

# MOBEUS INCOME & GROWTH 2 VCT PLC

Mobeus Equity Partners LLP ("**Mobeus**")  
30 Haymarket  
London  
SW1Y 4EX

Dear Sirs

15 June 2016

## **Mobeus Income & Growth 2 VCT plc ("the Company") - Performance Incentive Agreement**

### **Background**

We refer to the performance incentive agreement dated 20 September 2005 between the Company (1) and Matrix Private Equity Partners Limited (2) (as novated to Mobeus pursuant to a novation agreement dated 20 October 2006 ("**Performance Incentive Agreement**")), a copy of which is attached to this letter.

Definitions used in the Performance Incentive Agreement apply herein. The Company and Mobeus are hereinafter referred to as the "**Parties**".

The Performance Incentive Agreement applied to the performance of the C Shares issued by the Company. On 10 September 2010, the Company merged the then ordinary shares of 1p each into the C Shares, following which the enlarged resulting number of C Shares were redesignated as ordinary shares of 1p each ("**Share Class Merger**"). References to "**Shares**" herein and references to C Shares in the Performance Incentive Agreement relate to such redesignated C Shares, plus those issued since the Share Class Merger. References to "C Fund shares" are to former C fund shares that existed alongside former O fund shares, before the Share Class Merger. Shares upon which the Incentive Fee may be payable at any calculation date will comprise C Fund shares and Shares issued since the Share Class Merger, less an allocation of any Shares that are bought back. These shares are referred to hereinafter as "INCF Shares".

At the time of the Share Class Merger, the Parties agreed the operation of the Performance Incentive Agreement to the enlarged class of Shares (which was confirmed by PKF (UK) LLP ("PKF"), the then auditors, as being fair and reasonable pursuant to clause 2.5 of the Performance Incentive Agreement. A summary of the agreed basis of operation was set out on page 12 of the circular to shareholders dated 13 August 2010, a copy of which is attached to this letter.

The Parties have acknowledged that the Performance Incentive Agreement, which dates back to the launch of the Company, has a number of areas which require clarification and/or agreed interpretation in order for the agreement to be operated.

This letter sets out clarification and/or interpretation agreed by the Parties to be applied to the Performance Incentive Agreement with effect from 1 April 2015.

### **Summary of the Performance Incentive Agreement**

In each **Accounting Period**, Mobeus is entitled to receive an **Incentive Payment** equal to 20% of the excess of dividends declared in that Accounting Period over the **Target Rate**. Such Incentive Payment is payable only if the average **Net Asset Value per Share** is equal to or greater than 100.00p (or such other **base figure** set in accordance with the Performance Incentive Agreement), both for that same Accounting Period.

For these purposes:

"**Accounting Period**" is currently a year ending 31 March.

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The "**Target Rate**" has three components, which are added together for an Accounting Period:

- (i) the annual dividend target (this being an annual dividend rate per Share which started at 6.00 pence per Share at the close of the fundraising undertaken by the Company in 2006/7, indexed annually by reference to the Retail Price Index (All Products) since 1 May 2009);

plus

- (ii) the aggregate of any dividend deficit per Share against the Target Rate from any previous Accounting Period ("**Shortfall**");

plus

- (iii) the additional movement in the Shortfall shown in Appendix C, that arises from the effect of the calculations undertaken in Clauses 1.2 to 1.7, as illustrated in Appendix D,

Multiplying the number of Shares in issue by the Target Rate per share after deducting the dividends paid per Share in a year will give an "**Aggregate Target Rate**" or "**ATR**".

"**Net Asset Value per Share**" means the aggregate of the gross assets of the Company less all liabilities of the Company, the net of which is divided by the number of Shares in issue.

"**base figure**" is not defined in the Performance Incentive Agreement, but the Parties agree is a concept to denote the amount of capital all investors have subscribed for each Share since the close of the 2006/7 fundraising Offer. The base figure started at 100.00p per Share (as referred to above), but can be adjusted under the Performance Incentive Agreement in light of share capital changes where it is fair and reasonable to do so. The base figure is hereinafter referred to as the "**Base NAV**".

### Clarifications and Interpretation

1. Clause 2.1 of the Performance Incentive Agreement refers to Dividends 'declared' and 'declared and paid' in an Accounting Period.
  - 1.1. It has been agreed that, in respect of calculating Dividends 'declared' or 'declared and paid' in an Accounting Period, only dividends paid in the relevant Accounting Period shall be taken into account and further that references to 'declared' shall be ignored. References to Dividends 'declared' or 'declared and paid' throughout the Performance Incentive Agreement shall be construed on the same basis.
  - 1.2. The Parties agree that, at the time of the Share Class Merger of the two former share classes on 10 September 2010, PKF had formally opined upon first, the methodology of the calculation of both the aggregate and the C Fund share dividend Shortfall per share at the Share Class Merger date and secondly, the methodology to calculate the ratio of the aggregate calculation that is attributable to the former C Fund shares. PKF also informally opined on the methodology to be applied after the Share Class Merger to calculate applicable dividend Shortfalls (or excesses) per Share in aggregate, to include subsequent new Shares issued and Share buybacks after the Share Class Merger, after also taking into account subsequent applicable annual dividend targets and dividends paid.

In summary, first, a methodology calculates an Aggregate Target Rate for all the Shares in issue ("Methodology 1") and then secondly, applies a ratio to the result, both at an incentive fee calculation date. The ratio is obtained from a methodology to calculate Shares represented by INCF Shares as a proportion of the total Shares in issue, at an incentive fee calculation date ("Methodology 2"). The steps contained in these



methodologies are described in more detail below. Each step records, where applicable, which Methodology it relates to:-

- 1.2.1. All new Shares issued by the Company subsequent to the Share Class Merger are considered to be INCF Shares (Methodologies 1 and 2).
- 1.2.1.1. Any new Shares issued do not assume an additional Shortfall per Share brought forward. As a consequence, new Shares so added in will reduce any Shortfall brought forward per Share, as a larger number of Shares now bear a share of any Shortfall brought forward (Methodology 1).
- 1.2.1.2. The annual dividend target per Share will be allocated to each new Share for the year in which it is issued, pro-rata'd on a time basis, adding to any Aggregate Target Rate. If such a Share receives any dividends paid in that year, these are set against its annual dividend target, thereby reducing any Aggregate Target Rate (reducing where the ATR is a negative figure, but increasing an ATR where it is a positive figure). (Methodology 1).
- 1.3. The annual dividend target per Share for the year will be allocated to all Shares brought forward from a previous year, increasing any Aggregate Target Rate (where the ATR is negative, but reducing the ATR where it is positive, which will be reduced or increased by any dividends paid in the year (Methodology 1).
- 1.4. Shares bought back in a year will reduce any Aggregate Target Rate (reducing the ATR where the ATR is a negative figure, but increasing an ATR where it is a positive figure), first, by the amount of the Shortfall per Share brought forward, and secondly, by their dividend target for the year (pro-rata'd on a time basis to the date of the buyback, so as to remove the portion of the annual dividend target relating to the period after the buyback, from the Shortfall per Share), but adding back any dividends per Share not received in the year by Shares bought back. The last part of this adjustment is to counter the effect of the second part of 1.3 above. (Methodology 1).
- 1.5. The Parties agree that it is impractical to determine accurately the origin of any Shares bought back since the Share Class Merger. To obtain the amount of Shares represented by both first, former O fund shares and secondly, INCF Shares, a practical basis is applied. Shares bought back in a year are allocated across the Shares in issue before each buyback, in the ratio of the estimated Shares attributable to both the former O fund Shares and INCF Shares in issue before each buyback. The number of both categories of Shares are therefore reduced by a buyback (Methodology 2).
- 1.6. The total value of the Aggregate Target Rate is divided by the number of Shares in issue, to arrive at a positive or negative Aggregate Target Return per Share. The resulting figure per Share for all Shares is the same as for INCF Shares, upon which any incentive fee is eventually calculated.
- 1.7. The ratio of INCF Shares to the total Shares in issue at a calculation date is applied to the Aggregate Target Rate at a calculation date, to arrive at the proportion of the Aggregate Target Rate attributable to the INCF Shares (Methodology 2).
- 1.8. An example of the application of these steps 1.2 to 1.7. is shown on the attached appendix D, containing the calculations with each step marked at the appropriate part of the example.
2. Clause 2.1 of the Performance Incentive Agreement states that 'any payment of the Incentive Fee is further conditional upon the average Net Asset Value per Share in any Accounting Period in which such Dividends are declared and paid being maintained at 100.00p or more (or such other base figure set in accordance with clause 2.5)'.
  - 2.1 The Parties acknowledge that there is no definition of 'average Net Asset Value per Share' expressed or implied within the Performance Incentive Agreement. The Parties

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agree that the 'average Net Asset Value per Share' shall be the daily weighted average Net Asset Value per Share during the relevant Accounting Period.

For these purposes, it is agreed that:

- 2.1.1 **'daily weighted average'** shall be calculated by adding together the Net Asset Value per Share for each day of the relevant Accounting Period and dividing the resultant sum by the number of days in that Accounting Period;
- 2.1.2 the Net Asset Value per Share on a particular day shall be the Net Asset Value per Share published through a Regulatory Information Service by the Company in respect of the preceding quarter date (the quarter dates currently being 31 March, 30 June, 30 September and 31 December) or, if a Net Asset Value per Share has been published through a Regulatory Information Service by the Company for a more recent date, then that more recent Net Asset Value per Share shall apply, both subject to 2.1.3 below, if applicable;
- 2.1.3 the Net Asset Value per Share for a particular day calculated in accordance with paragraph 2.1.2 above shall be reduced by the amount of any dividend paid, from the date of payment of such dividend until the date in respect of which the next Net Asset Value per Share is published through a Regulatory Information Service by the Company; and
- 2.1.4 the Net Asset Value per Share on the closing day of the relevant Accounting Period shall be before any deduction of any Incentive Payment payable in respect of that Accounting Period (any Incentive Payment being deducted from the calculation of NAV from the first day of the next Accounting Period).
- 2.1.5 An illustration of the calculation of the weighted average net asset value per share is shown in Appendix A.
- 2.2 The Parties agree that a Base NAV should be used instead of 100.00p and further acknowledge that such Base NAV may fluctuate during an Accounting Period as a result of share capital changes, for example shares being issued or repurchased by the Company.

In such circumstances, the Parties agree that the Base NAV shall be the daily weighted average Base NAV in respect of the relevant Accounting Period calculated using the same daily weighted average principles as set out in paragraph 2.1.1 above in respect of the average Net Asset Value per Share and with the Base NAV being adjusted to reflect the number of shares issued or repurchased and their associated gross proceeds or costs, together with the number of shares in issue from date of the relevant issue or repurchase of shares.

An illustration of the calculation of the weighted average Base NAV per share is shown in Appendix B.

- 3 For the avoidance of doubt, the Parties confirm that any Dividends paid in excess of the Target Rate in an Accounting Period will not be taken into account in reducing any Shortfall resulting from other Accounting Periods
- 4 The Parties agree that, in relation to the amount of Incentive Payment payable in respect of the relevant Account Period, this is to be calculated by multiplying an amount representing the excess of Dividends paid in that Accounting Period above the Target Rate for that Accounting Period by the weighted average number of Shares on which dividends were actually paid (using similar weighted average principles as set out in paragraph 2.1.1 above), but then adjusted.
- 5 The Parties agree that, for the purposes of calculating any Incentive Payment payable under the Performance Incentive Agreement, any excess or deficit in relation to dividends paid over or under the Target Rate shall be expressed to four decimal places

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using the following rounding convention: if the fifth and sixth decimal places exceed 49, the fourth decimal place will be rounded up and if the fifth and sixth places are equal to or less than 49, the fourth decimal figure will remain unchanged.

For the purposes of reporting such data in published information to Shareholders, the data will be expressed in pence to two decimal places, unless the Parties otherwise agree.

- 6 The Parties agree the following calculations in respect of the annual dividend target (i.e. the first component of the Target Rate), the Shortfall (i.e. the second component of the Target Rate) and Base NAV as at the date specified and that these figures will be used as the start point to calculate the future values for such definitions/calculations:
  - 6.1 annual dividend target: 7.32p per Share for the year ended 31 March 2016;
  - 6.2 Shortfall: 7.40p as at 31 March 2016 (the aggregate of any dividend deficit per Share against the Target Rate from any previous Accounting Period); and
  - 6.3 Base NAV: 106.12p as at 31 March 2016, this being the starting figure for the calculation of Base NAV for the Accounting Period commencing on 1 April 2016 (i.e. the Net Asset Value per Share threshold).
- 7 The Parties agree that the references to the tax credit within the definitions of 'Dividends', 'Shortfall' and 'Target Rate' in the Performance Incentive Agreement should be retained, it being acknowledged that this is intended to cater for the possibility that dividends from VCTs become taxable in the future upon receipt by the great majority of qualifying investors (i.e. UK taxpayers who invested up to £200,000 in a tax year and are over 18), and that such investors would be able to avail themselves of any applicable tax credit to offset against their tax liabilities arising from these dividends becoming taxable, or that such investors otherwise benefit from these tax credits. If this becomes the case in future, the Parties agree that these tax credits will be included in the relevant calculations.
- 8 Worked examples and illustrations of the above agreed principles are attached to this letter, as Appendices A - D.

#### **Confirmation from the Auditors**

The Parties acknowledge that BDO LLP, as the auditors of the Company, has confirmed that the principles to be used in calculating the 'Base NAV' as set out in this letter and in Appendix B of this letter are, in their opinion, fair and reasonable.

In the event of disagreement between the Parties as to the calculation of the average Net Asset Value per Share, Base NAV, annual dividend target, Shortfall or the weighted average number of shares on which dividends have been paid for the purposes of Performance Incentive Agreement (as supplemented by paragraphs 1 to 4 above), clause 2.4 of the Performance Incentive Agreement shall, for the avoidance of doubt, continue to apply).

#### **General**

Save as expressly provided in this letter, the provisions of the Performance Incentive Agreement shall continue to have full force and effect.

This letter may be signed in any number of counterparts, and by the Parties on separate counterparts, but shall not be effective until both Parties have signed at least one counterpart. Each counterpart shall constitute an original of this letter, but all the counterparts shall together constitute but one and the same letter.

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In witness whereof we have executed and delivered this letter as a deed this 15 day of JUNE 2016.

EXECUTED as a DEED by  
MOBEUS INCOME & GROWTH 2 VCT PLC



.....

acting by a director

in the presence of:

Witness signature: .....



Witness name: .....

JONATHAN MCGUIRE

Witness address: .....

212 BUCKHURST WAY

.....  
BUCKHURST HILL, ESSEX IG9 6JD

Witness occupation: .....

COMPANY SECRETARY

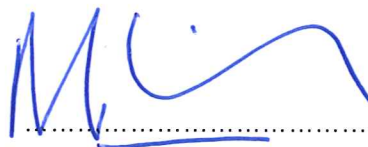
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We acknowledge receipt of, and agree with the terms of, this letter.

In witness whereof we have executed and delivered this acknowledgment as a deed this day of 2016.

EXECUTED as a DEED by  
MOBEUS EQUITY PARTNERS LLP  
acting by:

Member



.....

Member



.....

## Appendix A

### Worked Examples - Average Net Asset Value per Share

#### Worked Example 1

Type	Reporting date	NAV per share p	From	To	No of days	Weighted Average p
Quarterly Reporting	1-Apr-14	120.73	1-Apr-14	30-Jun-14	91	30.09980822
Quarterly Reporting	30-Jun-14	129.63	30-Jun-14	30-Sep-14	91	32.31871233
Quarterly Reporting	30-Sep-14	130.51	30-Sep-14	20-Oct-14	20	7.15123288
Dividend of 14.00p	20-Oct-14	116.51	20-Oct-14	31-Dec-14	72	22.98279452
Quarterly Reporting	31-Dec-14	120.52	31-Dec-14	20-Mar-15	79	26.08515068
Dividend of 5.00p	20-Mar-15	115.52	20-Mar-15	31-Mar-15	12	3.79791781
Quarterly Reporting	31-Mar-15	115.45	31-Mar-15	31-Mar-15	0	-
Average Net Asset Value per Share for year ended 31 March 2015			31-Mar-15		365	122.43561644
Quarterly Reporting	1-Apr-15	115.45 (note)	1-Apr-15	30-Jun-15	91	28.70478142
Quarterly Reporting	30-Jun-15	118.77	1-Jul-15	30-Sep-15	92	29.85475410
Quarterly Reporting	30-Sep-15	121.43	30-Sep-15	31-Dec-15	92	30.52338798
Quarterly Reporting	31-Dec-15	123.55	31-Dec-15	18-Mar-16	78	26.33032787
Dividend of 13.00p	18-Mar-16	118.55	18-Mar-16	31-Mar-16	13	4.21079235
Quarterly Reporting	31-Mar-16	119.61	31-Mar-16	31-Mar-16	0	-
Average Net Asset Value per Share for year ended 31 March 2016			31-Mar-16		366	119.62404372
<b>Summary</b>						
Average Net Asset Value per Share for year ended 31 March 2015					say:	122.43561644
Movement in the year						(2.81157272)
Average Net Asset Value per Share for year ended 31 March 2016						119.62404372

Note: The NAV at the start of an accounting period will be the audited NAV shown by the audited accounts at the end of the previous accounting period.

Appendix B  
Worked Example - Average Base NAV

Date	Transaction	No of shares in issue/issued/bought back	Cumulative No of Shares	Offer/buyback price	Gross issue proceeds/(cost of buybacks, including transaction costs and stamp duty)	Total value at Base nav	Revised Base NAV	No of days	Base NAV (calculated on a weighted average basis)
Column:		(A)	(B)	(C) P	(D) = [(A)-(C)]*100	(E)	(F) = (E)/(B)*100	(G)	(H) = [(F)-(G)]*(G)/965
2005/06	Allotment	9,145,990	9,145,990	100.00	9,145,990	9,145,990	100.00000000		
01/05/2008	BROUGHT FORWARD	9,145,990	9,145,990	100.00	9,145,990	9,145,990	100.00000000	334	93.60272978
03/04/2009	Allotment	6,762,734	15,908,724	92.39	6,132,656	15,338,646	96.74158281	2	8.52031904
05/04/2009	Allotment	1,061,662	16,970,386	92.39	980,670	16,319,515	96.50587198	25	6.60999129
30/04/2009		16,910,346	16,910,346		16,319,515	16,319,515	96.50587198	365	39.74304100
01/05/2009	BROUGHT FORWARD	16,910,346	16,910,346			16,319,515	96.50587198	5	1.32109402
05/05/2009	Allotment	572,972	17,483,318	92.39	529,269	16,848,884	96.37094488	44	11.61222221
18/06/2009	Allotment	730	17,484,048	92.39	674	16,848,559	96.37091867	99	26.13893438
25/09/2009	Buyback	(50,225)	17,433,823	96.40	(28,701)	16,820,828	96.48362200	19	6.02243469
14/10/2009	Buyback	(87,600)	17,346,223	96.40	(21,511)	16,799,317	96.56893740	33	24.60519419
19/01/2010	Buyback	(69,924)	17,276,299	95.49	(22,859)	16,777,418	96.68593345	105	27.81367536
30/04/2010		17,246,339	17,246,339		451,962	16,777,418	96.68593345	365	36.31999910
01/05/2010	BROUGHT FORWARD	17,246,339	17,246,339			16,777,418	96.68593345	133	35.20065548
	Issue of shares to former O Fund shareholders	9,311,976	26,657,315	90.80	8,460,110	25,237,527	94.66125831	14	2.63084163
24/09/2010	Buyback	(106,111)	26,551,204	94.00	(109,643)	25,127,885	94.59790040	14	3.44223847
09/10/2010	Buyback	(82,701)	26,468,503	94.00	(84,974)	25,042,911	94.50701248	3	0.78153709
11/10/2010	Buyback	(20,975)	26,347,528	94.00	(21,248)	25,021,663	94.51892438	18	4.89099607
29/10/2010	Buyback	(18,968)	26,328,560	94.00	(19,237)	25,002,426	94.54268832	77	20.07297465
14/01/2011	Buyback	(108,767)	26,219,793	97.00	(62,432)	24,939,993	95.30479566	17	4.49888350
31/01/2011	Buyback	(181,578)	26,038,215	97.00	(104,228)	24,835,765	95.56901207	80	20.34662278
21/02/2011	Buyback	(101,193)	25,937,022	91.00	(117,613)	24,717,263	95.82136684	9	2.98271863
30/04/2011		25,835,764	25,835,764			24,717,263	95.82136684	365	95.79670437
01/05/2011	BROUGHT FORWARD	25,835,764	25,835,764			24,717,263	95.82136684	111	29.50077847
19/06/2011	Buyback	(283,259)	25,552,505	62.23	(146,173)	24,631,090	96.12183325	70	18.38421538
28/07/2011	Buyback	(64,168)	25,488,337	62.90	(27,978)	24,603,112	96.17978019	3	0.78351855
31/10/2011	Buyback	(250,882)	25,237,455	63.50	(45,147)	24,497,965	96.46039879	14	23.35289599
27/01/2012	Buyback	(114,571)	25,122,884	69.00	(79,614)	24,382,351	96.58284659	14	3.40446305
10/02/2012	Buyback	(93,775)	25,029,109	69.00	(65,160)	24,317,191	96.64397856	27	7.13242625
03/03/2012	Buyback	(91,023)	24,938,086	68.48	(131,739)	24,185,352	96.80615075	48	12.70769190
28/04/2012	Buyback	(74,477)	24,863,609	67.76	(92,314)	24,120,038	96.94849504	5	1.82402480
30/04/2012	Buyback	(65,923)	24,797,686	67.75	(85,837)	24,034,201	97.02607046	-	-
30/04/2012		24,741,461	24,741,461		(68,744)	24,085,519	97.02607046	365	96.28519373
01/05/2012	BROUGHT FORWARD	24,741,461	24,741,461			24,085,519	97.02607046	109	28.97460871
17/06/2012	Buyback	(82,300)	24,659,161	88.41	(65,110)	24,020,409	97.11746938	125	33.21943972
20/12/2012	Buyback	(207,085)	24,452,076	69.73	(45,115)	23,995,293	97.24037496	14	26.23856443
28/02/2013	Buyback	(212,401)	24,239,675	68.34	(48,963)	23,946,330	97.35608997	32	8.55591055
29/04/2013	Buyback	(210,000)	24,029,675	70.25	(48,284)	23,918,046	97.52992117	1	0.26887318
30/04/2013	Buyback	(67,093)	23,962,582	70.25	(47,375)	23,866,625	97.90578941	-	-
30/04/2013		24,076,716	24,076,716		(41,894)	23,866,625	97.90578941	365	97.19322369
01/05/2013	BROUGHT FORWARD	24,076,716	24,076,716			23,866,625	97.90578941	183	38.48286408
30/10/2013	Buyback	(150,000)	23,926,716	91.00	(137,165)	23,729,460	97.46230002	71	20.75872923
03/01/2014	Allotment	800,702	24,727,418	117.92	1,033,348	24,432,587	98.82217081	12	3.53302669
21/01/2014	Buyback	(690,000)	24,037,418	101.00	(185,291)	24,077,316	98.50938401	21	6.18030304
11/02/2014	Allotment	1,062,756	25,099,174	118.22	2,300,390	26,397,686	105.02311425	20	5.97206882
03/03/2014	Buyback	(125,128)	24,974,046	97.50	(122,609)	26,275,077	104.96105118	25	7.46792628
28/03/2014	Buyback	(122,208)	24,851,838	102.00	(125,279)	26,149,798	104.94858652	3	0.83956644
31/03/2014	Allotment	1,725,302	26,577,140	110.28	2,295,580	28,446,299	107.06895662	-	-
31/03/2014		28,062,140	28,062,140		4,879,674	28,446,299	101.36895662	335	98.29145621
01/04/2014	BROUGHT FORWARD	28,062,140	28,062,140			28,446,299	101.36895662	3	0.83316951
03/04/2014	Allotment	641,402	28,703,542	119.82	768,728	29,215,026	101.78188460	1	0.37849311
04/04/2014	Allotment	1,109,945	29,813,487	118.08	1,313,863	30,528,829	102.42171355	63	17.67462857
06/06/2014	Buyback	(698,823)	29,114,664	118.66	818,781	31,347,711	102.78911837	17	4.78743840
28/06/2014	Buyback	(245,000)	28,869,664	108.00	(212,810)	31,134,901	103.78791216	11	3.89789124
04/07/2014	Buyback	(159,045)	28,710,619	108.50	(173,420)	30,941,372	102.75065566	47	28.49121217
29/09/2014	Buyback	(65,744)	28,644,875	105.00	(67,988)	30,873,386	102.74922825	-	-
29/09/2014	Buyback	(51,800)	28,593,075	108.00	(62,871)	30,820,515	102.74766308	80	22.2008574
18/12/2014	Buyback	(131,000)	28,462,075	104.00	(125,408)	30,695,105	102.74012430	27	7.59984399
14/01/2015	Allotment	2,519,334	30,981,409	118.44	3,458,120	34,153,205	104.87744448	34	9.70035154
17/02/2015	Allotment	3,087,865	34,069,274	124.53	3,839,700	37,992,905	105.87712605	21	8.09138084
10/03/2015	Allotment	586,016	34,655,290	120.18	702,592	38,695,556	106.10641046	21	6.10752928
31/03/2015		34,668,632	34,668,632		10,249,258	38,695,556	106.10641046	355	103.18341743
01/04/2015	BROUGHT FORWARD	34,668,632	34,668,632			38,695,556	106.10641046	87	25.22201566
26/06/2015	Buyback	(93,873)	34,574,759	104.00	(96,610)	38,598,947	106.11372807	80	23.99320554
14/09/2015	Buyback	(125,000)	34,449,759	106.00	(131,911)	38,467,036	106.11373903	15	4.54892373
29/09/2015	Buyback	(12,234)	34,337,525	106.00	(34,229)	38,432,707	106.11377743	182	32.76660991
29/09/2015	Buyback	(100,000)	34,237,525	105.00	(157,637)	38,275,070	106.11810399	7	0.57988036
21/03/2016		34,068,463	34,068,463		(40,387)	37,864,783	106.11810399	366	106.11110114

Assume these shares enter the pool at the CFund NAV per share of 90.83 at the date of the merger, and disclosed in the annual accounts for that year.



Appendix C  
Worked Examples

	Part (i)				Part (ii)			Are both conditions satisfied?	Average number of shares used to pay dividends in the accounting period (see Example 3 below)	Taxation Fee Payable (10%*(C)-(D)/100, subject to rounding convention referred to below)
	Cumulative Dividends paid per share	Cumulative amount Dividend target	Excess (Shortfall) of Dividends paid from previous year (part of Target Rate in 2015) (C)-(A)-(B)	Target Rate	Average Net Asset Value per share	Share NAV (calculated as a weighted average basis)	Average Net Asset Value per Share greater than or equal to the Share NAV?			
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	
<b>Worked Example 1</b>										
At 31/03/15	43.00	47,000,000.00	(5,500,000.00)	123.44						
2015 interim dividend paid 15 March 2015 (10p www.hypotheticals)	33.00									
Total dividends paid in 2015	33.00									
Annual dividend target as at 31 March 2015 (dividend target payable and 100p/100 shares)		7,200,000.00	2.50							
Dividend annual dividend target as at 31/03/15 (part of Target Rate)		7,200,000.00								
Calculation of Shortfall as shown in Appendix C		7,400,000.00								
Further amounts to add for year, arising from detailed application of share provisions in year. This affects Dividend Shortfall, and hence Target Rate		0.00000000	0.00000000							
Target Rate for year				(12.44442020)						
Dividend in Average Net Asset Value per Share - see Appendix A. Share NAV (calculated on a weighted average basis) - see Appendix B				12.00	100.11100114					
At 31/03/16	59.00	54,454,432.00	0.54000000	133.00000000	100.11100114	YES	YES	36,270,895	39,876.24	
2016 interim dividend paid 15 March 2016	5.00									
Total dividends paid in 2016	5.00									
Annual dividend target as at 31 March 2016 (dividend target payable and 100p/100 shares)		7,200,000.00	3.00							
Dividend annual dividend target as at 31/03/16 (part of Target Rate)		7,200,000.00								
Calculation of Shortfall as shown in Appendix C		7,400,000.00								
Further amounts to add for year, arising from detailed application of share provisions in year. This affects Dividend Shortfall, and hence Target Rate		0.00000000	0.00000000							
Target Rate for year				(12.44442020)						
Dividend in Average Net Asset Value per Share - see Appendix A. Share NAV (calculated on a weighted average basis) - see Appendix B				12.00	100.11100114					
At 31/03/16	47.00	54,454,432.00	(7,400,000.00)	133.00000000	100.11100114	NO	YES	36,270,895	0	
No amounts to add		0.00000000								
Shortfall for year ended 31/03/16 (after point of any surplus) (same in this example)			(7,400,000.00)							

Dividend paid in 2015/16	Number of Shares	Dividend per Share	Dividend paid	Average number of shares used to pay dividends in the accounting period (D) = (C) / (H) * 100
	(A)	(B)	(C)	(D)
ASXLINK further dividend had been paid in September 2015 (10p) (not incorporated in Example 1 above)	46,975,793	2.50	117,439,482.50	
2016 interim dividend paid 15 March 2016	34,272,883	5.00	1,713,644.15	
		7.50	1,725,076.65	10,270,895

