be demanded by the Chairman or by: (a) at least five persons present and entitled to vote on the resolution; or (b) any member or members representing not less than one-tenth of the total voting rights of all the members having the right to vote on the resolution; or (c) any member or members holding shares conferring a right to vote on the resolution on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all the shares conferring that right.

4. RIGHTS ATTACHING TO THE ZDP SHARES

The rights attaching to the ZDP Shares are set out in the 2025 ZDPCo Articles and include the following provisions:

(a) **Limited life**

2025 ZDPCo has a limited life and, unless a ZDP Recommended Resolution (as defined below) or a ZDP Reconstruction Resolution (as defined below) has previously been approved in accordance with the 2025 ZDPCo Articles or the Directors have previously been released from their obligations by the passing of a special resolution of 2025 ZDPCo in general meeting and by the passing of a special resolution at a class meeting of ZDP Shareholders, 2025 ZDPCo will be placed into voluntary liquidation following a general meeting of 2025 ZDPCo which the Directors shall be required to convene on 30 April 2025 for the purposes of passing a Scheduled Winding-Up Resolution.

A general meeting:

(1) may be called by the Directors at any time prior to the ZDP Repayment Date for the purposes of proposing a Scheduled Winding-Up Resolution where, notwithstanding the fact that 2025 ZDPCo will be placed into voluntary liquidation prior to the ZDP Repayment Date, the Directors are of the reasonable opinion that the ZDP Shareholders will be entitled to receive the full the Final Capital Entitlement upon such winding-up of 2025 ZDPCo; or

(2) shall be called by the Directors for the purposes of proposing a Winding-Up Resolution.

The Company has undertaken to vote in favour of any Scheduled Winding-Up Resolution or any Winding-Up Resolution tabled following a continuation vote not being approved which is proposed to the members in general meeting.

(b) **Income**

The ZDP Shares carry no right to receive dividends or other distributions out of revenue or any other profits of 2025 ZDPCo.

(c) **Capital**

On a return of capital, on a winding up or otherwise, the assets of 2025 ZDPCo available for distribution to members in accordance with the Companies Act shall be applied as follows:

(1) first, there shall be paid to holders of the ZDP Shares an amount equal to the initial capital entitlement of 100 pence as increased at such rate as accrues daily and compounds daily to give an entitlement to 133.18 pence at 30 April 2025, the first such increase to be deemed to have occurred on 9 January 2018 and the last to occur on 29 April 2025; and

(2) secondly, there shall be paid to the holders of the ordinary shares the balance of the assets of 2025 ZDPCo available for distribution in accordance with the Companies Act 2006.

(d) **Voting rights**

The ZDP Shareholders shall have a right to receive notice of general meetings of 2025 ZDPCo for information purposes, but shall have no right to attend or vote at any such meeting of 2025 ZDPCo. For avoidance of doubt:

- (1) any resolution to alter, modify or abrogate the special rights or privileges attached to the ZDP Shares shall require separate class consent (by special resolution) at a class meeting of ZDP Shareholders; and
- (2) any ZDP Recommended Resolution (as defined in section paragraph 4(f) below), or ZDP Reconstruction Resolution (as defined in paragraph 4(f) below) shall only be approved by Ordinary Shareholders provided they have first been approved at a class meeting of ZDP Shareholders (by special class resolution) in accordance with paragraph 4(e) below,

Notwithstanding any other provision of the 2025 ZDPCo Articles, on any vote on a ZDP Recommended Resolution or ZDP Reconstruction Resolution each holder of ZDP Shares present in person or by proxy shall, on a poll, have such number of votes in respect of each ZDP Share held by him (including fractions of a vote) that the aggregate number of votes cast in favour of the resolution is four times the aggregate number of votes cast against the resolution and each member present in person or by proxy and entitled to vote who votes against such resolution shall on a poll have one vote for each ZDP Share held by him; provided that, if any term of any offer or arrangement referred to in paragraphs 4(e) or 4(f) below (as the case may be) shall (as regards any one or more members) have been breached in any material respect of which the chairman of the relevant meeting has written notice prior to the commencement of such meeting then, notwithstanding anything in the 2025 ZDPCo Articles to the contrary, each member shall, at any such meeting at which such Shareholder is present in person or by proxy, and entitled to vote, on a poll have one vote for every such ZDP Share held by him. Any vote on any ZDP Reconstruction Resolution or ZDP Recommended Resolution shall be by means of a poll.

(e) **Class rights**

2025 ZDPCo shall not without the previous sanction of a special resolution of the holders of the ZDP Shares passed at a separate meeting of such holders convened and held in accordance with the provisions of the 2025 ZDPCo Articles:

- (1) issue any further shares or rights to subscribe or convert any securities into shares or reclassify issued share capital into shares, save that 2025 ZDPCo may, subject to the provisions of the 2025 ZDPCo Articles, issue such further shares, rights or securities provided that ZDPCo Directors shall have calculated and the auditors of 2025 ZDPCo shall have reported to ZDPCo Directors that, were the further shares to be issued or the shares to be reclassified or rights of subscription or conversion to be issued and immediately exercised at the date of the report, the ZDP Shares in issue immediately thereafter would have a Cover of not less than 1.9 times or Cover would otherwise be increased as a result of such issue or reclassification. For this purpose, the “**Cover**” of the ZDP Shares shall represent a fraction where the numerator is equal to the Gross Assets of the Company and its Group on a consolidated basis adjusted to: (i) deduct current liabilities; and (ii) deduct the estimated liquidation costs of 2025 ZDPCo and any borrowings ranking in priority to the Company’s payment obligations to 2025 ZDPCo; and the denominator is equal to the amount which would be paid on the ZDP Shares as a class (and on any shares in 2025 ZDPCo ranking as to capital in priority thereto or *pari passu* therewith) on a winding up of 2025 ZDPCo on the ZDP Repayment Date. In calculating such Cover, the Directors shall, where available:
 - use the portfolio valuations underlying the net asset value figure published by the Parent at the end of the immediately preceding month (or on such other recent date as the Board in its absolute discretion may determine);

- assume that the Action had been undertaken at the end of the month prior to the Calculation Date (or on such other recent date as the Board in its absolute discretion may determine);
- adjust the aggregate net asset value of the issued shares of the Parent on a consolidated basis at the end of the said month (or on such other recent date as the Board in its absolute discretion may determine) by adding the minimum net consideration (if any) which would be received upon such Action and by deducting any consideration payable on such Action;
- when calculating the denominator, aggregate the capital entitlements of the existing ZDP Shares and the capital entitlements of any new ZDP Shares or reclassified shares or securities or rights (or any other shares ranking as to capital in priority thereto or pari passu therewith) to be issued or reclassified as aforesaid, in each case as at the Calculation Date; and
- make such other adjustments as they in their absolute discretion consider appropriate.

The Directors shall have absolute discretion to determine whether the conditions set out above are satisfied in any case and no independent valuation need be carried out.

- (2) pass any resolution, other than any ZDP Recommended Resolution or ZDP Reconstruction Resolution, releasing ZDPCo Directors from their obligation to convene a general meeting at which a Scheduled Winding-Up Resolution is to be proposed or otherwise vary the effect of paragraph 4(f) below; or
- (3) pass a resolution to reduce the capital of 2025 ZDPCo (including undistributable reserves and uncalled capital) in any manner, or any resolution authorising ZDPCo Directors to purchase Shares in 2025 ZDPCo, other than a Scheduled Winding-Up Resolution, a ZDP Reconstruction Resolution, ZDP Recommended Resolution or any of the equivalent resolutions in respect of ZDP Shares; or
- (4) pass any resolution which authorises ZDPCo Directors to pay a dividend out of 2025 ZDPCo's capital reserve save that no such sanction shall be required provided that in any event the Cover Test is satisfied; or
- (5) pass any resolution authorising or permitting any borrowings of 2025 ZDPCo other than: money owed by 2025 ZDPCo or its subsidiaries to any other member of the Group; or
- (6) make any variation to the terms of the 2025 Loan Agreement or the 2025 Contribution Agreement which, at the time of such amendment, could reasonably be considered to be materially prejudicial to the interests of the ZDP Shareholders; or
- (7) pass a resolution resulting in less than two individuals from the board of directors of the Company being on the board of directors of 2025 ZDPCo as constituted from time to time; or
- (8) permit or ratify any waiver or grant any consent under the terms of the 2025 Loan Agreement or the 2025 Contribution Agreement relating to any change in the investment policy of the Company which, at the time of such amendment, would in the reasonable opinion of the Directors be materially prejudicial to the interests of the holders of ZDP Shares; or

Notwithstanding anything to the contrary in the 2025 ZDPCo Articles, one of the rights attaching to the ordinary shares and ZDP Shares shall be that the passing and implementation of any Scheduled Winding-Up Resolution, ZDP Reconstruction Resolution or ZDP Recommended Resolution shall be in accordance with the rights attached to the ordinary shares and ZDP Shares, with the result that neither the passing nor the implementation of any such resolution shall be treated as varying, modifying or abrogating such rights and so that the consent or sanction of any such class of Shares as a separate class shall not be required thereto.

(f) **ZDP recommended resolution and ZDP reconstruction resolution**

Notwithstanding the provisions of the 2025 ZDPCo Articles described above, if all the holders of the ZDP Shares receive an offer (whether by 2025 ZDPCo or any other person, including any proposals for a reduction or cancellation of capital, capitalisation issue, share purchase or repurchase and/or redemption of Shares of the relevant class or any Shares issued in substitution therefor) recommended by the directors and complying with the provisions below which becomes or is declared unconditional on or prior to the ZDP Repayment Date (and before the passing of a Scheduled Winding-Up Resolution), under which such holders (or holders other than the offeror and/or persons acting in concert with the offeror) would receive not later than the ZDP Repayment Date an amount in cash equal to not less than the amount to which such holders would otherwise have been entitled on the winding-up of 2025 ZDPCo as a result of the passing of a Scheduled Winding-Up Resolution (ignoring any option any ZDP Shareholders may be given to elect to receive alternative consideration pursuant to the offer), then such offer shall be a “**ZDP Recommended Resolution**”.

Any such offer as is referred to above must be stated to be, in the opinion of a financial adviser appointed by the directors, fair and reasonable and in the interests of the members as a whole.

Notwithstanding the provisions above, in the event that at any general meeting(s) held on or prior to the ZDP Repayment Date (and before the passing of a Scheduled Winding-Up Resolution) there is proposed any resolution or resolutions recommended by the Directors and complying with the provisions below to:

- (1) sanction any form of arrangement for the transfer of all or part of 2025 ZDPCo’s assets to another entity; or
- (2) effect any other arrangement by means of a reduction of capital, distribution in specie or any other lawful procedure or arrangement whatsoever whether or not involving the winding-up of 2025 ZDPCo,

in either case such that the holders of the ordinary shares and the ZDP Shares shall receive not later than the ZDP Repayment Date an amount in cash estimated by the directors to be not less than that to which the directors estimate that such holders would respectively otherwise be entitled on a winding-up as a result of the passing of a Scheduled Winding-Up Resolution or on the ZDP Repayment Date (ignoring any option any of them may be given to elect to receive their entitlements otherwise than in cash pursuant to the arrangement), then such resolution shall be a “**ZDP Reconstruction Resolution**”.

Any ZDP Reconstruction Resolution must be stated to be, in the opinion of a financial adviser appointed by the Directors, fair and reasonable and in the interests of the members as a whole.

(g) **ERISA**

If at any time the holding or beneficial ownership of any shares in 2025 ZDPCo by any person (whether on its own or taken with other shares), in the opinion of the directors: (i) would cause the assets of 2025 ZDPCo to be treated as “plan assets” of any Benefit Plan Investor under section 3(42) of ERISA or under the US Tax Code; (ii) would or might result in 2025 ZDPCo and/or its shares and/or any of its appointed Portfolio Managers or investment advisers being required to be registered or qualified under the Investment Company Act and/or the Investment Advisers Act and/or the Securities Act and/or the Exchange Act and/or any similar legislation (in any jurisdiction) that regulates the offering and sale of securities; (iii) may cause 2025 ZDPCo not to be considered a “Foreign Private Issuer” under the Exchange Act; (iv) would result in a person holding shares in 2025 ZDPCo in violation of the transfer restrictions set forth in any prospectus published by 2025 ZDPCo, from time to time; (v) may cause 2025 ZDPCo to be a “controlled foreign corporation” for the purpose of the US Tax Code; (vi) may cause 2025 ZDPCo to become subject to any withholding tax or reporting obligation under FATCA or any similar legislation in any territory or jurisdiction, or to be unable to avoid or reduce any such tax or to be unable to comply with any such reporting obligation (including by reason

of the failure of the shareholder concerned to provide promptly to 2025 ZDPCo such information and documentation as 2025 ZDPCo may have requested to enable 2025 ZDPCo to avoid or minimise such withholding tax or to comply with such reporting obligation); or (vii) would result in any shares being owned, directly or indirectly, by any person who is deemed to be a non-qualified member, then the directors may declare the Shareholder in question a “**Non-Qualified Member**” and the directors may require that any shares held by such Shareholder (“**Prohibited Shares**”) (unless the Shareholder concerned satisfies the directors that he is not a Non-Qualified Member) be transferred to another person who is not a Non-Qualified Member, failing which 2025 ZDPCo may itself dispose of such Prohibited Shares at the best price reasonably obtainable and pay the net proceeds to the former holder.

Other than the standard ERISA restrictions set out in the immediately preceding paragraph, there are no restrictions on the free transferability of the ZDP Shares.

5. MANDATORY BIDS AND COMPULSORY ACQUISITION RULES RELATING TO THE ORDINARY SHARES

(a) Mandatory bid

The City Code on Takeovers and Mergers applies to the Company. Under Rule 9 of the City Code, if:

- (i) a person acquires an interest in shares in the Company which, when taken together with shares already held by him or persons acting in concert with him, carry 30 per cent. or more of the voting rights in the Company; or
- (ii) a person who, together with persons acting in concert with him, is interested in not less than 30 per cent. and not more than 50 per cent. of the voting rights in the Company acquires additional interests in shares which increase the percentage of shares carrying voting rights in which that person is interested, the acquiror and, depending on the circumstances, its concert parties, would be required (except with the consent of the Panel on Takeovers and Mergers) to make a cash offer for the outstanding shares in the Company at a price not less than the highest price paid for any interests in the Ordinary Shares, or the C Shares (as applicable) by the acquiror or its concert parties during the previous 12 months.

(b) Compulsory acquisition

Under sections 974 to 991 of the Companies Act, if an offeror acquires or contracts to acquire (pursuant to a takeover offer) not less than 90 per cent. of the shares (in value and by voting rights) to which such offer relates it may then compulsorily acquire the outstanding shares not assented to the offer. It would do so by sending a notice to outstanding holders of shares telling them that it will compulsorily acquire their shares and then, six weeks later, it would execute a transfer of the outstanding shares in its favour and pay the consideration to the Company, which would hold the consideration on trust for the outstanding holders of shares. The consideration offered to the holders whose shares are compulsorily acquired under the Companies Act must, in general, be the same as the consideration that was available under the takeover offer.

In addition, pursuant to section 983 of the Companies Act, if an offeror acquires or agrees to acquire not less than 90 per cent. of the shares (in value and by voting rights) to which the offer relates, any holder of shares to which the offer relates who has not accepted the offer may require the offeror to acquire his shares on the same terms as the takeover offer.

The offeror would be required to give any holder of shares notice of his right to be bought out within one month of that right arising. Sell-out rights cannot be exercised after the end of the period of three months from the last date on which the offer can be accepted or, if later, three months from the date on which the notice is served on the holder of shares notifying them of their sell-out rights. If a holder of shares exercises his/her rights, the offeror is bound to acquire those shares on the terms of the offer or on such other terms as may be agreed.

6. INFORMATION ON THE DIRECTORS

- (a) Details of the names of companies and partnerships (excluding directorships of the Company, Existing ZDPCo and 2025 ZDPCo) of which the Directors are or have been members of the administrative, management or supervisory bodies or partners at any time in the five years preceding the date of this Prospectus:

<i>Name</i>	<i>Current directorships/partnerships</i>	<i>Past directorships/partnerships</i>
Lord Lamont	Jupiter European Opportunities Trust PLC The Centre for Islamic Finance Rocklea Limited Stanhope Gate Architecture Limited Omfif Foundation Limited The British-Iranian Chamber of Commerce Compagnie Internationale de Participations Bancaires et Financieres	Jupiter Second Split Trust PLC Jupiter Financial Trust PLC Balli Group PLC RAB Capital Limited The British Romanian Chamber of Commerce Pacific Life RE Limited Pacific Life RE Services Limited Land Holdings (London) Limited N.M. Rothschild & Sons Limited
David Harris	Chalfont Productions Limited Core VCT V PLC Manchester and London Investment Trust Public Limited Company F & C Managed Portfolio Trust PLC SDF Productions Limited Premier Absolute Growth & Income Trust PLC. The Character Group PLC Grosvenor Park 2003 Film Partnership No.1 LLP Invatrust Limited	Cobra Holdings Limited Phoros Client Services Limited Honourable Society of Knights of the Round Table
William van Heesewijk	–	–
Howard Myles	JPMorgan Brazil Investment Trust plc Aberdeen Private Equity Fund Limited Baker Steel Resources Trust Limited The Forest Company Limited Lazard World Trust Fund SICAF BBGI SICAV	Octant Capital Group Limited Octant Capital UK LLP

- (b) Lord Lamont was a non-executive director of Balli Group PLC (“**BGP**”), a private company owned by an Anglo-Iranian family, from 25 September 1995 to 19 October 2012. BGP and its subsidiaries (the “**Group**”) were engaged in the trading of steel raw materials and steel products, chemicals, non-ferrous metals and agricultural products. On 20 March 2013 the Group was placed into administration. In February 2010 a subsidiary of BGP, Balli Aviation Ltd (“**Balli Aviation**”), under a plea agreement with the US Justice Department, agreed to pay \$15 million in criminal and civil fines and to be placed on corporate probation. According to charges filed in a US district court in Washington, from October 2005 to October 2008, Balli Aviation conspired to export aircraft from the US to Iran without obtaining a required export licence from US government officials. Lord Lamont had no involvement in Balli Aviation or the US Case, nor was he named in any of the court documents.

The Serious Fraud Office commenced an investigation into BGP in September 2016 (announcing this fact in May 2017) in connection with suspected fraud offences. It is not believed that anyone has yet been officially charged in connection with the SFO Investigation

and no names of those being investigated have been released. Lord Lamont has had no contact of any kind with the SFO and they have not attempted to contact him in regard thereto.

There is no suggestion, public or otherwise, that Lord Lamont was involved or implicated in any way in the US Case during his tenure as a director of BGP, and there is nothing linking him with the SFO Investigation. Any criticism of Lord Lamont could have an adverse effect on the Company and 2025 ZDPCo and their reputations.

- (c) None of the Directors:
- (i) has any convictions in relation to fraudulent offences for at least the previous five years; or
 - (ii) has been declared bankrupt or been a director or member of the administrative, management or supervisory body of a company or a senior manager of a company at the time of any receivership or liquidation for at least the previous five years; or
 - (iii) has been subject to any official public incrimination and/or sanctions by any statutory or regulatory authority (including designated professional bodies) or has ever been disqualified by a court from acting as a director of a company or from acting as a member of the administrative, management or supervisory bodies of a company or from acting in the management or conduct of the affairs of any company for at least the previous five years.

7. DIRECTORS' AND OTHERS' INTERESTS

- (a) As at the date of this Prospectus, the Directors held the following interests in the share capital of the Company, Existing ZDPCo and 2025 ZDPCo:

Name	No. of Ordinary Shares held	% of voting rights	No of Existing ZDP Shares held	No of ZDP Shares held
Lord Lamont of Lerwick	69,900	0.39%	10,000	Nil
David Harris	5,802	0.03%	Nil	Nil
William van Heesewijk	90,000	0.51%	Nil	Nil
Howard Myles	Nil	Nil	Nil	Nil

- (b) Save as disclosed in paragraph 7(a) of this Part IX, no Director has any interest, whether beneficial or non-beneficial, in the share or loan capital of the Company, Existing ZDPCo or 2025 ZDPCo.
- (c) The voting rights of the Company's shareholders are the same in respect of each Share of the relevant class held in the share capital of the Company.
- (d) As at the Latest Practicable Date and save as set out below, the Company is not aware of any person who currently holds (or will, immediately following Initial Admission, hold) three per cent. or more of the voting rights in the Company as a Shareholder or through a direct or indirect holding of financial instruments (in each case for the purposes of Chapter 5 of the Disclosure and Transparency Rules):

Name	Number of voting rights held	% voting rights
Charles Stanley Group (nominee holding)	1,511,832	8.51
Consistent Unit Trust Management	775,000	4.36
Philip J Milton & Company	622,275	3.50
Jupiter Asset Management Limited	600,000	3.38

The Company is not aware of any person who, directly or indirectly owns or controls the Company. The Company is not aware of any arrangements the operation of which may at a subsequent date result in a change of control of the Company.

- (e) The Directors are, in addition to the Company, Existing ZDPCo and 2025 ZDPCo, directors/partners of the companies listed in paragraph 6 of this Part IX. Mr van Heesewijk is Business Development Director with the Company's investment manager, Chelverton Asset Management Limited. The Article and the 2025 ZDPCo Articles contain provisions whereby a Director shall not vote, *inter alia*, in respect of any matter in which he has, directly or indirectly,

any material interest. Save, in relation to the directorships listed in paragraph 6 of this Part IX, there are no potential conflicts of interest between any duties owed by the Directors to the Company and/or 2025 ZDPCo and their private interests and any other duties. The Investment Manager and any of its directors, officers, members, employees, agents and affiliates and each of the Directors and any person or company with whom they are affiliated or by whom they are employed (each an “**Interested Party**”) may be involved in other financial, investment or other professional activities which may cause conflicts of interest with the Company. In particular, Interested Parties may provide services similar to those provided to the Company to other entities and shall not be liable to account for any profit from any such services. For example, an Interested Party may acquire on behalf of a client an investment in which the Company may invest.

- (f) The Board considers that there are no conflicts of interest between any duties to 2025 ZDPCo and any of the persons set out at Listing Rule 14.1.

8. DIRECTORS’ APPOINTMENTS

Under the terms of their appointments as non-executive Directors of the Company, the Directors are entitled to the following annual fees:

	Annual fee
Position	
Chairman	£20,000
Chairman of the Audit Committee	£20,000
Other Non-executive Directors	£17,500

Mr van Heesewijk does not receive a fee. The Directors hold their office in accordance with the Articles and their appointment letters. No Director has a service contract with the Company, nor are any such contracts proposed. The retirement, disqualification and removal provisions relating to the Directors (in their capacity as directors) are summarised in paragraph 3 of this Part IX.

9. EMPLOYEES

Neither the Company nor 2025 ZDPCo has any employees.

10. MATERIAL CONTRACTS AND RELATED PARTY TRANSACTIONS

- (a) The following are the only contracts (not being contracts entered into in the ordinary course of business) which have been entered into by the Company or 2025 ZDPCo in the two year period prior to the date of this Prospectus and which are or may be material to the Company or 2025 ZDPCo or have been entered into by the Company or 2025 ZDPCo at any time and contain a provision under which the Company or 2025 ZDPCo has any obligation or entitlement which is material to the Company or 2025 ZDPCo at the date of this Prospectus:

- (i) A placing agreement dated 24 November 2017 entered into by the Company, 2025 ZDPCo, the Investment Manager and Stockdale (the “**Placing Agreement**”) pursuant to which, subject to certain conditions, Stockdale has agreed *inter alia* to act as sponsor in respect of the Issue and the Placing Programme.

The Placing Agreement is conditional on, among other things, Initial Admission and Initial ZDP Admission occurring by 8.00 a.m. on 8 January 2018 (or such later date, being not later than 31 January 2018, as the Company, Stockdale and the Investment Manager may agree).

In the event that any of the conditions in the Placing Agreement are not met, Stockdale shall not, amongst other things, be under any obligation to complete the Placing, the Company shall withdraw its applications for Initial Admission and Initial ZDP Admission (making such announcement as reasonably required by Stockdale) and appropriate arrangements for the return of Placing and ZDP Placing monies received shall be made.

Stockdale has agreed to use its reasonable endeavours to procure subscribers for the applicable Shares pursuant to the Placing and the ZDP Placing, and, subject to the satisfaction of certain conditions, to the Placing Programme and the ZDP Placing Programme. In consideration for its services under the Placing Agreement and conditional upon completion of the Placing, ZDP Placing, applicable Subsequent Placing or applicable Subsequent ZDP Placing, Stockdale will be paid a customary placing commission calculated by reference to the relevant gross proceeds raised by the relevant Placing, ZDP Placing, Placing Programme and ZDP Placing Programme.

The Company, 2025 ZDPCo and the Investment Manager have, in the Placing Agreement, given certain customary warranties and the Company and 2025 ZDPCo have agreed to provide customary indemnities to Stockdale.

- (ii) An agreement dated 30 April 2006 between, *inter alia*, the Company and the Investment Manager whereby the Investment Manager is appointed to act as investment manager of the Company (the “**Investment Management Agreement**”).

Under the terms of the Investment Management Agreement, the Investment Manager is entitled to both a periodic fee and, if applicable, a performance fee. The periodic fee is payable by quarterly instalments at the rate of 1.0 per cent. per annum, exclusive of VAT, of the Company's aggregate gross assets. The performance fee is payable on fulfilment of certain performance conditions, and is subject to a cap of 1.0 per cent. of shareholder funds.

The Investment Management Agreement may be terminated by either party on 12 months' notice, and may be immediately terminated by either party in certain circumstances such as a material breach which is not remedied.

The Company has also agreed to indemnify the Investment Manager for losses that the Investment Manager may incur in the performance of its duties pursuant to the Investment Management Agreement or otherwise in connection with the Company's activities that are not attributable to the negligence, wilful default or fraud of the Investment Manager.

- (iii) An agreement dated 2 January 2015 between the Company and the Administrator and Company Secretary whereby the Administrator and Company Secretary is appointed to act as administrator, company secretary and fund accountant of the Company and 2025 ZDPCo, as amended (the “**Company Secretarial Agreement**”).

The Administrator and Company Secretary is entitled to receive a fee in respect of its fund valuation, accounting and investment operations of 0.09 per cent. per annum for the first £50,000,000 in value of the cash, securities or other assets of the Company (“**Scheme Property**”), 0.07 per cent. per annum on the next £50,000,000 of Scheme Property, 0.05 per cent. per annum on the next £100,000,000 of Scheme Property and 0.02 per cent. per annum on all Scheme Property thereafter. These fees are calculated monthly and payable monthly in arrears subject to a minimum fee of £40,000 per annum. These fees are subject to periodic review at intervals of not less than three years.

The Administrator and Company Secretary is also entitled to a fee of £20,000 plus VAT per annum in respect of the company secretarial services which it provides to the Company and to 2025 ZDPCo, such fees to be paid in monthly instalments.

The Company Secretarial Agreement may be terminated by either party giving to the other not less than six months' notice. The Company may also terminate the Company Secretarial Agreement by way of payment in lieu of notice, such payment to be calculated by reference to the fees which the Administrator and Company Secretary would have reasonably expected to receive in respect of the period of notice which would otherwise have applied.

The Company Secretarial Agreement may also be immediately terminated by either party in certain circumstances such as a material breach which is not remedied

The Agreement is governed by the laws of England and Wales.

- (iv) An agreement dated 23 November 2017 between the Company and the Custodian whereby the Custodian is appointed to provide custody services to the Company (the “**Custody Agreement**”).

The Custodian performs the customary services and it is permitted to delegate the performance of its obligations, subject to the Custodian first satisfying itself that any third party to which services are delegated is competent in that regard.

The Custodian is entitled to be paid a fee of £10,000 plus VAT per annum. In addition, the Custodian is entitled to a bargain charge of £10 per transaction and is also entitled to reimbursement of all out of pocket costs, expenses and charges reasonably and properly incurred on behalf of the Company.

The Custody Agreement may be terminated by either party on 30 days’ prior written notice.

- (v) An agreement dated 10 November 2008 between the Company and the Registrar and Receiving Agent whereby the Registrar and Receiving Agent is appointed to act as registrar of the Company, as amended by letters dated 30 June 2014 and 23 January 2017 (together the “**Registrar Agreement**”). The Registrar and Receiving Agent is entitled to receive an annual registration fee from the Company based on activity, subject to an annual minimum charge of £2,000 plus VAT. The Registrar and Receiving Agent is entitled to reimbursement of all out of pocket costs, expenses and charges reasonably and properly incurred and documented on behalf of the Company.

The Registrar Agreement was initially in force for a period of 12 months (the “**Initial Period**”). Following the expiry of the Initial Period, the agreement automatically remains in force, unless or until terminated by either party, either in accordance with the agreement (for example, in the case of a material breach of agreement or of the insolvency of a party, whereby the agreement may be terminated immediately upon notice), or if 6 months’ written notice is given to the other party.

The Registrar Agreement contains customary indemnities from the Company in favour of the Registrar.

The Registrar Agreement is governed by the laws of England.

- (vi) A receiving agent agreement dated 23 November 2017 between the Company and the Receiving Agent pursuant to which the Receiving Agent is appointed to act as the Company’s receiving agent in respect of the Issue and the ZDP Issue (the “**Receiving Agent Agreement**”).

The Receiving Agent shall be entitled to a base fee of £3,000 plus certain other fees, including a processing fee per Application Form. The Receiving Agent shall also be entitled to reimbursement of all out-of-pocket expenses reasonably incurred by it in connection with its duties. These fees will be for the account of the Company.

The Receiving Agent Agreement shall continue in force unless and until terminated by either party serving written notice in the event of the other party committing a material breach of its obligations under the agreement or upon the winding up, dissolution or administration of the other party.

The Receiving Agent Agreement contains customary indemnities from the Company in favour of the Receiving Agent.

- (vii) An agreement dated 23 November 2017 between the Company and the Receiving Agent pursuant to which the Receiving Agent is appointed to act as the Company’s receiving agent in respect of the Scheme (the “**Scheme Receiving Agent Agreement**”).

The Receiving Agent shall be entitled to a fee of £1,500 plus VAT. The Receiving Agent shall also be entitled to reimbursement of all out-of-pocket expenses reasonably

incurred by it in connection with its duties. These fees will be for the account of the Company.

The Scheme Receiving Agent Agreement may be terminated by either party if the other party is prevented from the performance of its obligations for a continuous period in excess of 7 days.

- (viii) An agreement dated 5 July 2017 between the Company and Stockdale pursuant to which Stockdale acts as corporate broker to the Company (the “**Broker Agreement**”). As part of the engagement, Stockdale has agreed, amongst other things, to advise on and co-ordinate an investor liaison programme for the Company, and to monitor and report to the Board where appropriate on the trading of the Ordinary Shares and the C Shares and significant movements in its share price.

The Broker Agreement may be terminated by either party on 90 days’ notice, provided that such notice may not be served prior to the expiry of 12 months from the date of the Broker Agreement.

The Company has agreed to provide a customary indemnity to Stockdale against all losses which Stockdale may suffer or incur by reason of or arising out of or in connection with its engagement under the Broker Agreement.

The Broker Agreement is governed by and construed in accordance with the laws of England.

- (ix) A loan agreement entered into by Existing ZDPCo (as lender) and the Company (as borrower) on 1 August 2012 (the “**Existing Loan Agreement**”). Pursuant to the Existing Loan Agreement, Existing ZDPCo agreed to provide the Company with a loan facility representing the cash proceeds of the issue of the Existing ZDP Shares.

The parties agreed that, immediately following any admission of Existing ZDP Shares, Existing ZDPCo shall lend the Company the gross proceeds received as payment for such Existing ZDP Shares, and the Company shall be required to apply such proceeds towards making investments in accordance with its investment policy and for working capital purposes.

The Existing Loan Agreement also provides that no interest will accrue on such loan.

- (x) A loan agreement entered into by 2025 ZDPCo (as lender) and the Company (as borrower) on 23 November 2017 (the “**2025 Loan Agreement**”). Pursuant to the 2025 Loan Agreement, 2025 ZDPCo has agreed to provide the Company with a loan facility representing the cash proceeds of the ZDP Issue and the ZDP Placing Programme.

The parties to the 2025 Loan Agreement have agreed that, immediately following any ZDP Programme Admission, 2025 ZDPCo shall lend the Company the gross proceeds received as payment for such ZDP Shares, and the Company shall be required to apply such proceeds towards making investments in accordance with its investment policy and investment objective and for working capital purposes.

The 2025 Loan Agreement also provides that no interest will accrue on the Loan.

Please refer to page 45 for a summary of the covenants to which the Company is subject under the 2025 Loan Agreement.

- (xi) A contribution agreement entered into by the Company and Existing ZDPCo on 1 August 2012 (the “**Existing Contribution Agreement**”), pursuant to which the Company has undertaken to contribute such funds as will ensure that Existing ZDPCo will have in aggregate sufficient assets on 8 January 2018 to satisfy the final capital entitlement of the Existing ZDP Shares, being 136.7 pence per Existing ZDP Share.

- (xii) A contribution agreement entered into by the Company and 2025 ZDPCo on 23 November 2017 (the “**2025 Contribution Agreement**”), pursuant to which the Company has undertaken to contribute such funds as will ensure that 2025 ZDPCo will

have in aggregate sufficient assets on 30 April 2025 to satisfy the Final Capital Entitlement of the ZDP Shares, being 133.18 pence per ZDP Share.

Please refer to page 45 for a summary of the covenants to which the Company is subject under the 2025 Contribution Agreement.

- (xiii) An amendment and novation of loan agreement entered into between the Company as borrower (1); Existing ZDPCo as transferor (2) and 2025 ZDPCo as transferee (3) on 23 November 2017 (the “**Amendment and Novation of Loan Agreement**”) pursuant to which the parties agreed to amend the terms of the Existing Loan Agreement with effect from 20 December 2017, but so that if Initial ZDP Admission does not occur by 8.00 am on 8 January 2018, such amendment shall cease to have effect. Under the amended terms, the repayment date for the Existing Loan (or, if less, a loan of such amount as equals the aggregate final capital entitlement of Existing ZDP Shares in respect of which the Rollover Option has been validly exercised) has been changed to 30 April 2025. Subject to the Scheme becoming unconditional in accordance with the terms thereof, the parties agree that on and from the Effective Date, the benefit and obligations under the Loan Agreement shall be transferred to 2025 ZDPCo.
 - (xiv) an amendment of contribution agreement entered into between the Company (1); Existing ZDPCo (2) and 2025 ZDPCo (3) on 23 November 2017 (the “**Amendment of Contribution Agreement**”) whereby the Existing Contribution Agreement was amended. Conditional on Initial ZDP Admission and pursuant to the Scheme, Existing ZDPCo agreed to transfer the benefit of the Existing Contribution Agreement but only so far as it relates to the aggregate final capital entitlement of Existing ZDP Shares which have been validly elected for the Rollover Option, and only to the extent that such aggregate final capital entitlement is greater than the Existing Loan. In addition, the parties agree to amend the Existing Contribution Agreement so that the contribution in respect of the aggregate final capital entitlement of the Existing ZDP Shares that have not elected for the Rollover Option is payable by the Company to Existing ZDPCo on 8 January 2018 and not three business days before that date.
- (b) Except with respect to the appointment letters entered into between the Company and each Director, the Investment Management Agreement, the Existing Loan Agreement, the Existing Contribution Agreement, the 2025 Loan Agreement and the 2025 Contribution Agreement, the Amendment and Novation of Loan Agreement, the Amendment of Contribution Agreement and the irrevocable undertaking referred to in relation to the Transfer Agreement referred to in paragraph 11 below, neither the Company nor 2025 ZDPCo has been a party to any related party transaction since its incorporation.

11. TRANSFER AGREEMENT

If the Scheme becomes effective, 2025 ZDPCo will enter into the Transfer Agreement with the liquidator of Existing ZDPCo (in his personal capacity and on behalf of Existing ZDPCo), pursuant to which the undertaking and assets of Existing ZDPCo which form the Rollover Fund will be transferred to 2025 ZDPCo in consideration for the issue of ordinary shares to the Company and ZDP Shares to holders of Existing ZDP Shares in accordance with the provisions of the Scheme. The parties to the Transfer Agreement have entered into an irrevocable undertaking to enter into the Transfer Agreement if the Scheme becomes effective.

12. LITIGATION

There 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 period commencing 12 months before the date of this Prospectus which may have, or have had in the recent past, significant effects on the financial position or profitability of the Company and/or the Group.

There have been no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which 2025 ZDPCo is aware) during the period from the incorporation of 2025 ZDPCo on 25 October 2017 which may have, or have had in the recent past, significant effects on the financial position or profitability of the 2025 ZDPCo.

13. GENERAL

- (a) The total costs (including fees and commissions) (exclusive of recoverable VAT) payable by the Company in connection with the Issue, Initial Admission and establishment of the Placing Programme and by 2025 ZDPCo in connection with the ZDP Issue, Initial ZDP Admission and establishment of the ZDP Placing Programme are estimated to amount in aggregate to up to £1.60 million assuming Gross Issue Proceeds of £75 million and Gross ZDP Issue Proceeds of £30.0 million. The estimated net cash proceeds accruing to the Company from the Issue are £73.60 million (assuming 75 million C Shares are issued pursuant to the Issue), and the estimated net cash proceeds accruing to 2025 ZDPCo from the ZDP Issue are £20.21 million (assuming 30.0 million ZDP Shares are issued pursuant to the ZDP Issue).

Under the Issue, on the basis that 75 million C Shares are to be issued at an issue price of 100 pence per C Share, the net assets of the Company would increase by approximately £73.60 million immediately after the close of the Issue, assuming that the expenses of the Issue do not exceed 1.87 per cent. of the estimated gross proceeds of the Issue of £75 million.

The maximum number of Ordinary Shares being made available under the Placing Programme is 30 million. The Net Proceeds of, and the costs and expenses of each Subsequent Placing of Ordinary Shares under, the Placing Programme will depend on subscriptions received. It is expected that the costs of issuing Ordinary Shares pursuant to any Subsequent Placings under the Placing Programme will be covered by issuing such Ordinary Shares at a premium to the prevailing cum income Net Asset Value per Ordinary Share.

Under the ZDP Issue, on the basis that 30.0 million ZDP Shares issued pursuant to the ZDP Issue at an issue price of 100 pence per ZDP Share, the gross assets of the Company would increase by approximately £20.2 million immediately after the close of the ZDP Issue, assuming that the expenses of the ZDP Issue do not exceed 0.4 per cent. of the estimated gross proceeds of the ZDP Issue of £30.0 million.

The maximum number of ZDP Shares being made available under the ZDP Placing Programme is 7.5 million. The Net Proceeds of, and the costs and expenses of each Subsequent ZDP Placing of ZDP Shares under, the ZDP Placing Programme will depend on subscriptions received. It is expected that the costs of issuing ZDP Shares pursuant to any Subsequent ZDP Placings under the ZDP Placing Programme will be covered by issuing such ZDP Shares at a premium to the prevailing cum income Net Asset Value per ZDP Share.

Following completion of the Issue and any Subsequent Placing, and the ZDP Issue and any Subsequent ZDP Placing, the net proceeds of the relevant issue will be invested in accordance with the Company's investment policy and pending investment will be held on deposit or invested in near cash instruments and consequently it is expected that the Company will derive earnings from Gross Assets in the form of dividends and interest.

- (b) The C Shares issued pursuant to the Issue and any Subsequent Placing will convert into Ordinary Shares. The number of Ordinary Shares into which each C Share converts will be determined by the relative NAV per C Share and NAV per Ordinary Share at the Conversion Date. As a result of Conversion, the percentage of the total number of issued Ordinary Shares held by each existing holder of Ordinary Shares will be reduced to the extent that Shareholders do not acquire a sufficient number of C Shares under Issue or Subsequent Placing (as applicable).
- (c) None of the C Shares or Ordinary Shares available under the Issue or any Subsequent Placing and none of the ZDP Shares available under the ZDP Placing or any Subsequent ZDP Placing are being underwritten.
- (d) The Placing and each Subsequent Placing and the ZDP Placing and each subsequent ZDP Placing are being carried out on behalf of the Company by Stockdale which is authorised and regulated in the United Kingdom by the Financial Conduct Authority.

- (e) The Investment Manager may be a promoter of the Company. Save as disclosed in paragraph 10 above no amount or benefit has been paid, or given, to the promoter or any of its subsidiaries since the incorporation of the Company and none is intended to be paid, or given.
- (f) Each of the Investment Manager and Stockdale has given and not withdrawn its written consent to the issue of this Prospectus with references to its name in the form and context in which such references appear. The telephone number of the Investment Manager is 01225 483030.
- (g) Where information contained in this Prospectus has been sourced from a third party, the Company confirms that such information has been accurately reproduced and, as far as the Company is aware and able to ascertain from information published by such third parties, no facts have been omitted which would render the reproduced information inaccurate or misleading.
- (h) The Company has no existing interests in real property and has no tangible fixed assets which are material to its business.
- (i) The expected aggregate market value of the C Shares will be at least £700,000.

14. INTERMEDIARIES

The Intermediaries authorised to use this Prospectus in connection with the Intermediaries Offer are set out below and will be listed on the Investment Manager's website at <http://chelvertonam.com/fund/small-companies-dividend-trust-plc/>.

Any new information with respect to financial intermediaries unknown at the time of publication of the Prospectus including in respect of: (i) an intermediary financial institution that is appointed by the Company in connection with the Intermediaries Offer after the date of this Prospectus following its agreement to adhere and be bound by the Intermediaries Terms and Conditions; and (ii) any Intermediary that ceases to participate in the Intermediaries Offer will be made available on the Investment Manager's website at <http://chelvertonam.com/fund/small-companies-dividend-trust-plc/>.

Name	Address
AJ Bell Securities Limited	4 Exchange Quay, Salford Quays, Manchester, M5 3EE
Albert E Sharp LLP	7 Elm Court, Arden Street, Stratford-upon-Avon, Warwickshire, C37 6PA
Alliance Trust Services Limited	PO Box 164, 8 West Marketgait, Dundee, DD1 1QN
Barclays Bank PLC	1 Churchill Place, London, E14 5HP
Cornhill Capital Limited	4th Floor, 17 St Swithins Lane, London, EC4N 8AD
Equiniti Financial Services Limited	Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA
iDealing.com Limited	114 Middlesex Street, London E1 7HY
Jarvis Investment Management Limited	78 Mount Ephraim, Royal Tunbridge Wells, Kent, TN4 8BS
The Share Centre Limited	Oxford House, Oxford Road, Aylesbury, Buckinghamshire, HP21 8SZ
Syndicate Room Ltd	The Pitt Building, Trumpington Street, Cambridge, CB2 1RP

15. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection during normal business hours on any weekday (Saturdays, Sundays and public holidays excepted) at the offices of Charles Russell Speechlys, 5 Fleet Place, London EC4M 7RD up to and including 8 January 2018:

- (a) the Articles, the current articles of association of the Company as adopted on 24 August 2012 and the 2025 ZDPCo Articles;

- (b) the annual report and account of the Company for the years ended 30 April 2017, 30 April 2016 and 30 April 2015 referred to in Part VI of this Prospectus; and
- (c) the interim report and unaudited financial statements of the Company for the six month periods ended 31 October 2017, 31 October 2016 and 31 October 2015 referred to in Part VI of this Prospectus;
- (d) this Prospectus.

In addition, a copy of this Prospectus is available at the National Storage Mechanism which is located at www.morningstar.co.uk/uk/NSM.

This Prospectus is dated 24 November 2017.

PART X

TERMS AND CONDITIONS OF APPLICATION UNDER THE OFFER FOR SUBSCRIPTION

1. INTRODUCTION

The words and expressions listed below have the meanings set out opposite them throughout this Part X except where the context otherwise requires:

“Agents”	Stockdale and/or Share Registrars, as the context may require;
“Applicant”	the applicant(s) who complete(s) the Application Form and, where the Application Form has been completed on behalf of another person or a company or other body corporate, that person, company or other body corporate;
“CDD Rules”	the prevailing anti-money laundering, anti-terrorism and contributing to the financing of criminal activities legislation, regulations and procedures in force from time to time in the United Kingdom;
“Excluded Jurisdiction”	the United States, Australia, Canada, Japan, New Zealand or the Republic of South Africa or any other jurisdiction in which such offer or solicitation is or may be unlawful;
“Prospectus”	this prospectus and any supplementary prospectus published by the Company in accordance with the Prospectus Rules prior to Initial Admission of the C Shares to be issued pursuant to the Offer for Subscription; and
“Terms and Conditions”	the terms and conditions of the Offer for Subscription set out in this Part X.

- (a) These Terms and Conditions apply to each application made pursuant to the Offer for Subscription. Accordingly, if the Applicant applies for C Shares pursuant to the Offer for Subscription, by completing the Application Form the Applicant will be:
- (i) deemed to have read and understood the Prospectus in its entirety and to be providing the representations, warranties, undertakings, acknowledgements and agreements contained in these Terms and Conditions to the Company, its Agents, the AIFM and the Registrar; and
 - (ii) bound by these Terms and Conditions and will be deemed to have accepted them.
- (b) C Shares are available under the Offer for Subscription at a price of 100 pence per C Share. The C Shares will, when issued and fully paid, include the right to receive all dividends or other distributions made, paid or declared, if any, by reference to a record date after the date of their Issue.

2. APPLICATION TO ACQUIRE C SHARES PURSUANT TO THE OFFER FOR SUBSCRIPTION

- (a) Applications to participate in the Offer for Subscription must be made on the Application Form (or other application form published by the Company). Multiple subscriptions under the Offer for Subscription by individual investors will not be accepted. Each completed Application Form must:
- (i) specify the fixed amount, in sterling, being the aggregate value, at the Issue Price in respect of the Offer for Subscription, of the C Shares that the applicant wishes to apply for pursuant to the Offer for Subscription and must be for a minimum aggregate value of £1,000 (although the Board may accept applications below the minimum amounts stated above in their absolute discretion); and

- (ii) be accompanied by a cheque or banker's draft in accordance with the instructions set out in the Application Form (or such other method of payment as may be agreed by the Company and its Agents).

3. EFFECT OF APPLICATION

3.1 Offer for Subscription to acquire shares

Applications to acquire C Shares must be made on the Application Form attached as the Appendix to this Prospectus or otherwise published by the Company.

By completing and delivering an Application Form, the Applicant, as the applicant, and, if the Applicant signs the Application Form on behalf of another person or a corporation, that person or corporation:

- (a) offers to subscribe for such number of C Shares specified in Section 1 on the Application Form, or any smaller number for which such application is accepted, at the Issue Price on the terms, and subject to the conditions, set out in the Prospectus, including these Terms and Conditions of Application and the Articles;
- (b) agrees that, in consideration for the Company agreeing that it will not offer any C Shares to any person other than by means of the procedures referred to in this Prospectus, the application may not be revoked, subject to the Applicant's statutory right of withdrawal in the event of publication of a supplementary prospectus by the Company, and that this paragraph 3 shall constitute a collateral contract between the Applicant and the Company which will become binding upon dispatch by post to or, in the case of delivery by hand, on receipt by Share Registrars of the Application Form;
- (c) undertakes to pay the subscription amount specified in Section 1 on the Application Form in full on application and warrants that the remittance accompanying the Application Form will be honoured on first presentation and agrees that if such remittance is not so honoured the Applicant will not be entitled to receive a share certificate for the C Shares applied for in certificated form or be entitled to commence dealing in C Shares applied for in uncertificated form or to enjoy or receive any rights in respect of such C Shares unless and until the Applicant makes payment in cleared funds for such C Shares and such payment is accepted by Share Registrars (which acceptance shall be in its absolute discretion and on the basis that the Applicant indemnifies the Company and its Agents against all costs, damages, losses, expenses and liabilities arising out of, or in connection with, the failure of the Applicant's remittance to be honoured on first presentation) and the Company and Stockdale may (without prejudice to any other rights it may have) avoid the agreement to allot and issue such C Shares to the Applicant and may allot them to some other person(s), in which case the Applicant will not be entitled to any refund or payment in respect thereof (other than the refund by a cheque drawn on a branch of a UK clearing bank to the bank account name from which they were first received, at the Applicant's risk and without interest, of any proceeds of the remittance which accompanied the Application Form and which is received by Share Registrars in cleared funds);
- (d) agrees that, where on the Application Form a request is made for C Shares to be deposited into a CREST account: (i) Share Registrars may in its absolute discretion amend the form so that such C Shares may be issued in certificated form registered in the name(s) of the holder(s) specified in the Application Form (and recognise that Share Registrars will so amend the form if there is any delay in satisfying the identity of the applicant or the owner of the CREST account or in receiving the Applicant's remittance in cleared funds); and (ii) Share Registrars, the Company or Stockdale may authorise the Applicant's financial adviser or whoever he or she may direct to send a document of title for or credit the Applicant's CREST account in respect of, the number of C Shares for which the Applicant's application is accepted, and/or a crossed cheque for any monies returnable, by post at the Applicant's risk to the Applicant's address set out on the

Application Form or direct to the account of the bank or building society on which the relevant cheque or banker's draft was drawn;

- (e) agrees, in respect of applications for C Shares in certificated form (or where Share Registrars exercises its discretion pursuant to paragraph (d) of this paragraph 3.1 to issue C Shares in certificated form), that any share certificate to which the Applicant or, in the case of joint applicants, any of the persons specified by the Applicant in the Application Form may become entitled (and any monies returnable to the Applicant) may be retained by Share Registrars:
 - (i) pending clearance of the Applicant's remittance;
 - (ii) pending investigation of any suspected breach of the warranties contained in paragraphs 3.5 (a), (b), (c), (g), (i) (j), (o) or (q) below or any other suspected breach of these Terms and Conditions of Application; or
 - (iii) pending any verification of identity which is, or which Share Registrars considers may be, required for the purpose of the Money Laundering Regulations, the Money Laundering Directive and any other regulations applicable thereto, and any interest accruing on such retained monies shall accrue to and for the benefit of the Company;
- (f) agrees, on the request of Share Registrars, to disclose promptly in writing to it such information as Share Registrars may request in connection with the Applicant's application and authorise Share Registrars to disclose any information relating to the Applicant's application which it may consider appropriate;
- (g) agrees that if evidence of identity satisfactory to Share Registrars is not provided to Share Registrars within a reasonable time (in the opinion of Share Registrars) following a request therefor, Share Registrars, Stockdale or the Company may terminate the agreement with the Applicant to allot C Shares and, in such case, the C Shares which would otherwise have been allotted to the Applicant may be re-allotted or sold to some other party and the lesser of the Applicant's application monies or such proceeds of sale (as the case may be, with the proceeds of any gain derived from a sale accruing to the Company) will be returned by either a cheque or return funds direct to the account of the bank or building society on which the relevant cheque or banker's draft was drawn without interest and at the Applicant's risk;
- (h) agrees that the Applicant is not applying on behalf of a person engaged in money laundering;
- (i) undertakes to ensure that, in the case of an Application Form signed by someone else on the Applicant's behalf, the original of the relevant power of attorney (or a complete copy certified by a solicitor or notary) is enclosed with the Applicant's Application Form together with full identity documents for the person so signing;
- (j) undertakes to pay interest at the rate described in paragraph 3.2 below if the remittance accompanying the Applicant's Application Form is not honoured on first presentation;
- (k) authorises Share Registrars to procure that there be sent to the Applicant definitive certificates in respect of the number of C Shares for which the Applicant's application is accepted or if the Applicant has completed section 5 on the Applicant's Application Form, but subject to paragraph 3.1(d) above, to deliver the number of C Shares for which the Applicant's application is accepted into CREST, and/or to return any monies returnable by either a cheque or return funds direct to the account of the bank or building society on which the relevant cheque or banker's draft was drawn without interest and at the Applicant's risk;
- (l) agrees that, in the event of any difficulties or delays in the admission of the C Shares to CREST in relation to the Offer for Subscription, the Company and/or Stockdale may

agree that all of the C Shares for which the Applicant's application is accepted be issued in certificated form;

- (m) confirms that the Applicant has read and complied with paragraph 3.6 below;
- (n) agrees that all subscription cheques and payments will be processed through a bank account (the "Acceptance Account") in the name of "Share Registrars Receiving Agent Account" opened by Share Registrars;
- (o) agrees that his Application Form is addressed to the Company and Share Registrars; and
- (p) agrees that any application may be rejected in whole or in part at the sole discretion of the Company.

3.2 **Acceptance of the Applicant's offer**

Share Registrars may, on behalf of the Company, accept the Applicant's offer to subscribe (if his application is received, valid (or treated as valid), processed and not rejected), and the UK Listing Authority will be notified through a Regulatory Information Service of the basis of allocation (in which case the acceptance will be on that basis).

The basis of allocation will be determined by Stockdale in consultation with the Company and Share Registrars. The right is reserved, notwithstanding the basis as so determined, to reject in whole or in part and/or scale back any application. The right is reserved to treat as valid any application not complying fully with these terms and conditions of application or not in all respects completed or delivered in accordance with the instructions accompanying the Application Form. In particular, but without limitation, the Company may accept an application made otherwise than by completion of an Application Form where the Applicant has agreed with the Company in some other manner to apply in accordance with these terms and conditions of application.

Share Registrars will present all cheques and bankers' drafts for payment on receipt and will retain documents of title and surplus monies pending clearance of successful applicants' payment. The Company may require the Applicant to pay interest or its other resulting costs (or both) if the payment accompanying his application is not honoured on first presentation. If the Applicant is required to pay interest he will be obliged to pay the amount determined by the Company to be the interest on the amount of the payment from the date on which all payments in cleared funds are due to be received until the date of receipt of cleared funds. The rate of interest will be the then published bank base rate of a clearing bank selected by the Company plus 4 per cent. per annum. The right is also reserved to reject in whole or in part, or to scale down or limit, any application.

Payments must be made by cheque or banker's draft in pounds sterling drawn on a branch in the United Kingdom of a bank or building society that is either a member of the Cheque and Credit Clearing Company Limited or the CHAPS Clearing Company Limited or that has arranged for its cheques or bankers' drafts to be cleared through the facilities provided for members of either of those companies. Such cheques or bankers' drafts must bear the appropriate sort code in the top right hand corner. Cheques, which must be drawn on the personal account of an individual Applicant where they have sole or joint title to the funds, should be made payable to "Share Registrars Limited Receiving Agent Account" and crossed "A/C payee only". Third party cheques may not be accepted with the exception of building society cheques or banker's drafts where the building society or bank has inserted details of the name of the account holder and have either added the building society or bank branch stamp or have provided a supporting letter confirming the source of funds. The name of the account holder should be the same as the name of the Shareholder shown on the Application Form.

The Company reserves the right in its absolute discretion (but shall not be obliged) to accept applications for less than 1,000 C Shares.

3.3 Conditions

The contracts created by the acceptance of applications (in whole or in part) under the Offer for Subscription will be conditional upon:

- (a) Initial Admission occurring by 8.00 a.m. on 8 January 2018 (or such later date, not being later than 31 January 2018, as the Company and Stockdale may agree);
- (b) the Placing Agreement becoming otherwise unconditional in all respects and not having been terminated in accordance with its terms prior to Initial Admission; and
- (c) Minimum Gross Proceeds (or such lesser amount as the Company and Stockdale may agree) being raised pursuant to Initial Admission.

The Applicant will not be entitled to exercise any remedy of rescission for innocent misrepresentation (including pre-contractual representations) at any time after acceptance. This does not affect any other right the Applicant may have.

3.4 Return of Application Monies

Where application monies have been banked and/or received, if any application is not accepted in whole, or is accepted in part only (as a result of any scaling back of any part of an application), or if any contract created by acceptance does not become unconditional, the application monies or, as the case may be, the balance of the amount paid on application will be returned without interest (at the applicants' risk) either by first class post as a cheque to the address set out on the Application Form or returned direct to the account of the bank or building society on which the relevant cheque or banker's draft was drawn. In the meantime, application monies will be retained by Share Registrars in a separate account.

3.5 Warranties

By completing an Application Form, the Applicant:

- (a) undertakes and warrants that, if the Applicant signs the Application Form on behalf of somebody else or on behalf of a corporation, the Applicant has due authority to do so on behalf of that other person and that such other person will 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 undertakes to enclose his power of attorney or other authority or a complete copy thereof duly certified by a solicitor or notary;
- (b) warrants, if the laws of any territory or jurisdiction outside the UK are applicable to his application, that he has complied with all such laws, obtained all governmental and other consents which may be required, complied with all requisite formalities and paid any issue, transfer or other taxes due in connection with his application in any territory and that he has not taken any action or omitted to take any action which will result in the Company, Stockdale or Share Registrars or any of their respective officers, agents or employees acting in breach of the regulatory or legal requirements, directly or indirectly, of any territory or jurisdiction outside of the UK in connection with the Offer for Subscription in respect of his application;
- (c) (if he is within the Isle of Man) warrants, represents, acknowledges and agrees that he:
 - is a person licensed under the Isle of Man Financial Services Act 2008; or
 - falls within exclusion 21 of the Isle of Man Regulated Activities Order 2011 (as amended); or
 - has ordinary business activities which involve him in acquiring, holding, managing or disposing of shares or debentures (as principal or agent), for the purposes of their business;
- (d) confirms that (save for advice received from his financial adviser (if any)) in making an application he is not relying on any information or representations in relation to the

Company other than those contained in the Prospectus (on the basis of which alone his application is made) and accordingly he agrees that no person responsible solely or jointly for the Prospectus or any part thereof shall have any liability for any such other information or representation;

- (e) agrees that, having had the opportunity to read the Prospectus, he shall be deemed to have had notice of all information and representations contained therein;
- (f) acknowledges that no person is authorised in connection with the Offer for Subscription to give any information or make any representation other than as contained in the Prospectus and, if given or made, any information or representation must not be relied upon as having been authorised by the Company, Stockdale or Share Registrars;
- (g) warrants that he is not under the age of 18 on the date of his application;
- (h) agrees that all documents and monies sent by post to, by or on behalf of the Company, Stockdale or Share Registrars, will be sent at his risk and, in the case of documents and returned application cheques and payments to be sent to him, may be sent to him at his address (or, in the case of joint holders, the address of the first-named holder) as set out in his Application Form;
- (i) warrants that he is not applying as, or as nominee or agent of, a person who is or may be a person mentioned in any of sections 67, 70, 93 or 96 of the Finance Act 1986 (depository receipt and clearance services);
- (j) confirms that he has reviewed the restrictions contained in paragraph 3.7 below and warrants, to the extent relevant, that he (and any person on whose behalf he applies) complies or complied with the provisions therein;
- (k) agrees that, in respect of those C Shares for which his Application Form has been received and processed and not rejected, acceptance of his Application Form shall be constituted by the Company instructing the Registrar and Receiving Agent to enter his name on the Register;
- (l) agrees that all applications, acceptances of applications and contracts resulting therefrom under the Offer for Subscription shall be governed by and construed in accordance with the laws of England and Wales and that he submits to the jurisdiction of the English Courts and agrees that nothing shall limit the right of the Company to bring any action, suit or proceedings arising out of or in connection with any such applications, acceptances of applications and contracts in any other manner permitted by law or in any court of competent jurisdiction;
- (m) irrevocably authorises the Company, Stockdale or Share Registrars or any other person authorised by any of them, as his agent, to do all things necessary to effect registration of any C Shares subscribed by or issue to him into his name and authorise any representatives of the Company and/or Stockdale and/or Share Registrars to execute any documents required therefor and to enter his name on the Register;
- (n) agrees to provide the Company with any information which it, Stockdale or Share Registrars may request in connection with his application or to comply with any 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 Money Laundering Regulations;
- (o) warrants that, in connection with his application, he has 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 his application in any territory and that he has not taken any action which will or may result in the Company, Stockdale or Share Registrars acting in breach of the regulatory or legal requirements of any territory in connection with the Offer for Subscription or his application;

- (p) agrees that Stockdale and Share Registrars are acting for the Company in connection with the Offer for Subscription and for no-one else and that they will not treat him as their customer by virtue of such application being accepted or owe him any duties or responsibilities concerning the price of the C Shares or concerning the suitability of the C Shares for him or be responsible to him for the protections afforded to their customers;
- (q) warrants that the information contained in the Application Form is true and accurate; and
- (r) agrees that if he requests that C Shares are issued to him on a date other than Initial Admission and such C Shares are not issued on such date that the Company and its agents and Directors will have no liability to him arising from the issue of such Ordinary Shares on a different date.

3.6 Money Laundering

The Applicant agrees that, in order to ensure compliance with the Money Laundering Regulations, Share Registrars may at its absolute discretion require verification of identity of him as the applicant lodging an Application Form and further may request from him and he will assist in providing identification of:

- (a) the owner(s) and/or controller(s) (the “payor”) of any bank account not in the name of the holder(s) on which is drawn a payment by way of banker’s draft or cheque; or
- (b) where it appears to Share Registrars that a holder or the payor is acting on behalf of some other person or persons, such person or persons.

Failure to provide the necessary evidence of identity may result in the Applicant’s application being rejected or delays in the dispatch of documents or CREST accounts being credited.

Without prejudice to the generality of this paragraph 3.6, verification of the identity of holders and payors will be required if the value of the C Shares applied for, whether in one or more applications considered to be connected, exceeds €15,000 (approximately £13,000). If, in such circumstances, the Applicant uses a building society cheque or banker’s draft he should ensure that the bank or building society issuing the payment enters the name, address and account number of the person whose account is being debited on the reverse of the cheque or banker’s draft and adds its stamp. If, in such circumstances, the person whose account is being debited is not a holder the Applicant will be required to provide for both the holder and payor an original or copy of that person’s passport or driving licence certified by a solicitor and an original or certified copy of two of the following documents, no more than three months old, a gas, electricity, water or telephone (not mobile) bill, a recent bank statement or a council tax bill, in their name and showing their current address (which originals will be returned by post at the addressee’s risk) together with a signed declaration as to the relationship between the payor and the Applicant.

For the purpose of the Money Laundering Regulations, a person making an application for C Shares will not be considered as forming a business relationship with either the Company or with Share Registrars but will be considered as effecting a one-off transaction with either the Company or with Share Registrars.

The person(s) submitting an application for C Shares will ordinarily be considered to be acting as principal in the transaction unless Share Registrars determines otherwise, whereupon the Applicant may be required to provide the necessary evidence of identity of the underlying beneficial owner(s).

If the amount being subscribed exceeds €15,000 (approximately £13,000) the Applicant should have the declaration contained in section 7 of the Application Form signed by an appropriate firm as described in that section.

3.7 Non United Kingdom investors

If the Applicant receives a copy of the Prospectus or an Application Form in any territory other than the UK he may not treat it as constituting an invitation or offer to him, nor should he, in any

event, use an Application Form unless, in the relevant territory, such an invitation or offer could lawfully be made to him or an Application Form could lawfully be used without contravention of any registration or other legal requirements. It is the Applicant's responsibility, if he is outside the UK and wishes to make an application for C Shares under the Offer for Subscription, to satisfy himself as to full observance of the laws of any relevant territory or jurisdiction in connection with his application, 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.

None of the C Shares has been or will be registered under the laws of Canada, Japan, Australia or under the Securities Act or with any securities regulatory authority of any state or other political subdivision of the United States, Canada, Japan or Australia. Accordingly, unless an exemption under such act or laws is applicable, the C Shares may not be offered, sold or delivered, directly or indirectly, within Canada, Japan, Australia or the United States (as the case may be). If the Applicant subscribes for C Shares he will, unless the Company and the Registrar and Receiving Agent agree otherwise in writing, be deemed to represent and warrant to the Company that he is not a US Person or a resident of Canada, Japan, Australia or a corporation, partnership or other entity organised under the laws of the US or Canada (or any political subdivision of either) or Japan, or Australia and that he is not subscribing for such C Shares for the account of any US Person or resident of Canada, Japan, or Australia and will not offer, sell, renounce, transfer or deliver, directly or indirectly, any of the C Shares in or into the United States, Canada, Japan, or Australia or to any US Person or resident in Canada, Japan or Australia. No application will be accepted if it shows the applicant or a payor having an address in the United States, Canada, Japan, or Australia.

3.8 The Data Protection Act 1998

Pursuant to the Data Protection Act 1998 (the "DP Act") the Company and/or the Registrar, may hold personal data (as defined in the DP Act) relating to past and present shareholders.

Such personal data held is used by the Registrar and Receiving Agent to maintain the Register and mailing lists and this may include sharing such data with third parties in one or more of the countries mentioned below when: (a) effecting the payment of dividends and other distributions to Shareholders; and (b) filing returns of Shareholders and their respective transactions in C Shares with statutory bodies and regulatory authorities. Personal data may be retained on record for a period exceeding six years after it is no longer used.

By becoming registered as a holder of C Shares a person becomes a data subject (as defined in the DP Act) and is deemed to have consented to the processing by the Company or its Registrar and Receiving Agent of any personal data relating to them in the manner described above.

3.8 Miscellaneous

To the extent permitted by law, all representations, warranties and conditions, express or implied and whether statutory or otherwise (including, without limitation, pre-contractual representations but excluding any fraudulent representations), are expressly excluded in relation to the C Shares and the Offer for Subscription.

The rights and remedies of the Company, Stockdale and Share Registrars under these Terms and Conditions of Application are in addition to any rights and remedies which would otherwise be available to any of them and the exercise or partial exercise of one will not prevent the exercise of others.

The Company reserves the right to extend the closing time and/or date of the Offer for Subscription from 11.00 a.m. on 21 December 2017 (provided that if the closing time is extended this Prospectus remains valid at the closing time as extended) by giving notice to the London Stock Exchange. In that event, the new closing time and/or date will be notified through a Regulatory Information Service, having regard to the requirements of the London Stock Exchange.

The Company may terminate the Offer for Subscription in its absolute discretion at any time prior to Initial Admission. If such right is exercised, the Offer for Subscription will lapse and any monies will be returned as indicated without interest.

The Applicant agrees that Stockdale and Share Registrars are acting for the Company in connection with the Offer for Subscription and no-one else and that none of Stockdale and Share Registrars will treat the Applicant as its customer by virtue of such application being accepted or owe the Applicant any duties concerning the price of the C Shares or concerning the suitability of the C Shares for the Applicant or otherwise in relation to the Offer for Subscription or for providing the protections afforded to their customers.

Save where the context requires otherwise, terms used in these Terms and Conditions of Application bear the same meaning as where used elsewhere in the Prospectus.

PART XI

TERMS AND CONDITIONS OF APPLICATION UNDER THE PLACING AND THE PLACING PROGRAMME

1. INTRODUCTION

The words and expressions listed below have the meanings set out opposite them throughout this Part XI except where the context otherwise requires:

- “Excluded Jurisdiction”** the United States, Australia, Canada, Japan, New Zealand or the Republic of South Africa or any other jurisdiction in which such offer or solicitation is or may be unlawful;
- “Placees”** the persons to whom the C Shares or Ordinary Shares are issued pursuant to the Placing and/or the Placing Programme, as the context may require;
- “Placing”** shall include any subsequent Placing;
- “Placing Agent”** Stockdale;
- “Placing Letter”** any letter that the Company and/or the Placing Agent may require any Placee to agree to in accordance with paragraph (i) of these Terms and Conditions;
- “Prospectus”** this prospectus and;
- (i) applications to participate in the Placing, any supplementary prospectus published by the Company in accordance with the Prospectus Rules prior to Initial Admission; and
- (ii) applications to participate in any Subsequent Placing, any supplementary prospectus published by the Company in accordance with the Prospectus Rules prior to Programme Admission of the Ordinary Shares to be issued pursuant to that Placing;
- “Shares”** for the purpose of this Part XI shall include C Shares and Ordinary Shares, as the context requires; and
- “Terms and Conditions”** the terms and conditions of the Placing and Placing Programme set out in this Part XI.
- (a) Members of the public are not eligible to take part in any Placing. These Terms and Conditions are directed only at persons selected by the Placing Agent who are “investment professionals” falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 or “high net worth companies, unincorporated associations etc.” falling within Article 49(2) of that Order or to persons to whom it may otherwise lawfully be communicated under that Order (all such persons together being referred to as “relevant persons”). Only relevant persons may participate in the Placing and these Terms and Conditions must not be acted on or relied on by persons who are not relevant persons.
- (b) The C Shares and the Ordinary Shares are not being offered or sold to any person in the European Union, other than to persons who are both “qualified investors” as defined the Prospectus Directive, which includes legal entities which are regulated by the FCA or entities which are not so regulated whose corporate purpose is solely to invest in securities.
- (c) The C Shares and the Ordinary Shares have not been, and will not be, registered under the Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States and, accordingly, may not be offered, sold, transferred or delivered, directly or indirectly, except (a) outside the United States to a person not known to be a US Person in an

offshore transaction in accordance with Regulation S under the Securities Act or (b) to the Company or a subsidiary thereof, in each case circumstances which will not require the Company to register under the Investment Company Act. Accordingly, each Placing is being made to investors who are not US Persons or persons acquiring for the account or benefit of US Persons outside the United States in “**offshore transactions**” within the meaning of, and in reliance on, Regulation S.

- (d) The Company has not been and will not be registered under the Investment Company Act and investors will not be entitled to the benefits of that Act. Persons receiving the Prospectus (including custodians, nominees and trustees) must not forward, distribute, mail or otherwise transmit it in or into the United States or to US Persons or use the United States mails, directly or indirectly, in connection with the Issue or any Subsequent Placing.
- (e) The Prospectus does not constitute an offer to sell or issue or a solicitation of an offer to buy or subscribe for Shares in any Excluded Jurisdiction. The Prospectus and the information contained in it are not for publication or distribution, directly or indirectly, to persons in an Excluded Jurisdiction unless permitted pursuant to an exemption under the relevant local law or regulation in any such Excluded Jurisdiction.
- (f) The distribution of the Prospectus, any Placing and/or any issue of Shares in certain jurisdictions may be restricted by law and/or regulation. No action has been taken by the Company, the Placing Agent or any of their respective affiliates as defined in Rule 501(b) under the Securities Act that would permit an offer of Shares or possession or distribution of the Prospectus or any other publicity material relating to the C Shares, the Ordinary Shares and the ZDP Shares in any jurisdiction where action for that purpose is required. Persons receiving the Prospectus are required to inform themselves about and to observe any such restrictions.
- (g) The Placing Agent, which is authorised and regulated in the UK by the FCA, is acting for the Company and for no one else in connection with the Placing, the Offer for Subscription, the Placing Programme, the Issue, or any other matters referred to in the Prospectus and will not be responsible to anyone other than the Company for providing the protections afforded to clients of the Placing Agent or for affording advice in relation to the Placing, the Offer for Subscription, the Placing Programme, the Issue, or any other matters referred to in the Prospectus. Nothing in this paragraph shall serve to exclude or limit any responsibilities that the Placing Agent may have under FSMA or the regulatory regime established under FSMA.
- (h) These Terms and Conditions apply to each agreement to acquire Shares pursuant to a Placing. Accordingly, each Placee that confirms its agreement (whether orally or in writing) to the Placing Agent to subscribe for Shares pursuant to a Placing will be:
 - (a) deemed to have read and understood the Prospectus in its entirety and to be providing the representations, warranties, undertakings, acknowledgements and agreements contained in these Terms and Conditions to the Company, the Placing Agent and the Registrar; and
 - (b) bound by these Terms and Conditions and will be deemed to have accepted them.
- (i) The Company and/or the Placing Agent may require any Placee to agree to such further terms and/or conditions and/or give such additional warranties and/or representations as it (in its absolute discretion) sees fit and/or may require any such Placee to execute a separate placing letter. The terms and conditions contained in any such letter shall be supplemental and in addition to these Terms and Conditions.

2. PRINCIPAL TERMS OF THE PLACING

- (a) The Issue Price per C Share will be payable to the Placing Agent by all Placees.
- (b) The closing time for commitments under the Placing is 12.00 p.m. on 15 December 2017.
- (c) The Placing Agent will contact and confirm orally to Placees the size of their respective allocations and a trade confirmation will be dispatched as soon as possible thereafter. The Placing Agent’s oral confirmation of the size of allocations and each Placee’s oral commitment

to accept the same or such lesser number as may be determined in accordance with paragraph 2(d) of these Terms and Conditions will constitute a legally binding agreement pursuant to which each such Placee will be required to accept the number of Shares allocated to it at the applicable Issue Price and otherwise on and subject to these Terms and Conditions.

- (d) The Company and the Placing Agent reserve the right not to accept offers to subscribe for Shares or to accept such offers in part rather than in whole. The Placing Agent shall be entitled to effect the relevant Placing by such method as it shall, in its sole discretion, determine.
- (e) To the fullest extent permissible by law, none of the Placing Agent, its affiliates or any person acting on behalf of any of them shall have any liability to Placees (or to any other person, whether acting on behalf of a Placee or otherwise). In particular, none of the Placing Agent, its affiliates or any person acting on behalf of any of them shall have any liability to Placees in respect of their conduct of the Placing.
- (f) Placees will not be entitled to receive any fee or commission in connection with any Placing.
- (g) Each Placee's obligations will be owed to the Company and to the Placing Agent. Following the oral confirmation referred to in paragraph 4(a)(ii) of these Terms and Conditions, each Placee will have an immediate, separate, irrevocable and binding obligation, owed to the Placing Agent, to pay to the Placing Agent (or as the Placing Agent may direct) in cleared funds an amount equal to the product of the Issue Price and the number of Shares which such Placee has agreed to acquire. The Company shall allot such Shares to each Placee following each Placee's payment to the Placing Agent of such amount.
- (h) Each Placee agrees to indemnify on demand and hold the Company, the Placing Agent and their respective affiliates harmless from any and all costs, claims, liabilities and expenses (including legal fees and expenses) arising out of or in connection with any breach of the representations, warranties, undertakings, acknowledgements and agreements contained in these Term and Conditions and any Placing Letter.
- (i) All obligations of the Placing Agent under a Placing will be subject to fulfilment of the conditions referred to in paragraph 3 of these Terms and Conditions.

3. CONDITIONS OF THE PLACING

- (a) Each Placing is conditional on the Placing Agreement becoming unconditional and remaining unconditional (save only for Initial Admission or Programme Admission, as applicable) and neither the Placing Agreement nor the Placing Agent's obligations thereunder having been terminated in accordance with the terms of the Placing Agreement prior to:
 - (i) in respect of the Placing, 8 January 2018 (or such later date, not being later than 31 January 2018, as the Company and Stockdale may agree); and
 - (ii) in respect of any Subsequent Placing, 23 November 2018.
- (b) The obligations of the Placing Agent under the Placing Agreement in relation to each Placing are conditional, *inter alia*, on:
 - (i) in respect of:
 - (a) Placees' agreements to participate in the Placing and/or Initial Admission of the C Shares to be issued pursuant to the Placing by 8.00 a.m. on 8 January 2018 (or such later date, not being later than 31 January 2018, as the Company and Stockdale may agree); and
 - (b) Placees' agreements to participate in any Subsequent Placing, the relevant Programme Admission of the Ordinary Shares to be issued pursuant to that Placing by 8.00 a.m. on such date as may be agreed between the Company and the Placing Agent prior to the closing of that Placing (or such later date, not being later than 23 November 2018, as the Company and Stockdale may agree); and

- (c) none of the representations, warranties and undertakings given by the Company or the Investment Manager respectively in the Placing Agreement being breached or being untrue, inaccurate or misleading in any respect when made or, by reason of any event occurring or circumstance arising before Initial Admission of the C Shares, would cease to be true and accurate were it to be repeated as at Initial Admission.

(c) If:

- (i) the conditions applicable to the Placing Agent's obligations under the Placing Agreement in relation to the Placing are not fulfilled (or, to the extent permitted under the Placing Agreement, have not been waived by the Placing Agent); or
- (ii) the Placing Agreement is terminated in accordance with its terms,

the Placing will lapse and each Placee's rights and obligations under that Placing shall cease and determine at such time and no claim may be made by a Placee in respect thereof. The Placing Agent shall have no liability to any Placee (or to any other person, whether acting on behalf of a Placee or otherwise) in respect of any decision it may make as to whether or not to waive or to extend the time and/or date for the satisfaction of any condition in the Placing Agreement or in respect of the Placing or Subsequent Placing.

4. AGREEMENT TO SUBSCRIBE FOR SHARES

(a) Conditional on:

- (i) the Placing Agreement becoming and remaining unconditional (save only for Initial Admission or Programme Admission, as relevant) and neither the Placing Agreement nor the Placing Agent's obligations thereunder having been terminated in accordance with the terms of the Placing Agreement prior to:
 - (a) in respect of the Placing, 8 January 2018 (or such later date, not being later than 31 January 2018 as the Company and Stockdale may agree); and
 - (b) in respect of any Subsequent Placing pursuant to the Placing Programme, 23 November 2018; and
- (ii) in respect of:
 - (a) Placees' agreements to participate in the Placing, Initial Admission by 8.00 a.m. on 8 January 2018 (or such date, not being later than 31 January 2018 as the Company and Stockdale may agree); and
 - (b) Placees' agreements to participate in any Subsequent Placing, the relevant Programme Admission of the Ordinary Shares to be issued pursuant to that Placing by 8.00 a.m. on such date as may be agreed between the Company, and the Placing Agent prior to the closing of that Placing (or such later date, not being later than 23 November 2018, as the Company and Stockdale may agree); and
- (iii) in respect of:
 - (a) the Placing, the Minimum Gross Proceeds being raised;
 - (b) any Placing under the Placing Programme, a valid supplementary prospectus being published by the Company if such is required;
- (iv) the Placing Agent confirming to Placees their allocation of Shares pursuant to the relevant Placing;

a Placee agrees to become a member of the Company and agrees to subscribe for those Shares allocated to it by the Placing Agent at the applicable Issue Price pursuant to the relevant Placing.

- (b) Applications for Shares must be for a minimum subscription amount of £1,000, provided that the Placing Agent may (in its absolute discretion) waive the minimum application amount in

respect of any particular application for Shares. There is no maximum subscription, unless notified to Placees.

- (c) By participating in a Placing, each Placee agrees that:
- (i) the exercise by the Placing Agent of any right of termination or other discretion under the Placing Agreement shall be within the absolute discretion of the Placing Agent and that the Placing Agent need not make any reference to the Placee in regard to such exercise and that, to the fullest extent permitted by law, the Placing Agent shall not have any liability whatsoever to the Placee in connection with any such exercise;
 - (ii) its rights and obligations pursuant to these Terms and Conditions will terminate only in the circumstances described in paragraph 3(c) of these Terms and Conditions; and
 - (iii) to the fullest extent permitted by law, its rights and obligations pursuant to these Terms and Conditions will not be capable of rescission or termination by the Placee.

Nothing in this paragraph 4(d) will affect any other rights the Placee may have.

5. REPRESENTATIONS AND WARRANTIES

By agreeing to subscribe for Shares pursuant to a Placing, each Placee which enters into a commitment to subscribe for Shares will (for itself and any person(s) procured by it to subscribe for Shares and any nominee(s) for any such person(s)) be deemed to agree, represent and warrant to each of the Company, the Placing Agent, the Investment Manager and the Registrar and Receiving Agent that:

- (a) the Placee is relying solely on the information, statements and representations contained in the Prospectus and, accordingly, it agrees that:
- (i) it is not relying on any other information given, or statement or representation made, at any time by any person concerning the Company or any other matters;
 - (ii) none of the Company, the Placing Agent, the Investment Manager, the Registrar, their respective affiliates or their respective officers, employees or agents will have any liability for any other information, statement or representation;

and the Placee irrevocably and unconditionally waives any rights it may have in respect of any other information, statement or representation;

- (b) the Placee acknowledges that no person is authorised in connection with the Placing to give any information or make any statement or representation other than as contained in the Prospectus and, if given or made, any information, statement or representation must not be relied on as having been authorised by the Company, the Investment Manager or the Placing Agent;
- (c) the Placee acknowledges that:
- (i) none of the Placing Agent, any of its affiliates or any person acting on their behalf is making any recommendations to it, or advising it regarding the suitability of any transactions it may enter into, in connection with any Placing or providing it with any advice in relation to any Placing;
 - (ii) the Placee's participation in any Placing is on the basis that it is not and will not be a client of the Placing Agent or any of its affiliates;
 - (iii) the Placing Agent and its affiliates have no duties or responsibilities to the Placee for providing the protections afforded to their respective clients or for providing advice in relation to the Placing or in respect of any representations, warranties, undertakings, acknowledgements and agreements contained in these Terms and Conditions and/or the Placing Letter;

- (iv) the Placee has not relied on the Placing Agent, or any of its affiliates in connection with any investigation of the accuracy of any information, statements or representations contained in the Prospectus; and
 - (v) none of the Company, the Placing Agent, the Investment Manager, the Registrar, their respective affiliates or their respective officers, employees or agents will have any liability for any decision by the Placee to participate in the Placing based on any information, statements or representations contained in the Prospectus or otherwise;
- (d) the Placee has carefully read and understood the Prospectus in its entirety and acknowledges that it is acquiring Shares on the terms and subject to the conditions set out in this Part XI and the Articles in force at the date of admission of the relevant Shares;
 - (e) having had the opportunity to read the Prospectus, the Placee shall be deemed to have had notice of all information, statements and representations contained in the Prospectus, it is acquiring Shares solely on the basis of the Prospectus and no other information, statements or representations and, in accepting a participation in the Placing, the Placee confirms that it has had access to all information it believes necessary or appropriate in connection with its decision to subscribe for Shares;
 - (f) the content of the Prospectus is exclusively the responsibility of the Company, its Directors and any other persons stated therein as accepting responsibility for the Prospectus and, save for any liabilities or responsibilities (if any) that may be imposed on any of them under any regulatory regime, none of the Placing Agent, any person acting on its behalf or any of their respective affiliates makes any representation, express or implied, or accepts any responsibility whatsoever for the contents of the Prospectus or for any other information, statement or representation given or made, or purported to be given or made, by any of them or on its or their behalf in connection with the Company, the Placing, the Offer for Subscription, the Issue or any specific Subsequent Placing;
 - (g) the Placee acknowledges that, where it is subscribing for Shares for one or more managed, discretionary or advisory accounts, it is authorised in writing for each such account:
 - (i) to subscribe for the Shares for each such account;
 - (ii) to make or give on each such account's behalf the representations, warranties, undertakings, acknowledgements and agreements contained in these Terms and Conditions and/or the Placing Letter; and
 - (iii) to receive on behalf of each such account any documentation relating to the relevant Placing in the form provided by the Company and/or the Placing Agent;
 - (iv) and it agrees that the provisions of this sub-paragraph 5(g) shall survive any resale of the Shares by or on behalf of any such account;
 - (h) the Placee accepts that the allocation of Shares shall be determined (after consultation with the Company and the Investment Manager) by the Placing Agent in its absolute discretion and that the Placing Agent may scale down any Placing commitments for this purpose on such basis as it may determine; and
 - (i) the Placee irrevocably appoints any director of the Company and any authorised signatory of the Placing Agent to be its agent and on its behalf (without any obligation or duty to do so), to sign, execute and deliver any documents and do all acts, matters and things as may be necessary for, or incidental to, its subscription for all or any of the Shares for which it has given a commitment under the Placing, in the event of its own failure to do so;
 - (j) if it is within the United Kingdom, the Placee is a person who falls within Articles 49(2)(a) to (d) or 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 or it is a person to whom the Shares may otherwise lawfully be offered under such order;
 - (k) if the Placee is outside the United Kingdom, neither the Prospectus nor any other offering, marketing or other material in connection with the relevant Placing constitutes an invitation,

offer or promotion to, or arrangement with, it or any person whom it is procuring to subscribe for Shares pursuant to the Placing unless, in the relevant territory, such offer, invitation or other course of conduct could lawfully be made to it or such person and such documents or materials could lawfully be provided to it or such person and Shares could lawfully be distributed to and subscribed and held by it or such person without compliance with any unfulfilled approval, registration or other regulatory or legal requirements;

- (l) if the Placee is a resident in the EEA (other than the United Kingdom) it is a qualified investor within the meaning of the law in the Relevant Member State implementing Article 2(1)(i), (ii) or (iii) of the Prospectus Directive;
- (m) the Placee represents, acknowledges and agrees to the representations, warranties and agreements as set out under the heading "United States purchase and transfer restrictions" in paragraph 6 below;
- (n) the Placee has not, directly or indirectly, distributed, forwarded, transferred or otherwise transmitted the Prospectus or any other material concerning the Placing and/or the Placing Programme or the Shares to any person within the United States or to any US Person, nor will it do any of the foregoing;
- (o) in the case of any Shares acquired by the Placee as a financial intermediary (as that term is used in Article 3(2) of the Prospectus Directive):
 - (i) the Shares acquired by it in the relevant Placing have not been acquired on behalf of, nor have they been acquired with a view to their offer or resale to, persons in any Relevant Member State other than qualified investors (as that term is defined in the Prospectus Directive) or in circumstances in which the prior consent of the Placing Agent has been given to the offer or resale; or
 - (ii) where Shares have been acquired by it on behalf of persons in any Relevant Member State other than qualified investors, the offer of those Shares to it is not treated under the Prospectus Directive as having been made to such persons;
- (p) if the laws of any territory or jurisdiction outside the United Kingdom are applicable to its agreeing to subscribe for Shares pursuant to the Placing, the Placee has complied with all such laws, obtained all governmental and other consents which may be required, complied with all requisite formalities and paid any issue, transfer or other taxes due in connection with its application in any such territory or jurisdiction and that it has not taken any action or omitted to take any action which will result in the Company, the Placing Agent, the Registrar, any of their respective affiliates or any of their respective officers, employees or agents acting in breach of the regulatory or legal requirements, directly or indirectly, of any territory or jurisdiction outside the United Kingdom in connection with the Placing;
- (q) the Placee does not have a registered address in, and is not a citizen, resident or national of, any Excluded Jurisdiction and it is not acting on a non-discretionary basis for any such person;
- (r) the Placee accepts that none of the Shares has been or will be registered under the laws of any jurisdiction other than the United Kingdom and, accordingly, the Shares may not be offered, sold, issued or delivered, directly or indirectly, within any Excluded Jurisdiction;
- (s) the Placee is not applying as, nor is it applying as nominee or agent for, a person who is or may be liable to notify and account for tax under the Stamp Duty Reserve Tax Regulations 1986 at any of the increased rates referred to in section 67, 70, 93 or 96 (depository receipts and clearance services) of the Finance Act 1986;
- (t) any of the Placee's clients, whether or not identified to the Placing Agent or any of its affiliates, will remain the Placee's sole responsibility and will not become clients of the Placing Agent for the purposes of the rules of the FCA or for the purposes of any other statutory or regulatory provision;
- (u) where the Placee (or any person acting on its behalf) is dealing with the Placing Agent, any money held in an account with the Placing Agent on behalf of the Placee (and/or any person

acting on its behalf) will not be treated as client money within the meaning of the relevant rules and regulations of the FCA and, therefore, the Placing Agent will not be required to segregate such money and that money will be held by the Placing Agent under a banking relationship and not as trustee;

- (v) the Placing Agent and the Company (and any agent on their behalf) are entitled to exercise any of their rights under the Placing Agreement or any other right in their absolute discretion without any liability whatsoever to them (or any agent on their behalf);
- (w) the Placee accepts that, if the relevant Placing does not proceed or the conditions to the Placing Agreement or the relevant Placing are not, or cease to be, satisfied or the C Shares for which valid applications are received and accepted are not admitted to the Official List and to trading on the Main Market for any reason whatsoever, then none of the Company, the Placing Agent, the Registrar, any of their respective affiliates or any of their respective officers, employees or agents shall have any liability whatsoever to the Placee or any other person;
- (x) the Placee accepts full responsibility for any requirement to verify the identity of the Placee's clients and other persons in respect of whom it has applied and warrants that it is a person:
 - (i) subject to the Money Laundering Regulations in force in the United Kingdom;
 - (ii) subject to the Money Laundering Directive; or
 - (iii) acting in the course of a business in relation to which an overseas regulatory authority exercises regulatory functions and is based or incorporated in, or formed under the law of, a country in which there are in force provisions at least equivalent to those required by the Money Laundering Directive;
- (y) in connection with its participation in any Placing, the Placee has observed all relevant legislation and regulations, in particular (but without limitation) those relating to money laundering and that its application is only made on the basis that it accepts full responsibility for any requirement to verify the identity of its clients and other persons in respect of whom it has applied;
- (z) the Placee acknowledges that, due to anti-money laundering requirements, the Company, the Placing Agent and/or the Registrar and Receiving Agent may require proof of identity and verification of the source of the payment before the Placee's application can be processed and that, in the event of delay or failure by the Placee to produce any information required for verification purposes, the Company, the Placing Agent or the Registrar and Receiving Agent may refuse to accept its application and the subscription monies relating thereto and the Placee holds harmless and will indemnify the Company, the Placing Agent or the Registrar and Receiving Agent against any liability, loss or cost ensuing due to the failure to process such application, if such information as has been required has not been provided by it;
- (aa) the Placee acknowledges and agrees that, pursuant to The Data Protection Act 1998 (the "DP Act") the Company, the Investment Manager and/or the Registrar, may hold personal data (as defined in the DP Act) relating to past and present shareholders. Personal data may be retained on record for a period exceeding six years after it is no longer used. The Company, the Investment Manager and the Registrar and Receiving Agent will use such information for the purposes set out below (collectively, the "Purposes"), being to:
 - (i) process the Placee's personal data (including any sensitive personal data) as required by or in connection with its holding of Shares, including processing personal data in connection with credit and money laundering checks on it;
 - (ii) communicate with it as necessary in connection with its affairs and generally in connection with its holding of Shares;
 - (iii) provide personal data to such third parties as the Company, the Investment Manager and/or the Registrar and Receiving Agent may consider necessary in connection with its affairs and generally in connection with the Placee's holding of

Shares or as the DP Act may require, including to third parties outside the European Economic Area;

- (iv) without limitation, provide such personal data to associates, third party service providers, affiliates, agents or functionaries appointed by the Company, the Investment Manager and/or the Registrar and Receiving Agent to provide services for processing, notwithstanding that any such party may be outside the European Economic Area;
 - (v) process its personal data for the Registrar's and the Company's internal administration; and
 - (vi) by becoming registered as a holder of Shares or otherwise providing personal data in connection with a Placing, a person becomes a data subject (as defined in the DP Act) and is deemed to have consented to the processing by the Company, the Registrar and Receiving Agent and/or the third parties listed in paragraph 5(aa)(iv) above of any personal data relating to them in the manner described above. In providing the Company and/or the Registrar and Receiving Agent with personal data (whether relating to itself or a third party), it hereby represents and warrants to the Registrar and Receiving Agent and the Company it has obtained the consent of any data subject to such holding and use of their personal data for the Purposes (including the explicit consent of the data subjects for the processing of any sensitive personal data for the Purposes set out above in this paragraph 5(aa));
- (bb) time shall be of the essence as regards the Placee's obligations to settle payment for the Shares and to comply with its other obligations under the Placing; and
- (cc) the Placees agree that the foregoing representations, warranties, undertakings, acknowledgements and agreements given by the Placee pursuant to these Terms and Conditions are irrevocable and the Placee acknowledges that the Company, the Placing Agent, the Registrar, their respective affiliates and their respective directors, officers, employees, agents, advisers and others will rely on the truth and accuracy of the foregoing representations, warranties, undertakings, acknowledgements and agreements and the Placee agrees that, if any of such representations, warranties, undertakings, acknowledgements and agreements are no longer accurate or have not been complied with, it shall promptly notify the Company and the Placing Agent in writing.

6. UNITED STATES PURCHASE AND TRANSFER RESTRICTIONS

By participating in a Placing, each Placee acknowledges and agrees that it will (for itself and any person(s) procured by it to subscribe for Shares and any nominee(s) for any such person(s)) be deemed to represent, warrant and acknowledge to, and agree with, each of the Company, the Investment Manager and the Placing Agent that:

- (a) it is located outside the United States, it is not a US Person and it is acquiring the Shares in an "offshore transaction" within the meaning of, and in reliance on, Regulation S and it is not acquiring the Shares for the account or benefit of a US Person;
- (b) it acknowledges that the Shares have not been, and will not be, registered under the Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States and may not be offered or sold except in accordance with section 6.8 hereof;
- (c) it acknowledges that the Company has not registered under the Investment Company Act and that the Company has put in place restrictions for transactions not involving any public offering in the United States, and to ensure that the Company is not and will not be required to register under the Investment Company Act;

- (d) unless the Company expressly consents otherwise in writing, no portion of the assets used to purchase, and no portion of the assets used to hold, the Shares or any beneficial interest therein constitutes or will constitute the assets of:
- (i) an “employee benefit plan” as defined in Section 3(3) of ERISA that is subject to Title I of ERISA;
 - (ii) a “plan” as defined in Section 4975 of the Tax Code, including an individual retirement account or other arrangement that is subject to Section 4975 of the Tax Code; or
 - (iii) an entity which is deemed to hold the assets of any of the foregoing types of plans, accounts or arrangements that is subject to Title I of ERISA or Section 4975 of the Tax Code.
- (e) if the Placee is a governmental, church, non-US or other employee benefit plan that is subject to any federal, state, local or non-US law that is substantially similar to the provisions of Title I of ERISA or Section 4975 of the Tax Code, its purchase, holding, and disposition of Shares will not constitute or result in a non-exempt violation of any such substantially similar law;
- (f) if any Shares offered and sold pursuant to Regulation S are issued in certificated form, then such certificates evidencing ownership will contain a legend substantially to the following effect, unless otherwise determined by the Company in accordance with applicable law:
- “The Chelverton Small Companies Dividend Trust PLC (the “**Company**”) has not been, and will not be, registered under the US Investment Company Act of 1940, as amended, (the “**Investment Company Act**”). In addition, the securities of the Company represented by this certificate (the “**Securities**”) have not been, and will not be, registered under the Securities Act of 1933, as amended, (the “**Securities Act**”) or with any securities regulatory authority of any state or other jurisdiction of the United States. Accordingly, the Securities may not be offered, sold, pledged, exercised or otherwise transferred except: (a) outside the United States to a person not known to be a US Person in an offshore transaction in accordance with Regulation S under the Securities Act; or (b) to the Company or a subsidiary thereof, in each case circumstances which will not require the Company to register under the Investment Company Act, in each case in accordance with all applicable securities laws.”;
- (g) if, in the future, the Placee decides to offer, sell, transfer, assign or otherwise dispose of its Shares, it will do so only either: (a) outside the United States to a person not known to be a US Person in an offshore transaction in accordance with Regulation S (including an ordinary trade over the London Stock Exchange); or (b) to the Company or a subsidiary thereof, in each case under circumstances which will not require the Company to register under the Investment Company Act and the Placee acknowledges that any sale, transfer, assignment, pledge or other disposal made other than in compliance with such laws and the restrictions in this paragraph 6 will be subject to the compulsory transfer provisions as provided in the Articles;
- (h) it is purchasing the Shares for its own account or for one or more investment accounts for which it is acting as a fiduciary or agent, in each case for investment only, and not with a view to or for sale or other transfer in connection with any distribution of the Shares in any manner that would violate the Securities Act, the Investment Company Act or any other applicable securities laws;
- (i) it acknowledges that the Company reserves the right to make inquiries of any holder of the Shares or interests therein at any time as to such person’s status under US federal securities laws and to require any such person that has not satisfied the Company that holding by such person will not violate or require registration under US securities laws to transfer such Shares or interests in accordance with the Articles;
- (j) it acknowledges and understands that the Company is required to comply with FATCA and agrees to furnish any information and documents the Company may from time to time request, including, but not limited to, information required under FATCA;

- (k) it is entitled to acquire the Shares under the laws of all relevant territories and jurisdictions which apply to it, it has fully observed all such laws and obtained all governmental and other consents which may be required thereunder and complied with all necessary formalities and it has paid all issue, transfer or other taxes due in connection with its acceptance in any such territories and jurisdictions and that it has not taken any action, or omitted to take any action, which may result in the Company, the Placing Agent, the Registrar, any of their respective affiliates or any of their respective directors, offices, employees, agents and advisers being in breach of the laws of any jurisdiction in connection with the Placing or the Placee's acceptance of participation in the Placing;
- (l) it has received, carefully read and understands the Prospectus, and has not, directly or indirectly, distributed, forwarded, transferred or otherwise transmitted all or any part of the Prospectus or any other offering, marketing or other materials concerning the Shares to or within the United States or to any US Persons, nor will it do any of the foregoing;
- (m) if it is acquiring any Shares as a fiduciary or agent for one or more accounts, the Placee has sole investment discretion with respect to each such account and full power and authority to make such foregoing representations, warranties, undertakings, acknowledgements and agreements on behalf of each such account; and
- (n) the Company, the Investment Agent, the Placing Agent, the Registrar, their respective affiliates and their respective directors, officers, employees, agents, advisers and others will rely on the truth and accuracy of the foregoing representations, warranties, undertakings, acknowledgements and agreements and the Placee agrees that, if any of such representations, warranties, undertakings, acknowledgements and agreements are no longer accurate or have not been complied with, it shall immediately notify the Company and the Placing Agent in writing.

7. REGISTRATION AND SETTLEMENT

- (a) Settlement of transactions in the Shares following their admission will take place within the CREST system subject to certain exceptions. The Placing Agent reserves the right to require settlement for, and delivery of Shares to Placees by such other means as it may deem necessary, if delivery or settlement is not possible or practicable within the CREST system within the timetable set out in the Prospectus or would not be consistent with the regulatory requirements in the Placee's jurisdiction.
- (b) Each Placee allocated Shares pursuant to a Placing will be sent a trade confirmation stating the number of Shares allocated to it, the Issue Price, the aggregate amount owed by such Placee to the Placing Agent and settlement instructions. Each Placee agrees that it will do all things necessary to ensure that delivery and payment is completed in accordance with either the standing CREST or certificated settlement instructions which it has in place with the Placing Agent.
- (c) It is expected that settlement will be on a T+2 basis in accordance with the instructions set out in the trade confirmation.
- (d) Each Placee must pay the applicable Issue Price for Shares allocated to it on the due date in accordance with the arrangements referred to in this paragraph 7. Interest will be chargeable daily on payments not received from Placees on the due date in accordance with such arrangements, with the rate of interest being the then published bank base rate of a clearing bank selected by the Placing Agent plus 4.0 per cent., per annum.
- (e) If any Placee fails to comply with its payment obligations as set out in this paragraph 7, the Placee's application for Shares may, at the discretion of the Placing Agent, either be rejected or accepted. Each Placee is deemed to agree that, if it does not comply with its payment obligations as set out in this paragraph 7 and the Placing Agent elects to accept the Placee's application, the Placing Agent may sell any or all of the Shares allocated to the Placee on such Placee's behalf and retain from the proceeds, for its own account and profit, an amount equal to the aggregate amount owed by the Placee plus any interest due. However, the Placee will

remain liable for any shortfall below the aggregate amount owed by such Placee and it may be required to bear any tax or other charges (together with any interest or penalties) which may arise on the sale of such Shares on such Placee's behalf.

- (f) If Shares are to be delivered to a custodian or settlement agent, the Placee should ensure that the trade confirmation is copied and delivered immediately to the relevant person within that organisation.
- (g) Insofar as Shares are registered in the Placee's name or that of its nominee or in the name of any person for whom the Placee is contracting as agent or that of a nominee for such person, such Shares will, subject as provided below, be so registered free from any liability to PTM levy, stamp duty or stamp duty reserve tax. If there are any circumstances in which any other stamp duty or stamp duty reserve tax is payable in respect of the issue of the C Shares, neither the Placing Agent nor the Company shall be responsible for the payment thereof.

8. SUPPLY AND DISCLOSURE OF INFORMATION

If the Company, the Placing Agent, the Registrar and Receiving Agent or any of their respective agents request any information about a Placee's agreement to subscribe for Shares pursuant to a Placing, such Placee must promptly disclose it to them.

9. MISCELLANEOUS

- (a) On application, if a Placee is a discretionary fund manager, that Placee may be asked to disclose in writing or orally the jurisdiction in which its funds are managed or owned. All documents provided in connection with a Placing will be sent at the Placee's risk. They may be returned by post to such Placee at the address notified by such Placee.
- (b) Each Placee agrees to be bound by the Articles once the Shares, which the Placee has agreed to subscribe for pursuant to a Placing, have been acquired by the Placee. The contract to subscribe for Shares pursuant to a Placing and the appointments and authorities mentioned in the Prospectus and all disputes and claims arising out of or in connection with its subject matter or formation (including non-contractual disputes or claims) will be governed by, and construed in accordance with, the laws of England and Wales. For the benefit of the Company and the Placing Agent, each Placee irrevocably submits to the non-exclusive jurisdiction of the courts of England and Wales and waives any objection to proceedings in any such court on the ground of venue or on the ground that proceedings have been brought in an inconvenient forum. This does not prevent an action being taken against the Placee in any other jurisdiction.
- (c) In the case of a joint agreement to subscribe for Shares pursuant to a Placing, references to a "Placee" in these terms and conditions are to each of the Placees who are a party to that joint agreement and their liability is joint and several.
- (d) Subject to complying with the public hands test set out in Rule 6.1.19(4)R of the Listing Rules, there are no minimum gross proceeds required for any Placing.
- (e) The Company and the Placing Agent expressly reserve the right to modify any Placing (including, without limitation, the timetable and settlement arrangements) at any time before allocations are determined. If any such modifications are made they will be notified through a Regulatory Information Service.
- (f) The rights and remedies of the Company, the Placing Agent, the Investment Manager their respective affiliates and their respective agents under these Terms and Conditions are in addition to any rights and remedies which would otherwise be available to each of them and the exercise or partial exercise of one will not prevent the exercise of others.

PART XII

TERMS AND CONDITIONS OF APPLICATIONS UNDER THE ZDP PLACING AND THE ZDP PLACING PROGRAMME

1. INTRODUCTION

The words and expressions listed below have the meanings set out opposite them throughout this Part XII except where the context otherwise requires:

- “Excluded Jurisdiction”** the United States, Australia, Canada, Japan, New Zealand or the Republic of South Africa or any other jurisdiction in which such offer or solicitation is or may be unlawful;
- “Placees”** the persons to whom the ZDP Shares are issued pursuant to the ZDP Placing and/or the ZDP Placing Programme, as the context may require;
- “Placing”** shall include any Subsequent ZDP Placing;
- “Placing Agent”** Stockdale;
- “Placing Letter”** any letter that 2025 ZDPCo and/or the Placing Agent may require any Placee to agree to in accordance with paragraph (i) of these Terms and Conditions;
- “Prospectus”** this prospectus and in respect of;
- (i) applications to participate in the ZDP Placing, any supplementary prospectus published by the Company in accordance with the Prospectus Rules prior to Initial Admission; and
 - (ii) applications to participate in any Subsequent ZDP Placing, any supplementary prospectus published by 2025 ZDPCo in accordance with the Prospectus Rules prior to ZDP Programme Admission of the ZDP Shares to be issued pursuant to that Placing; and
- “Terms and Conditions”** the terms and conditions of the ZDP Placing and ZDP Placing Programme set out in this Part XII.
- (a) Members of the public are not eligible to take part in any ZDP Placing. These Terms and Conditions are directed only at persons selected by the Placing Agent who are “investment professionals” falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 or “high net worth companies, unincorporated associations etc.” falling within Article 49(2) of that Order or to persons to whom it may otherwise lawfully be communicated under that Order (all such persons together being referred to as “relevant persons”). Only relevant persons may participate in the ZDP Placing and these Terms and Conditions must not be acted on or relied on by persons who are not relevant persons.
 - (b) The ZDP Shares are not being offered or sold to any person in the European Union, other than to persons who are both “qualified investors” as defined the Prospectus Directive, which includes legal entities which are regulated by the FCA or entities which are not so regulated whose corporate purpose is solely to invest in securities.
 - (c) The ZDP Shares have not been, and will not be, registered under the Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States and, accordingly, may not be offered, sold, transferred or delivered, directly or indirectly, except: (a) outside the United States to a person not known to be a US Person in an offshore transaction in accordance with Regulation S under the Securities Act; or (b) to 2025 ZDPCo or a subsidiary thereof, in each case circumstances which will not require 2025 ZDPCo to register

under the Investment Company Act. Accordingly, each ZDP Placing is being made to investors who are not US Persons or persons acquiring for the account or benefit of US Persons outside the United States in “**offshore transactions**” within the meaning of, and in reliance on, Regulation S.

- (d) 2025 ZDPCo has not been and will not be registered under the Investment Company Act and investors will not be entitled to the benefits of that Act. Persons receiving the Prospectus (including custodians, nominees and trustees) must not forward, distribute, mail or otherwise transmit it in or into the United States or to US Persons or use the United States mails, directly or indirectly, in connection with the ZDP Issue or any Subsequent ZDP Placing.
- (e) The Prospectus does not constitute an offer to sell or issue or a solicitation of an offer to buy or subscribe for Shares in any Excluded Jurisdiction. The Prospectus and the information contained in it are not for publication or distribution, directly or indirectly, to persons in an Excluded Jurisdiction unless permitted pursuant to an exemption under the relevant local law or regulation in any such Excluded Jurisdiction.
- (f) The distribution of the Prospectus, any Placing and/or any issue of ZDP Shares in certain jurisdictions may be restricted by law and/or regulation. No action has been taken by 2025 ZDPCo the Placing Agent or any of their respective affiliates as defined in Rule 501(b) under the Securities Act that would permit an offer of Shares or possession or distribution of the Prospectus or any other publicity material relating to the ZDP Shares in any jurisdiction where action for that purpose is required. Persons receiving the Prospectus are required to inform themselves about and to observe any such restrictions.
- (g) The Placing Agent, which is authorised and regulated in the UK by the FCA, is acting for 2025 ZDPCo and the Company and for no one else in connection with the ZDP Placing and the ZDP Placing Programme or any other matters referred to in the Prospectus and will not be responsible to anyone other than the Company for providing the protections afforded to clients of the Placing Agent or for affording advice in relation to the ZDP Placing, the ZDP Placing Programme, the Issue, or any other matters referred to in the Prospectus. Nothing in this paragraph shall serve to exclude or limit any responsibilities that the Placing Agent may have under FSMA or the regulatory regime established under FSMA.
- (h) These Terms and Conditions apply to each agreement to acquire ZDP Shares pursuant to a ZDP Placing. Accordingly, each Placee that confirms its agreement (whether orally or in writing) to the Placing Agent to subscribe for ZDP Shares pursuant to a ZDP Placing will be:
 - (a) deemed to have read and understood the Prospectus in its entirety and to be providing the representations, warranties, undertakings, acknowledgements and agreements contained in these Terms and Conditions to 2025 ZDPCo, the Placing Agent and the Registrar; and
 - (b) bound by these Terms and Conditions and will be deemed to have accepted them.
- (i) 2025 ZDPCo and/or the Placing Agent may require any Placee to agree to such further terms and/or conditions and/or give such additional warranties and/or representations as it (in its absolute discretion) sees fit and/or may require any such Placee to execute a separate placing letter. The terms and conditions contained in any such letter shall be supplemental and in addition to these Terms and Conditions.

2. PRINCIPAL TERMS OF THE ZDP PLACING

- (a) The Issue Price per ZDP Share will be payable to the Placing Agent by all Placees.
- (b) The closing date for the ZDP Placing is 12.00 noon on 4 January 2018.
- (c) The Placing Agent will contact and confirm orally to Placees the size of their respective allocations and a trade confirmation will be dispatched as soon as possible thereafter. The Placing Agent’s oral confirmation of the size of allocations and each Placee’s oral commitment to accept the same or such lesser number as may be determined in accordance with paragraph 2(d) of these Terms and Conditions will constitute a legally binding agreement

pursuant to which each such Placee will be required to accept the number of ZDP Shares allocated to it at the applicable ZDP Issue Price and otherwise on and subject to these Terms and Conditions.

- (d) 2025 ZDPCo and the Placing Agent reserve the right not to accept offers to subscribe for Shares or to accept such offers in part rather than in whole. The Placing Agent shall be entitled to effect the relevant Placing by such method as it shall, in its sole discretion, determine.
- (e) To the fullest extent permissible by law, none of the Placing Agent, its affiliates or any person acting on behalf of any of them shall have any liability to Placees (or to any other person, whether acting on behalf of a Placee or otherwise). In particular, none of the Placing Agent, its affiliates or any person acting on behalf of any of them shall have any liability to Placees in respect of their conduct of the ZDP Placing.
- (f) Placees will not be entitled to receive any fee or commission in connection with any ZDP Placing.
- (g) Each Placee's obligations will be owed to 2025 ZDPCo and to the Placing Agent. Following the oral confirmation referred to in paragraph 2(c) of these Terms and Conditions, each Placee will have an immediate, separate, irrevocable and binding obligation, owed to the Placing Agent, to pay to the Placing Agent (or as the Placing Agent may direct) in cleared funds an amount equal to the product of the ZDP Issue Price and the number of ZDP Shares which such Placee has agreed to acquire. The Company shall allot such ZDP Shares to each Placee following each Placee's payment to the Placing Agent of such amount.
- (h) Each Placee agrees to indemnify on demand and hold 2025 ZDPCo, the Placing Agent and their respective affiliates harmless from any and all costs, claims, liabilities and expenses (including legal fees and expenses) arising out of or in connection with any breach of the representations, warranties, undertakings, acknowledgements and agreements contained in these Term and Conditions and any Placing Letter.
- (i) All obligations of the Placing Agent under a Placing will be subject to fulfilment of the conditions referred to in paragraph 3 of these Terms and Conditions.

3. CONDITIONS OF THE PLACING

- (a) Each Placing is conditional on the Placing Agreement becoming unconditional and remaining unconditional (save only for Initial ZDP Admission or ZDP Programme Admission, as applicable) and neither the Placing Agreement nor the Placing Agent's obligations thereunder having been terminated in accordance with the terms of the Placing Agreement prior to:
 - (i) in respect of the Placing, 8 January 2018 (or such later date, not being later than 31 January 2018, as the Company and Stockdale may agree); and
 - (ii) in respect of any Subsequent Placing, 23 November 2018.
- (b) The obligations of the Placing Agent under the Placing Agreement in relation to each Placing are conditional, *inter alia*, on:
 - (i) in respect of:
 - (a) Placees' agreements to participate in the ZDP Placing or Initial ZDP Admission of the ZDP Shares to be issued pursuant to the ZDP Placing by 8.00 a.m. on 8 January 2018 (or such later date, not being later than 31 January 2018, as the Company and Stockdale may agree); and
 - (b) Placees' agreements to participate in any Subsequent ZDP Placing, the relevant ZDP Programme Admission of the ZDP Shares to be issued pursuant to that Placing by 8.00 a.m. on such date as may be agreed between the Company and the Placing Agent prior to the closing of that Placing (or such later date, not being later than 23 November 2018, as the Company and Stockdale may agree); and

- (c) none of the representations, warranties and undertakings given by the Company, 2025 ZDPCo or the Investment Manager respectively in the Placing Agreement being breached or being untrue, inaccurate or misleading in any respect when made or, by reason of any event occurring or circumstance arising before Initial ZDP Admission of the ZDP Shares, would cease to be true and accurate were it to be repeated as at Initial Admission.

(c) If:

- (i) the conditions applicable to the Placing Agent's obligations under the Placing Agreement in relation to the Placing are not fulfilled (or, to the extent permitted under the Placing Agreement, have not been waived by the Placing Agent); or
- (ii) the Placing Agreement is terminated in accordance with its terms,

the Placing will lapse and each Placee's rights and obligations under that Placing shall cease and determine at such time and no claim may be made by a Placee in respect thereof. The Placing Agent shall have no liability to any Placee (or to any other person, whether acting on behalf of a Placee or otherwise) in respect of any decision it may make as to whether or not to waive or to extend the time and/or date for the satisfaction of any condition in the Placing Agreement or in respect of the Placing or Subsequent Placing.

4. AGREEMENT TO SUBSCRIBE FOR SHARES

(a) Conditional on:

- (i) the Placing Agreement becoming and remaining unconditional (save only for Initial ZDP Admission or ZDP Programme Admission, as relevant) and neither the Placing Agreement nor the Placing Agent's obligations thereunder having been terminated in accordance with the terms of the Placing Agreement prior to:
 - (a) in respect of the ZDP Placing, 8 January 2018 (or such later date, not being later than 31 January 2018 as the Company and Stockdale may agree); and
 - (b) in respect of any Subsequent ZDP Placing pursuant to the ZDP Placing Programme, 23 November 2018; and
- (ii) in respect of
 - (a) Placees' agreements to participate in the ZDP Placing, ZDP Initial Admission by 8.00 a.m. on 8 January 2018 (or such date, not being later than 31 January 2018 as the Company and Stockdale may agree); and
 - (b) Placees' agreements to participate in any Subsequent ZDP Placing, the relevant ZDP Programme Admission of the ZDP Shares to be issued pursuant to that Placing by 8.00 a.m. on such date as may be agreed between the Company, and the Placing Agent prior to the closing of that Placing (or such later date, not being later than 23 November 2018, as the Company and Stockdale may agree); and
- (iii) in respect of
 - (a) the ZDP Placing, the ZDP Minimum Gross Proceeds being raised;
 - (b) any ZDP Placing under the ZDP Placing Programme, a valid supplementary prospectus being published by the Company and 2025 ZDPCo if such is required;
- (iv) the Placing Agent confirming to Placees their allocation of ZDP Shares pursuant to the relevant ZDP Placing;

a Placee agrees to become a member of 2025 ZDPCo and agrees to subscribe for those ZDP Shares allocated to it by the Placing Agent at the applicable ZDP Issue Price pursuant to the relevant ZDP Placing.

- (b) Applications for ZDP Shares must be for a minimum subscription amount of £1,000, provided that the Placing Agent may (in its absolute discretion) waive the minimum application amount

in respect of any particular application for ZDP Shares. There is no maximum subscription, unless notified to Placees.

- (c) By participating in a Placing, each Placee agrees that:
- (i) the exercise by the Placing Agent of any right of termination or other discretion under the Placing Agreement shall be within the absolute discretion of the Placing Agent and that the Placing Agent need not make any reference to the Placee in regard to such exercise and that, to the fullest extent permitted by law, the Placing Agent shall not have any liability whatsoever to the Placee in connection with any such exercise;
 - (ii) its rights and obligations pursuant to these Terms and Conditions will terminate only in the circumstances described in paragraph 3(c) of these Terms and Conditions; and
 - (iii) to the fullest extent permitted by law, its rights and obligations pursuant to these Terms and Conditions will not be capable of rescission or termination by the Placee.

Nothing in this paragraph 4(d) will affect any other rights the Placee may have.

5. REPRESENTATIONS AND WARRANTIES

By agreeing to subscribe for ZDP Shares pursuant to a ZDP Placing, each Placee which enters into a commitment to subscribe for ZDP Shares will (for itself and any person(s) procured by it to subscribe for Shares and any nominee(s) for any such person(s)) be deemed to agree, represent and warrant to each of the Company, the Placing Agent, the Investment Manager and the Registrar and Receiving Agent that:

- (a) the Placee is relying solely on the information, statements and representations contained in the Prospectus and, accordingly, it agrees that:
- (i) it is not relying on any other information given, or statement or representation made, at any time by any person concerning the Company, 2025 ZDP Co or any other matters;
 - (ii) none of the Company, 2025 ZDP Co, the Placing Agent, the Investment Manager, the Registrar, their respective affiliates or their respective officers, employees or agents will have any liability for any other information, statement or representation;

and the Placee irrevocably and unconditionally waives any rights it may have in respect of any other information, statement or representation;

- (b) the Placee acknowledges that no person is authorised in connection with the ZDP Placing to give any information or make any statement or representation other than as contained in the Prospectus and, if given or made, any information, statement or representation must not be relied on as having been authorised by the Company, the Investment Manager or the Placing Agent;
- (c) the Placee acknowledges that:
- (i) none of the Placing Agent, any of its affiliates or any person acting on their behalf is making any recommendations to it, or advising it regarding the suitability of any transactions it may enter into, in connection with any ZDP Placing or providing it with any advice in relation to any ZDP Placing;
 - (ii) the Placee's participation in any ZDP Placing is on the basis that it is not and will not be a client of the Placing Agent or any of its affiliates;
 - (iii) the Placing Agent and its affiliates have no duties or responsibilities to the Placee for providing the protections afforded to their respective clients or for providing advice in relation to the ZDP Placing or in respect of any representations, warranties, undertakings, acknowledgements and agreements contained in these Terms and Conditions and/or the Placing Letter;
 - (iv) the Placee has not relied on the Placing Agent, or any of its affiliates in connection with any investigation of the accuracy of any information, statements or representations contained in the Prospectus; and

- (v) none of the Company, 2025 ZDPCo, the Placing Agent, the Investment Manager, the Registrar, their respective affiliates or their respective officers, employees or agents will have any liability for any decision by the Placee to participate in the ZDP Placing based on any information, statements or representations contained in the Prospectus or otherwise;
- (d) the Placee has carefully read and understood the Prospectus in its entirety and acknowledges that it is acquiring ZDP Shares on the terms and subject to the conditions set out in this Part XII and the 2025 ZDPCo's articles of association in force at the date of admission of the relevant ZDP Shares;
- (e) having had the opportunity to read the Prospectus, the Placee shall be deemed to have had notice of all information, statements and representations contained in the Prospectus, it is acquiring ZDP Shares solely on the basis of the Prospectus and no other information, statements or representations and, in accepting a participation in the ZDP Placing, the Placee confirms that it has had access to all information it believes necessary or appropriate in connection with its decision to subscribe for ZDP Shares;
- (f) the content of the Prospectus is exclusively the responsibility of 2025 ZDPCo, the Company, its Directors and any other persons stated therein as accepting responsibility for the Prospectus and, save for any liabilities or responsibilities (if any) that may be imposed on any of them under any regulatory regime, none of the Placing Agent, any person acting on its behalf or any of their respective affiliates makes any representation, express or implied, or accepts any responsibility whatsoever for the contents of the Prospectus or for any other information, statement or representation given or made, or purported to be given or made, by any of them or on its or their behalf in connection with 2025 ZDPCo, the Company, the ZDP Placing or any specific Subsequent ZDP Placing;
- (g) the Placee acknowledges that, where it is subscribing for Shares for one or more managed, discretionary or advisory accounts, it is authorised in writing for each such account:
 - (i) to subscribe for the ZDP Shares for each such account;
 - (ii) to make or give on each such account's behalf the representations, warranties, undertakings, acknowledgements and agreements contained in these Terms and Conditions and/or the Placing Letter; and
 - (iii) to receive on behalf of each such account any documentation relating to the relevant ZDP Placing in the form provided by the Company and/or the Placing Agent;
 - (iv) and it agrees that the provisions of this sub-paragraph 5(g) shall survive any resale of the ZDP Shares by or on behalf of any such account;
- (h) the Placee accepts that the allocation of ZDP Shares shall be determined (after consultation with the Company and the Investment Manager) by the Placing Agent in its absolute discretion and that the Placing Agent may scale down any ZDP Placing commitments for this purpose on such basis as it may determine; and
- (i) the Placee irrevocably appoints any director of the Company and any authorised signatory of the Placing Agent to be its agent and on its behalf (without any obligation or duty to do so), to sign, execute and deliver any documents and do all acts, matters and things as may be necessary for, or incidental to, its subscription for all or any of the ZDP Shares for which it has given a commitment under the ZDP Placing, in the event of its own failure to do so;
- (j) if it is within the United Kingdom, the Placee is a person who falls within Articles 49(2)(a) to (d) or 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 or it is a person to whom the ZDP Shares may otherwise lawfully be offered under such order;
- (k) if the Placee is outside the United Kingdom, neither the Prospectus nor any other offering, marketing or other material in connection with the relevant ZDP Placing constitutes an invitation, offer or promotion to, or arrangement with, it or any person whom it is procuring to subscribe for Shares pursuant to the ZDP Placing unless, in the relevant territory, such offer, invitation or

other course of conduct could lawfully be made to it or such person and such documents or materials could lawfully be provided to it or such person and ZDP Shares could lawfully be distributed to and subscribed and held by it or such person without compliance with any unfulfilled approval, registration or other regulatory or legal requirements;

- (l) if the Placee is a resident in the EEA (other than the United Kingdom) it is a qualified investor within the meaning of the law in the Relevant Member State implementing Article 2(1)(i), (ii) or (iii) of the Prospectus Directive;
- (m) the Placee represents, acknowledges and agrees to the representations, warranties and agreements as set out under the heading “United States purchase and transfer restrictions” in paragraph 6 below;
- (n) the Placee has not, directly or indirectly, distributed, forwarded, transferred or otherwise transmitted the Prospectus or any other material concerning the ZDP Placing and/or the ZDP Placing Programme or the ZDP Shares to any person within the United States or to any US Person, nor will it do any of the foregoing;
- (o) in the case of any ZDP Shares acquired by the Placee as a financial intermediary (as that term is used in Article 3(2) of the Prospectus Directive):
 - (i) the ZDP Shares acquired by it in the relevant ZDP Placing have not been acquired on behalf of, nor have they been acquired with a view to their offer or resale to, persons in any Relevant Member State other than qualified investors (as that term is defined in the Prospectus Directive) or in circumstances in which the prior consent of the Placing Agent has been given to the offer or resale; or
 - (ii) where ZDP Shares have been acquired by it on behalf of persons in any Relevant Member State other than qualified investors, the offer of those ZDP Shares to it is not treated under the Prospectus Directive as having been made to such persons;
- (p) if the laws of any territory or jurisdiction outside the United Kingdom are applicable to its agreeing to subscribe for Shares pursuant to the ZDP Placing, the Placee has complied with all such laws, obtained all governmental and other consents which may be required, complied with all requisite formalities and paid any issue, transfer or other taxes due in connection with its application in any such territory or jurisdiction and that it has not taken any action or omitted to take any action which will result in the Company, 2025 ZDPCo, the Placing Agent, the Registrar, any of their respective affiliates or any of their respective officers, employees or agents acting in breach of the regulatory or legal requirements, directly or indirectly, of any territory or jurisdiction outside the United Kingdom in connection with the ZDP Placing;
- (q) the Placee does not have a registered address in, and is not a citizen, resident or national of, any Excluded Jurisdiction and it is not acting on a non-discretionary basis for any such person;
- (r) the Placee accepts that none of the ZDP Shares has been or will be registered under the laws of any jurisdiction other than the United Kingdom and, accordingly, the ZDP Shares may not be offered, sold, issued or delivered, directly or indirectly, within any Excluded Jurisdiction;
- (s) the Placee is not applying as, nor is it applying as nominee or agent for, a person who is or may be liable to notify and account for tax under the Stamp Duty Reserve Tax Regulations 1986 at any of the increased rates referred to in section 67, 70, 93 or 96 (depository receipts and clearance services) of the Finance Act 1986;
- (t) any of the Placee’s clients, whether or not identified to the Placing Agent or any of its affiliates, will remain the Placee’s sole responsibility and will not become clients of the Placing Agent for the purposes of the rules of the FCA or for the purposes of any other statutory or regulatory provision;
- (u) where the Placee (or any person acting on its behalf) is dealing with the Placing Agent, any money held in an account with the Placing Agent on behalf of the Placee (and/or any person acting on its behalf) will not be treated as client money within the meaning of the relevant rules and regulations of the FCA and, therefore, the Placing Agent will not be required to segregate

such money and that money will be held by the Placing Agent under a banking relationship and not as trustee;

- (v) the Placing Agent and the Company and 2025 ZDPCo (and any agent on their behalf) are entitled to exercise any of their rights under the Placing Agreement or any other right in their absolute discretion without any liability whatsoever to them (or any agent on their behalf);
- (w) the Placee accepts that, if the relevant Placing does not proceed or the conditions to the Placing Agreement or the relevant ZDP Placing are not, or cease to be, satisfied or the ZDP Shares for which valid applications are received and accepted are not admitted to the Official List and to trading on the Main Market for any reason whatsoever, then none of 2025 ZDPCo, the Company, the Placing Agent, the Registrar, any of their respective affiliates or any of their respective officers, employees or agents shall have any liability whatsoever to the Placee or any other person;
- (x) the Placee accepts full responsibility for any requirement to verify the identity of the Placee's clients and other persons in respect of whom it has applied and warrants that it is a person:
 - (i) subject to the Money Laundering Regulations in force in the United Kingdom;
 - (ii) subject to the Money Laundering Directive; or
 - (iii) acting in the course of a business in relation to which an overseas regulatory authority exercises regulatory functions and is based or incorporated in, or formed under the law of, a country in which there are in force provisions at least equivalent to those required by the Money Laundering Directive;
- (y) in connection with its participation in any ZDP Placing, the Placee has observed all relevant legislation and regulations, in particular (but without limitation) those relating to money laundering and that its application is only made on the basis that it accepts full responsibility for any requirement to verify the identity of its clients and other persons in respect of whom it has applied;
- (z) the Placee acknowledges that, due to anti-money laundering requirements, 2025 ZDPCo, the Company, the Placing Agent and/or the Registrar and Receiving Agent may require proof of identity and verification of the source of the payment before the Placee's application can be processed and that, in the event of delay or failure by the Placee to produce any information required for verification purposes, 2025 ZDPCo, the Company, the Placing Agent or the Registrar and Receiving Agent may refuse to accept its application and the subscription monies relating thereto and the Placee holds harmless and will indemnify 2025 ZDPCo, the Company, the Placing Agent or the Registrar and Receiving Agent against any liability, loss or cost ensuing due to the failure to process such application, if such information as has been required has not been provided by it;
- (aa) the Placee acknowledges and agrees that, pursuant to The Data Protection Act 1998 (the "DP Act") the Company, the Investment Manager and/or the Registrar, may hold personal data (as defined in the DP Act) relating to past and present shareholders. Personal data may be retained on record for a period exceeding six years after it is no longer used. 2025 ZDPCo, the Company, the Investment Manager and the Registrar and Receiving Agent will use such information for the purposes set out below (collectively, the "Purposes"), being to:
 - (i) process the Placee's personal data (including any sensitive personal data) as required by or in connection with its holding of ZDP Shares, including processing personal data in connection with credit and money laundering checks on it;
 - (ii) communicate with it as necessary in connection with its affairs and generally in connection with its holding of ZDP Shares;
 - (iii) provide personal data to such third parties as the Company, the Investment Manager and/or the Registrar and Receiving Agent may consider necessary in connection with its affairs and generally in connection with the Placee's holding of

Shares or as the DP Act may require, including to third parties outside the European Economic Area;

- (iv) without limitation, provide such personal data to associates, third party service providers, affiliates, agents or functionaries appointed by the Company, the Investment Manager and/or the Registrar and Receiving Agent to provide services for processing, notwithstanding that any such party may be outside the European Economic Area;
 - (v) process its personal data for the Registrar's and the Company's internal administration; and
 - (vi) by becoming registered as a holder of ZDP Shares or otherwise providing personal data in connection with a ZDP Placing, a person becomes a data subject (as defined in the DP Act) and is deemed to have consented to the processing by the Company, the Registrar and Receiving Agent and/or the third parties listed in paragraph 5(aa)(iv) above of any personal data relating to them in the manner described above. In providing the Company and/or the Registrar and Receiving Agent with personal data (whether relating to itself or a third party), it hereby represents and warrants to the Registrar and Receiving Agent, the Company and 2025 ZDPCo it has obtained the consent of any data subject to such holding and use of their personal data for the Purposes (including the explicit consent of the data subjects for the processing of any sensitive personal data for the Purposes set out above in this paragraph 5(aa));
- (bb) time shall be of the essence as regards the Placee's obligations to settle payment for the Shares and to comply with its other obligations under the ZDP Placing; and
- (cc) the Placees agree that the foregoing representations, warranties, undertakings, acknowledgements and agreements given by the Placee pursuant to these Terms and Conditions are irrevocable and the Placee acknowledges that 2025 ZDPCo, the Company, the Placing Agent, the Registrar, their respective affiliates and their respective directors, officers, employees, agents, advisers and others will rely on the truth and accuracy of the foregoing representations, warranties, undertakings, acknowledgements and agreements and the Placee agrees that, if any of such representations, warranties, undertakings, acknowledgements and agreements are no longer accurate or have not been complied with, it shall promptly notify the Company and the Placing Agent in writing.

6. UNITED STATES PURCHASE AND TRANSFER RESTRICTIONS

By participating in a Placing, each Placee acknowledges and agrees that it will (for itself and any person(s) procured by it to subscribe for Shares and any nominee(s) for any such person(s)) be deemed to represent, warrant and acknowledge to, and agree with, each of 2025 ZDPCo, the Company, the Investment Manager and the Placing Agent that:

- (a) it is located outside the United States, it is not a US Person and it is acquiring the ZDP Shares in an "offshore transaction" within the meaning of, and in reliance on, Regulation S and it is not acquiring the Shares for the account or benefit of a US Person;
- (b) it acknowledges that the ZDP Shares have not been, and will not be, registered under the Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States and may not be offered or sold except in accordance with section 6.8 hereof;
- (c) it acknowledges that 2025 ZDPCo has not registered under the Investment Company Act and that 2025 ZDPCo has put in place restrictions for transactions not involving any public offering in the United States, and to ensure that the Company is not and will not be required to register under the Investment Company Act;

- (d) unless 2025 ZDPCo expressly consents otherwise in writing, no portion of the assets used to purchase, and no portion of the assets used to hold, the ZDP Shares or any beneficial interest therein constitutes or will constitute the assets of:
- (i) an “employee benefit plan” as defined in Section 3(3) of ERISA that is subject to Title I of ERISA;
 - (ii) a “plan” as defined in Section 4975 of the Tax Code, including an individual retirement account or other arrangement that is subject to Section 4975 of the Tax Code; or
 - (iii) an entity which is deemed to hold the assets of any of the foregoing types of plans, accounts or arrangements that is subject to Title I of ERISA or Section 4975 of the Tax Code.
- (e) if the Placee is a governmental, church, non-US or other employee benefit plan that is subject to any federal, state, local or non-US law that is substantially similar to the provisions of Title I of ERISA or Section 4975 of the Tax Code, its purchase, holding, and disposition of ZDP Shares will not constitute or result in a non-exempt violation of any such substantially similar law;
- (f) if any ZDP Shares offered and sold pursuant to Regulation S are issued in certificated form, then such certificates evidencing ownership will contain a legend substantially to the following effect, unless otherwise determined by the Company in accordance with applicable law:
- “SDV 2025 ZDP PLC (the “**Company**”) has not been, and will not be, registered under the US Investment Company Act of 1940, as amended, (the “**Investment Company Act**”). In addition, the securities of the Company represented by this certificate (the “**Securities**”) have not been, and will not be, registered under the Securities Act of 1933, as amended, (the “**Securities Act**”) or with any securities regulatory authority of any state or other jurisdiction of the United States. Accordingly, the Securities may not be offered, sold, pledged, exercised or otherwise transferred except: (a) outside the United States to a person not known to be a US Person in an offshore transaction in accordance with Regulation S under the Securities Act; or (b) to the Company or a subsidiary thereof, in each case circumstances which will not require the Company to register under the Investment Company Act, in each case in accordance with all applicable securities laws.”;
- (g) if, in the future, the Placee decides to offer, sell, transfer, assign or otherwise dispose of its ZDP Shares, it will do so only either: (a) outside the United States to a person not known to be a US Person in an offshore transaction in accordance with Regulation S (including an ordinary trade over the London Stock Exchange); or (b) to 2025 ZDPCo or a subsidiary thereof, in each case under circumstances which will not require 2025 ZDPCo to register under the Investment Company Act and the Placee acknowledges that any sale, transfer, assignment, pledge or other disposal made other than in compliance with such laws and the restrictions in this paragraph 6 will be subject to the compulsory transfer provisions as provided in the Articles;
- (h) it is purchasing the ZDP Shares for its own account or for one or more investment accounts for which it is acting as a fiduciary or agent, in each case for investment only, and not with a view to or for sale or other transfer in connection with any distribution of the Shares in any manner that would violate the Securities Act, the Investment Company Act or any other applicable securities laws;
- (i) it acknowledges that 2025 ZDPCo and the Company reserve the right to make inquiries of any holder of the ZDP Shares or interests therein at any time as to such person’s status under US federal securities laws and to require any such person that has not satisfied the Company that holding by such person will not violate or require registration under US securities laws to transfer such ZDP Shares or interests in accordance with the articles of association of 2025 ZDPCo;

- (j) it acknowledges and understands that 2025 ZDPCo is required to comply with FATCA and agrees to furnish any information and documents 2025 ZDPCo or the Company may from time to time request, including, but not limited to, information required under FATCA;
- (k) it is entitled to acquire the ZDP Shares under the laws of all relevant territories and jurisdictions which apply to it, it has fully observed all such laws and obtained all governmental and other consents which may be required thereunder and complied with all necessary formalities and it has paid all issue, transfer or other taxes due in connection with its acceptance in any such territories and jurisdictions and that it has not taken any action, or omitted to take any action, which may result in 2025 ZDPCo, the Company, the Placing Agent, the Registrar, any of their respective affiliates or any of their respective directors, offices, employees, agents and advisers being in breach of the laws of any jurisdiction in connection with the Placing or the Placee's acceptance of participation in the ZDP Placing;
- (l) it has received, carefully read and understands the Prospectus, and has not, directly or indirectly, distributed, forwarded, transferred or otherwise transmitted all or any part of the Prospectus or any other offering, marketing or other materials concerning the ZDP Shares to or within the United States or to any US Persons, nor will it do any of the foregoing;
- (m) if it is acquiring any ZDP Shares as a fiduciary or agent for one or more accounts, the Placee has sole investment discretion with respect to each such account and full power and authority to make such foregoing representations, warranties, undertakings, acknowledgements and agreements on behalf of each such account; and
- (n) 2025 ZDPCo, the Company, the Investment Agent, the Placing Agent, the Registrar, their respective affiliates and their respective directors, officers, employees, agents, advisers and others will rely on the truth and accuracy of the foregoing representations, warranties, undertakings, acknowledgements and agreements and the Placee agrees that, if any of such representations, warranties, undertakings, acknowledgements and agreements are no longer accurate or have not been complied with, it shall immediately notify the Company and the Placing Agent in writing.

7. REGISTRATION AND SETTLEMENT

- (a) Settlement of transactions in the ZDP Shares following their admission will take place within the CREST system subject to certain exceptions. The Placing Agent reserves the right to require settlement for, and delivery of ZDP Shares to Placees by such other means as it may deem necessary, if delivery or settlement is not possible or practicable within the CREST system within the timetable set out in the Prospectus or would not be consistent with the regulatory requirements in the Placee's jurisdiction.
- (b) Each Placee allocated ZDP Shares pursuant to a ZDP Placing will be sent a trade confirmation stating the number of ZDP Shares allocated to it, the Issue Price, the aggregate amount owed by such Placee to the Placing Agent and settlement instructions. Each Placee agrees that it will do all things necessary to ensure that delivery and payment is completed in accordance with either the standing CREST or certificated settlement instructions which it has in place with the Placing Agent.
- (c) It is expected that settlement will be on a T+2 basis in accordance with the instructions set out in the trade confirmation.
- (d) Each Placee must pay the applicable ZDP Issue Price for ZDP Shares allocated to it on the due date in accordance with the arrangements referred to in this paragraph 7. Interest will be chargeable daily on payments not received from Placees on the due date in accordance with such arrangements, with the rate of interest being the then published bank base rate of a clearing bank selected by the Placing Agent plus 4.0 per cent., per annum.
- (e) If any Placee fails to comply with its payment obligations as set out in this paragraph 7, the Placee's application for ZDP Shares may, at the discretion of the Placing Agent, either be rejected or accepted. Each Placee is deemed to agree that, if it does not comply with its payment obligations as set out in this paragraph 7 and the Placing Agent elects to accept the

Placee's application, the Placing Agent may sell any or all of the ZDP Shares allocated to the Placee on such Placee's behalf and retain from the proceeds, for its own account and profit, an amount equal to the aggregate amount owed by the Placee plus any interest due. However, the Placee will remain liable for any shortfall below the aggregate amount owed by such Placee and it may be required to bear any tax or other charges (together with any interest or penalties) which may arise on the sale of such ZDP Shares on such Placee's behalf.

- (f) If ZDP Shares are to be delivered to a custodian or settlement agent, the Placee should ensure that the trade confirmation is copied and delivered immediately to the relevant person within that organisation.
- (g) Insofar as ZDP Shares are registered in the Placee's name or that of its nominee or in the name of any person for whom the Placee is contracting as agent or that of a nominee for such person, such ZDP Shares will, subject as provided below, be so registered free from any liability to PTM levy, stamp duty or stamp duty reserve tax. If there are any circumstances in which any other stamp duty or stamp duty reserve tax is payable in respect of the issue of the ZDP Shares, neither the Placing Agent nor the Company shall be responsible for the payment thereof.

8. SUPPLY AND DISCLOSURE OF INFORMATION

If the Company, the Placing Agent, the Registrar and Receiving Agent or any of their respective agents request any information about a Placee's agreement to subscribe for ZDP Shares pursuant to a ZDP Placing, such Placee must promptly disclose it to them.

9. MISCELLANEOUS

- (a) On application, if a Placee is a discretionary fund manager, that Placee may be asked to disclose in writing or orally the jurisdiction in which its funds are managed or owned. All documents provided in connection with a ZDP Placing will be sent at the Placee's risk. They may be returned by post to such Placee at the address notified by such Placee.
- (b) Each Placee agrees to be bound by the articles of association of 2025 ZDPCo once the ZDP Shares, which the Placee has agreed to subscribe for pursuant to a ZDP Placing, have been acquired by the Placee. The contract to subscribe for Shares pursuant to a Placing and the appointments and authorities mentioned in the Prospectus and all disputes and claims arising out of or in connection with its subject matter or formation (including non-contractual disputes or claims) will be governed by, and construed in accordance with, the laws of England and Wales. For the benefit of 2025 ZDPCo, the Company and the Placing Agent, each Placee irrevocably submits to the non-exclusive jurisdiction of the courts of England and Wales and waives any objection to proceedings in any such court on the ground of venue or on the ground that proceedings have been brought in an inconvenient forum. This does not prevent an action being taken against the Placee in any other jurisdiction.
- (c) In the case of a joint agreement to subscribe for ZDP Shares pursuant to a ZDP Placing, references to a "Placee" in these terms and conditions are to each of the Placees who are a party to that joint agreement and their liability is joint and several.
- (d) Subject to complying with the public hands test set out in Rule 6.1.19(4)R of the Listing Rules, there are no minimum gross proceeds required for any ZDP Placing.
- (e) The Company and the Placing Agent expressly reserve the right to modify any ZDP Placing (including, without limitation, the timetable and settlement arrangements) at any time before allocations are determined. If any such modifications are made they will be notified through a Regulatory Information Service.
- (f) The rights and remedies of 2025 ZDPCo, the Company, the Placing Agent, the Investment Manager their respective affiliates and their respective agents under these Terms and Conditions are in addition to any rights and remedies which would otherwise be available to each of them and the exercise or partial exercise of one will not prevent the exercise of others.

DEFINITIONS

The following definitions apply throughout this Prospectus, unless the context requires otherwise:

“Administrator and Company Secretary”	Maitland Administration Services Limited;
“AIC”	the Association of Investment Companies;
“AIC Code”	the AIC Code of Corporate Governance, as amended from time to time;
“AIC Guide”	the AIC Corporate Governance Guide for Investment Companies, as amended from time to time;
“AIF”	an Alternative Investment Fund, as defined in the AIFM Directive;
“AIFM”	an Alternative Investment Fund Manager, as defined in the AIFM Directive;
“AIFM Directive”	the EU Directive on Alternative Investment Fund Managers;
“Application Form”	the application form on which applicants may apply for C Shares under the Offer for Subscription;
“Articles”	the articles of association of the Company proposed to be adopted by special resolution of the Company at the Company’s general meeting convened for 7 December 2017, as amended from time to time;
“Assumptions” or “Principal Bases and Assumptions”	the principal bases and assumptions set out in Part VIII of this Prospectus;
“Benefit Plan Investor”	<ul style="list-style-type: none">(i) an employee benefit plan that is subject to the fiduciary responsibility or prohibited transaction provisions of Title I of the ERISA (including, as applicable, assets of an insurance company general account) or a plan that is subject to the prohibited transaction provisions of section 4975 of the Internal Revenue Code (including an individual retirement account);(ii) an entity whose underlying assets include “plan assets” by reason of a plan’s investment in the entity; or(iii) any “benefit plan investor” as otherwise defined in section 3(42) of ERISA or regulations promulgated by the US Department of Labor;
“Board” or “Directors”	the directors of the Company and/or 2025 ZDPCo whose names are set out on page 43 of this Prospectus, where applicable. Howard Myles, David Harris and William van Heesewijk are directors of both the Company and 2025 ZDPCo. Lord Lamont is only a director of the Company;
“Broker Agreement”	the broker agreement between the Company and Stockdale, a summary of which is set out in paragraph 10 of Part IX of this Prospectus;
“Business Day”	a day on which the London Stock Exchange and banks in England and Wales are normally open for business;

“C Shares”	C shares of 100 pence each in the capital of the Company issued as “C Shares” and having the rights and being subject to the restrictions set out in the Articles, which will convert into Ordinary Shares as set out in the Articles;
“Calculation Date”	has the meaning set out in paragraph 3 of Part XI of this Prospectus;
“Certificated Shares”	Shares represented by a certificate;
“Chelverton”	Chelverton Asset Management Limited, the Company's investment manager;
“Companies Act”	the Companies Act 2006, as amended from time to time;
“Company”	Chelverton Small Companies Dividend Trust PLC (Company number: 3749536);
“Company Secretarial Agreement”	the company secretarial agreement between the Company and Maitland Administration Services Limited, appointing the Company Secretary as the Company's secretary and as provider of certain other administrative services, a summary of which is set out in paragraph 10 of Part IX of this Prospectus;
“Conversion”	the conversion of the C Shares to be issued pursuant to the Issue into Ordinary Shares and Deferred Shares in accordance with the Articles;
“Conversion Date”	the date on which Conversion will occur, being close of business on such Business Day as may be selected by the Directors falling not more than 10 Business Days after the Calculation Date;
“Conversion Ratio”	the ratio of the net asset value per C Share of the relevant tranche to the net asset value per Ordinary Share, calculated in accordance with the Articles;
“Cover”	of the ZDP Share shall represent a fraction where the numerator is equal to the Gross Assets of the Company and its Group on a consolidated basis adjusted to: (i) deduct current liabilities; and (ii) deduct the estimated liquidation costs of 2025 ZDPCo and any borrowings ranking in priority to the Company's payment obligations to 2025 ZDPCo; and the denominator is equal to the amount which would be paid on the ZDP Shares as a class (and on any shares in 2025 ZDPCo ranking as to capital in priority thereto or <i>pari passu</i> therewith) on a winding up of 2025 ZDPCo on the ZDP Repayment Date;
“CREST”	the relevant system (as defined in the Regulations) in respect of which Euroclear is the operator (as defined in the Regulations);
“CTA 2010”	Corporation Tax Act 2010;
“Custodian”	Jarvis Investment Management Limited;
“Custody Agreement”	the custody agreement between the Company and the Custodian, a summary of which is set out in paragraph 10 of Part IX of this Prospectus;
“Deferred Dividend”	the non-cumulative dividend payable to the holders of a particular tranche of Deferred Shares on the date which is six months after the Relevant Conversion Date at a fixed rate of one per cent. of the nominal amount such Deferred Shares;

“Deferred Shares”	deferred shares of one pence each in the capital of the Company arising on Conversion and having the rights and being subject to the restrictions set out in the Articles;
“Disclosure and Transparency Rules”	the Disclosure Guidance and Transparency Rules made by the FCA under Part VI of FSMA;
“DP Act”	the Data Protection Act 1998, as amended from time to time;
“EEA”	the states which comprise the European Economic Area;
“Effective Date”	8 January 2018;
“ERISA”	the United States Employee Retirement Income Security Act of 1974, as amended from time to time, and the applicable regulations thereunder;
“Euroclear”	Euroclear UK and Ireland Limited, the operator of CREST;
“Exchange Act”	the US Securities Exchange Act of 1934, as amended from time to time;
“Excluded Territory”	means any member state of the European Economic Area (other than the United Kingdom), the United States, Canada, Japan, Australia, the Republic of South Africa or any other jurisdiction where the extension or availability of the Issue and the Placing Programme would breach any applicable law;
“Existing Contribution Agreement”	the contribution agreement entered into between the Company and Existing ZDPCo dated 1 August 2012, as more particularly described in paragraph 10 of Part IX of this Prospectus;
“Existing Loan Agreement”	the loan agreement entered into by Existing ZDPCo (as lender) and the Company (as borrower) on 1 August 2012, as more particularly described in paragraph 10 of Part IX of this Prospectus;
“Existing Shareholder”	a holder of an Ordinary Share as at the Record Date;
“Existing ZDPCo”	Chelverton Small Companies ZDP PLC (Company number: 08142169);
“Existing ZDP Shares”	zero dividend preference shares of 100 pence each in Existing ZDPCo;
“Expected Timetable”	the expected timetable of principal events shown on page 40 of this Prospectus;
“FATCA”	the US Foreign Account Tax Compliance Act of 2010;
“FCA”	the Financial Conduct Authority;
“Final Capital Entitlement”	133.18 pence per ZDP Share;
“FSMA”	the Financial Services and Markets Act 2000, as amended from time to time;
“Governance Code”	the UK Corporate Governance Code published by the Financial Conduct Authority from time to time;
“Gross Assets”	the aggregate value of the total assets of the Company;
“Gross Issue Proceeds”	the aggregate value of the C Shares issued under the Issue at the Issue Price;
“Gross ZDP Issue Proceeds”	the aggregate value of the ZDP Shares issued under the ZDP Issue at the ZDP Issue Price;

“Group”	the Company and its subsidiaries and subsidiary undertakings from time to time, including Existing ZDPCo and 2025 ZDPCo;
“HMRC”	HM Revenue and Customs;
“IFRS”	International Financial Reporting Standards, as adopted by the European Union, as amended from time to time;
“IGA”	the intergovernmental agreement entered into between the UK and the US in connection to FATCA;
“Initial Admission”	admission of the C Shares issued pursuant to the Issue to (i) the premium segment of the Official List and (ii) to trading on the London Stock Exchange’s Main Market for listed securities becoming effective in accordance with the admission and disclosure rules of the London Stock Exchange;
“Initial ZDP Admission”	admission of the ZDP Shares issued pursuant to the ZDP Issue (i) to the standard segment of the Official List and (ii) to trading on the London Stock Exchange’s Main Market for listed securities becoming effective in accordance with the admission and disclosure standards of the London Stock Exchange;
“Intermediaries”	the entities listed in paragraph 14 of Part IX of this Prospectus, together with any other intermediary (if any) that is appointed by the Company in connection with the Intermediaries Offer after the date of this Prospectus and “Intermediary” shall mean any one of them;
“Intermediaries Booklet”	the booklet entitled Intermediaries Booklet and containing, among other things, the Intermediaries Terms and Conditions;
“Intermediaries Offer”	the offer of C shares by the Intermediaries;
“Intermediaries Terms and Conditions”	the terms and conditions agreed between Stockdale, the Company and the Intermediaries in relation to the Intermediaries Offer and contained in the Intermediaries Booklet;
“Internal Revenue Code”	the US Internal Revenue Code of 1986, as amended;
“Investment Advisers Act”	the US Investment Advisers Act of 1940, as amended;
“Investment Company Act” or “ICA”	the US Investment Company Act of 1940, as amended;
“Investment Manager”	Chelverton Asset Management Limited;
“Investment Management Agreement”	the investment management agreement between the Company and the Investment Manager, a summary of which is set out in paragraph 10 of Part IX of this Prospectus;
“Investment Trust Regulations”	The Investment Trust (Approved Company) (Tax) Regulations 2011;
“IRS”	the US Internal Revenue Service;
“Issue” or “C Share Issue”	the issue of C Shares pursuant to the Placing, the Intermediaries Offer and the Offer for Subscription;
“Issue Price”	100 pence per C Share;
“Latest Practicable Date”	22 November 2017, being the latest practicable date prior to the date of this Prospectus for ascertaining certain information contained herein;

“Listing Rules”	the Listing Rules made by the FCA under Part VI of FSMA, as amended from time to time;
“Loan”	the loans advanced and to be advanced to the Company by 2025 ZDPCo pursuant to the Existing Loan Agreement and the 2025 Loan Agreement;
“London Stock Exchange”	London Stock Exchange plc;
“Management Fee”	the fee payable by the Company to the Investment Manager, as described in Part I of this Prospectus;
“Market Abuse Regulation” or “MAR”	the EU Market Abuse Regulation, as amended from time to time;
“Minimum Gross Proceeds”	the minimum necessary value of C Shares issued under the Issue at the Issue Price to permit the Issue to proceed, being £700,000;
“Money Laundering Regulations”	the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017, as amended;
“Net Asset Value” or “NAV”	the value of the assets of the Company or 2025 ZDPCo (as applicable) less its liabilities calculated in accordance with the valuation policies of the Company from time to time as appropriate;
“Net Asset Value per C Share”	the Net Asset Value specifically attributable to a C Share;
“Net Asset Value per Ordinary Share”	the Net Asset Value specifically attributable to an Ordinary Share;
“Net Asset Value per ZDP Share”	the Net Asset Value specifically attributable to a ZDP Share;
“Net Proceeds”	the net proceeds attributable to Shares issued pursuant to the Issue and/or the Placing Programme (as the context requires);
“Non-Qualified Member”	a non-qualified member of Shares as more particularly described in paragraph 3(g) of Part IX of this Prospectus;
“Offer for Subscription”	the offer for subscription of C Shares, as described in this Prospectus;
“Official List”	the Official List of the UK Listing Authority;
“Ordinary Shareholder”	a holder of Ordinary Shares;
“Ordinary Shares”	ordinary shares (issued and to be issued) of 25 pence each in the share capital of the Company;
“Overseas Persons”	persons who are resident in, or who are citizens of, or who have registered addresses in, territories other than the UK;
“Placee”	a person subscribing for (i) Ordinary Shares and/or C Shares under the Placing and/or any Subsequent Placing or (ii) ZDP Shares under the ZDP Placing and/or any Subsequent ZDP Placing (as applicable);
“Placing”	the conditional placing by Stockdale on behalf of the Company of C Shares at the Issue Price pursuant to the Placing Agreement;
“Placing Agreement”	the conditional placing agreement between, <i>inter alia</i> , the Company and Stockdale as described in paragraph 10 of Part IX of this Prospectus;

“Placing Programme”	means the proposed programme of placings of Ordinary Shares as described in Part V of this Prospectus;
“Placing Programme Price”	in respect of Ordinary Shares, the applicable price at which Ordinary Shares are issued under the Placing Programme, as determined by the Company being not less than the prevailing Net Asset Value (cum income) per Ordinary Share plus a premium to cover the expenses of the Subsequent Placing, and in respect of ZDP Shares, the applicable price at which ZDP Shares are issued under the Placing Programme, as determined by the Company being not less than the capital entitlement per ZDP Share plus a premium;
“Plan Asset Regulations”	the US Department of Labor Regulations, 29 C.F.R. 2510.3-101, as and to the extent modified by section 3(42) of ERISA;
“Plans”	a tax qualified annuity plan described in section 405 of the Internal Revenue Code and an individual retirement account or individual retreat annuity as described in section 408 of the Internal Revenue Code;
“Programme Admission”	any admission of the Ordinary Shares issued pursuant to the Placing Programme to the premium segment of the Official List and to trading on the Main Market of the London Stock Exchange becoming effective in accordance with the Listing Rules and the admission and disclosure standards of the London Stock Exchange;
“Prospectus”	this Prospectus;
“Prospectus Rules”	the Prospectus Rules made by the FCA under Part VI of FSMA;
“QIBs”	qualified institutional buyers (as defined in Rule 144A under the Securities Act);
“QPs”	qualified purchasers (as defined in section 2(a)(51) of the Investment Company Act);
“Receiving Agent Agreement”	the receiving agent agreement between the Company and the Receiving Agent in relation to the Issue and the ZDP Issue, a summary of which is set out in paragraph 10 of Part IX of this Prospectus;
“Record Date”	close of business (UK time) on 23 November 2017;
“Redemption Yield”	in respect of a ZDP Share, the annually compounded rate of interest at which the total discounted values of future payments of capital equate to its actual or assumed value at the date of calculation;
“Register”	the register of members of the Company or 2025 ZDPCo;
“Registrar and Receiving Agent”	Share Registrars Limited;
“Registrar Agreement”	the registrar agreement between the Company and the Registrar, a summary of which is set out in paragraph 10 of Part IX of this Prospectus;
“Regulation S”	means Regulation S under the Securities Act;
“Regulations”	the Uncertificated Securities Regulations 2001 (SI 2001 No. 3755);
“Regulatory Information Service”	a regulatory information service that is on the list of regulatory information services maintained by the FCA;

“Relevant Conversion Date”	the Conversion Date on which a particular tranche of Deferred Shares were created in accordance with the Articles;
“RIS announcement”	means an announcement by a Regulatory Information Service;
“Rollover Election”	election by a holder of Existing ZDP Shares for ZDP Shares under the Scheme;
“Rollover Fund”	the pools of assets representing the entitlements of the Company as holder of ordinary shares in Existing ZDPCo and of Existing ZDP Shares who elect for the Rollover Option, which are to be transferred to 2025 ZDPCo pursuant to the Scheme;
“Rollover Option”	the option for holders of Existing ZDP Shares to receive ZDP Shares in respect of some or all of their holding of Existing ZDP Shares under the Scheme;
“Scheduled Winding-Up Resolution”	a special resolution to wind-up 2025 ZDPCo which is proposed to the members in general meeting on 30 April 2025, or any other special resolution to wind-up 2025 ZDPCo which is proposed to the members in general meeting in accordance with the 2025 ZDPCo Articles;
“Scheme”	the scheme relating to Existing ZDPCo under section 110 Insolvency Act 1986;
“Scheme Receiving Agent Agreement”	the receiving agent agreement between the Company and the Receiving Agent in relation to the Scheme, a summary of which is set out in paragraph 10 of Part IX of this Prospectus;
“Securities Act”	the US Securities Act of 1933, as amended;
“SDRT”	UK stamp duty reserve tax;
“Shareholder”	a holder of Shares in the Company or 2025 ZDPCo (as the context may require);
“Shares”	the C Shares and/or the Ordinary Shares and/or the ZDP Shares (as the context may require);
“Similar Law”	any US federal, state, local or foreign law that is similar to provision 406 of ERISA or section 4975 of the Internal Revenue Code;
“SME”	a small or medium enterprise;
“Stockdale”	Stockdale Securities Limited;
“Subsequent Placing”	a placing of Ordinary Shares at the applicable Placing Programme Price pursuant to the Placing Programme, as described in this Prospectus;
“Subsequent ZDP Placing”	a placing of ZDP Shares at the applicable ZDP Placing Programme Price pursuant to the ZDP Placing Programme, as described in this Prospectus;
“Takeover Code”	the City Code on Takeovers and Mergers;
“Transfer Agreement”	the agreement to be entered into on or about the Effective Date between the liquidator of Existing ZDPCo (in his personal capacity and on behalf of Existing ZDPCo) and 2025 ZDPCo, a summary of which is set out in paragraph 11 of Part IX of this Prospectus;
“UK” or “United Kingdom”	the United Kingdom of Great Britain and Northern Ireland;

“UK Listing Authority” or “UKLA”	the FCA acting in its capacity as the competent authority for the purposes of Part VI of FSMA and in the exercise of its functions in respect of admission to the Official List;
“Underlying Applicant”	any person who subscribes for C Shares under the Intermediaries Offer;
“US” or “United States”	the United States of America (including the District of Columbia) and any of its territories, possessions and other areas subject to its jurisdiction;
“US Person”	a “US Person” as defined in Regulation S of the Securities Act;
“US Tax Code”	the US Internal Revenue Code of 1986, as amended;
“US\$” or “USD”	US dollars;
“VAT”	UK Value Added Tax;
“Winding-Up Resolution”	any special resolution to wind-up 2025 ZDP Co which is not a Scheduled Winding-Up Resolution;
“ZDP Issue”	the issue of ZDP Shares pursuant to the ZDP Placing and the Scheme;
“ZDP Issue Price”	100 pence per ZDP Share;
“ZDP Issue Proceeds”	the aggregate value of the ZDP Shares issued under the ZDP Issue at the ZDP Issue Price;
“ZDP Minimum Gross Proceeds”	the minimum necessary value of ZDP Shares to be issued under the ZDP Issue at the ZDP Issue Price to permit the ZDP Issue to proceed, being £700,000;
“ZDP Net Proceeds”	the net proceeds attributable to ZDP Shares issued pursuant to the ZDP Issue and/or the ZDP Placing Programme (as the context requires);
“ZDP Placing”	the conditional placing by Stockdale on behalf of 2025 ZDP Co of ZDP Shares at the ZDP Issue Price;
“ZDP Placing Programme”	the proposed issue of up to 7.5 million ZDP Shares pursuant to a placing programme;
“ZDP Placing Proceeds”	the aggregate value of the ZDP Shares issued under the ZDP Placing at the ZDP Issue Price;
“ZDP Placing Programme Price”	the price of ZDP Shares issued pursuant to the ZDP Placing Programme, determined in accordance with Part V of this Prospectus;
“ZDP Programme Admission”	any admission of the ZDP Shares issued pursuant to the ZDP Placing Programme to the standard segment of the Official List and to trading on the Main Market of the London Stock Exchange becoming effective in accordance with the Listing Rules and the admission and disclosure standards of the London Stock Exchange;
“ZDP Repayment Date”	30 April 2025;
“ZDP Shareholder”	a holder of ZDP Shares;
“ZDP Shares”	zero dividend preference shares of 100 pence each to be issued by 2025 ZDP Co;

“2025 Contribution Agreement”	the contribution agreement entered into between the Company and 2025 ZDPCo dated 23 November 2017, as more particularly described in paragraph 10 of Part IX of this Prospectus;
“2025 Loan Agreement”	the loan agreement entered into between 2025 ZDPCo (as lender) and the Company (as borrower) dated 23 November 2017, as more particularly described in paragraph 10 of Part IX of this Prospectus;
“2025 ZDPCo”	SDV 2025 ZDP PLC (company number: 11031268); and
“2025 ZDPCo Articles”	the articles of association of 2025 ZDPCo from time to time.

Section 4 – Joint Applicants (You may apply with up to 3 joint applicants)

Second Applicant

Title						Date of Birth	D	D		M	M		Y	Y
Surname														
Full Name(s)														
House Number						Post Code								

Third Applicant

Title						Date of Birth	D	D		M	M		Y	Y
Surname														
Full Name(s)														
House Number						Post Code								

Fourth Applicant

Title						Date of Birth	D	D		M	M		Y	Y
Surname														
Full Name(s)														
House Number						Post Code								

Section 5 – CREST

If you would like your C Shares to be credited to your CREST account please provide details below. The CREST account must be in same name(s) as the Applicant Details provided in Sections 2, 3 or 4 above.

Participant ID						Member Account ID								
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Name of contact at CREST Custodian					
Telephone number of contact					
Email of contact					

Section 6 – Signature

By signing below you are deemed to have read the Prospectus and agreed to the terms and conditions in Part X of the Prospectus (Terms and Conditions of Application under the Offer for Subscription) and to have given the warranties and undertakings set out therein.

Execution by Individuals:

First Applicant Signature		Date	
Second Applicant Signature		Date	
Third Applicant Signature		Date	
Fourth Applicant Signature		Date	

Execution by a Company:

Executed by: (Name of Company)			
Name of Authorised signatory:		Name of Authorised signatory:	
Position of Authority:		Position of Authority:	
Signature:		Signature:	
Date:		Date:	

A corporation should sign under the hand of a duly authorised official whose representative capacity should be stated and a copy of a notice issued by the corporation authorising such person to sign should accompany the Application Form

Section 7 – MUST BE COMPLETED BY AUTHORISED FINANCIAL INTERMEDIARIES ONLY

By completing and stamping Section 7 below you are deemed to have read the Prospectus and agreed to the terms and conditions in Part X of the Prospectus (Terms and Conditions of Application under the Offer for Subscription).

AUTHORISED FINANCIAL	Name of Firm	
	FCA Number	
	Signature	
	Name	
	Position	
	Date	
	Telephone No	
	Email Address	

NOTES ON HOW TO COMPLETE THE APPLICATION FORM

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

Application and Amount Payable

Insert in Section 1 the number of C Shares you wish to apply for in Chelverton Small Companies Dividend Trust PLC. You must also insert your total payment. Your cheque or banker's draft should be for an amount that represents 100 pence multiplied by the number of C Shares for which you are applying.

Your application must be for a minimum of 1,000 C Shares.

Payment

Payments must be made by cheque or banker's draft in sterling drawn on a branch in the United Kingdom of a bank or building society. Cheques, which must be drawn on the personal account of the individual investor where they have sole or joint title to the funds, should be made payable to "Share Registrars Receiving Agent Account". Third party cheques may not be accepted with the exception of building society cheques or banker's drafts where the building society or bank has inserted details of the name of the account holder and have either added the building society or bank branch stamp or have provided a supporting letter confirming the source of funds. The name of the account holder should be the same as the name of the Shareholder shown on the Application Form. Post-dated cheques will not be accepted.

Money Laundering Regulations

To ensure compliance with the Money Laundering Regulations, Share Registrars may, at their absolute discretion, check the identity of the person by whom or on whose behalf an Application Form is lodged with payment, in excess of the sterling equivalent of €15,000 (approximately £13,000) of C Shares.

Share Registrars may therefore undertake electronic searches for the purposes of verifying identity. To do so Share Registrars may verify the details against the applicant's identity, but also may request further proof of identity. Share Registrars reserves the right to withhold any entitlement (including any refund cheque) until such verification of identity is completed to its satisfaction.

If an application is made by a UK regulated broker or intermediary acting as agent and which is itself subject to the Money Laundering Regulations, any verification of identity requirements are the responsibility of such broker or intermediary and not Share Registrars. In such case, the lodging agent's stamp should be inserted on the Application Form. The person lodging the Application Form with payment (the 'applicant'), including any person who appears to Share Registrars to be acting on behalf of some other person, shall thereby be deemed to agree to provide Share Registrars and/or the Company with such information and other evidence as Share Registrars may require to satisfy the verification of identity requirements.

Submission of an Application Form will constitute a warranty that the Money Laundering Regulations will not be breached by the acceptance of the remittance and an undertaking by the applicant to provide promptly to Share Registrars such information as may be specified by Share Registrars and/or the Company as being required for the purpose of the Money Laundering Regulations.

If Share Registrars and/or the Company determines that the verification of identity requirements apply to any applicant or application, the relevant New Ordinary Shares (notwithstanding any other term of the Offer for Subscription) will not be issued to the relevant applicant unless and until the verification of identity requirements have been satisfied in respect of that applicant or application. Share Registrars is entitled, in its absolute discretion, to determine whether the verification of identity requirements apply to any applicant or application and whether such requirements have been satisfied, and none of Share Registrars, nor the Company will be liable to any person for any loss or damage suffered or incurred (or alleged), directly or indirectly, as a result of the exercise of such discretion.

If the verification of identity requirements apply, failure to provide the necessary evidence of identity within a reasonable time may result in delays and potential rejection of an application. If, within a reasonable period of time following a request for verification of identity, Share Registrars has not received evidence satisfactory to it as aforesaid, the Company may, in its absolute discretion, treat the relevant application as invalid, in which event the application monies will be returned (at the applicant's risk) without interest to the account of the bank or building society on which the relevant cheque or banker's draft was drawn, or, as applicable, the relevant account of the bank or building society from which the relevant funds were debited.

Applicant Details

Insert your title, full name, address with post code, date of birth, daytime telephone number and e-mail address in BLOCK CAPITALS in black ink in Section 2. Applications can only be made by persons over the age of 18.

Corporate Details

A corporate body wishing to apply for C Shares should insert the company name, address, daytime telephone number, their e-mail address and the company registered number in BLOCK CAPITALS and in black ink in Section 3.

Joint Applicants

You may apply with up to three joint applicants. Joint applicants should insert their title, full name, date of birth, house number and post code in Section 4 in BLOCK CAPITALS and in black ink.

CREST

If you would like to receive your C Shares in uncertificated form please insert your Participant ID and Member Account ID number in Section 5. The CREST account must be in same name(s) as the Applicant(s) details provided in Section(s) 2, 3 or 4 above. If you are not a CREST Participant or CREST Sponsored Member you should leave Section 5 blank and you will automatically receive a share certificate for your C Shares.

Signature

By signing the Application Form you are deemed to have read the Prospectus and agreed to the terms and conditions in Part X of the Prospectus (Terms and Conditions of Application under the Offer for Subscription) and to have given the warranties and undertakings set out therein.

Execution by Individuals:

Please sign and date Section 6. All applicants must sign. The Application Form may only be signed by someone other than the Applicant(s) named in Section(s) 2, 3 or 4 if duly authorised to do so. In such cases the original Power of Attorney (or other relevant legal document) or duly certified copy thereof must be enclosed for inspection.

Execution by a Company:

A corporation should sign under the hand of a duly authorised official whose representative capacity should be stated and a copy of a notice issued by the corporation authorising such person to sign should accompany the Application Form.

PLEASE AFFIX YOUR CHEQUE OR BANKER'S DRAFT TO THE BOTTOM OF THE APPLICATION FORM.

If you have any questions relating to the Offer for Subscription or completion and return of your Application Form, please contact the Share Registrars Helpline on 01252 821390 (from inside the UK) or +44 1252 821390 (if calling from outside the UK). The Helpline is open from 9 a.m. to 5.30 p.m. (UK time) Monday to Friday (excluding English and Welsh public holidays). Calls to the Helpline from outside the UK will be charged at the applicable international rate. Please note that calls may be recorded and randomly monitored for security and training purposes. Please note that for legal reasons, the Helpline cannot provide advice on the merits of the Offer for Subscription nor give financial, tax, investment or legal advice.

