

APPENDIX – STATEMENT FROM SHARESOC EDGE VCT CAMPAIGN (TO BE CIRCULATED)

If you thought corporate governance couldn't stoop any lower at Edge Performance VCT Plc (Edge VCT), think again!

We (the leaders of the [ShareSoc Edge VCT Campaign](#)) feel obliged to re-institute our campaign to change the directors. As most of the Board are not willing to put themselves up for election by the shareholders, we have called a general meeting to:

- 1) remove three of the existing directors from the Board (Terry Back, Sir Aubrey Brocklebank and Sir Peter Bazalgette) and any further directors they may appoint; and
- 2) appoint one new director to the Board (Richard Roth).

We ask for your support and recommend shareholders vote FOR the Resolution to ELECT Richard Roth (Resolution X) (ie to APPOINT him as a director). We recommend you vote FOR the REMOVAL Terry Back, Sir Aubrey Brocklebank and Sir Peter Bazalgette and any further directors they may appoint (resolutions A-D). This would REMOVE them as directors.

Shareholders have been poorly served by the Board historically. Corporate governance has been poor for many years. This year, the Board failed to produce the Annual Report within normal deadlines resulting in an adjournment of the AGM and reneged on a previous commitment to stand for re-election. Despite agreeing new terms with the manager last year, the cost base remains high and the Board have given no indication how they will ensure the viability of the VCT going forward. Hence it is important that a Board focussed on shareholders' interests is appointed to ensure appropriate decisions are taken in the future.

Whilst I class shareholders will finally appreciate having received some more cash from their investment, the terms of the disposal of Coolabi were lousy for the VCT. I shareholders lost more than half their money, and the cash has taken nearly twice as long to be returned: yet their investment was purported to be relatively low risk. H share class performance has recently improved - it only looks so good as it was off a very poor (and comparatively low) base - but costs remain high, as does the discount to NAV and the bid offer spread, and there are no announced plans to address these.

Terry Back has been on the Board of the VCT for over 4 years, and **Sir Aubrey Brocklebank** 2 years, during which time poor governance issues have continued, and shareholder commitments reneged on. We do not believe they have shareholder interests at heart. A year ago, they were responsible for negotiating the latest arrangements with the manager, including removal of the current cost cap which has cost both H and I shareholders dearly. Their actions to date are far from shareholder friendly. There is no evidence they are willing to stand up to the manager or hold them to account. They were also unwilling to put themselves forward at the 2021 AGM for re-election, to be judged by the shareholders (including all the I shareholders) for their actions (or inaction).

We also have concerns about the independence of the recently appointed director **Sir Peter Bazalgette** due to him already being a member of the Edge Advisory Panel and also a partner in Edge Creative Enterprise Fund LLP. This relationship has never been properly disclosed. Given this long term relationship, he clearly cannot be relied upon to change the status quo that has existed for many years in this VCT – that it is being run in the interests of the manager and not shareholders.

An independent board is critical to ensure the needs of all groups of shareholders are respected, and this would be particularly applicable in the event of a new fund raise: it is essential that any arrangements for raising additional funds are structured in such a way so as not to penalise existing (or any new) investors.

Robin Goodfellow was appointed to the VCT Board last year following our previous campaign, and we believe he has been unable to make the necessary changes on his own. He should stay on the Board.

We are proposing **Richard Roth** as a new Director: he has extensive VCT director experience: currently chair at Oxford Technology 2 VCT Plc and a director of 4 other VCTs, Richard is a Chartered Management Accountant and is audit committee chair of all 5 companies. He has specific skills in cost reduction and is well versed in working on alternative strategic options to ensure the ongoing viability of VCTs. He is totally focussed on maximising shareholders' interests. He previously held senior positions in the airline industry, and has a good commercial understanding. Richard owns 175,000 I & 25,000 H shares, so his views are aligned with shareholders of **both** classes.



Richard, if elected, together with independent director Robin Goodfellow will:

1. review whether there is any scope to get back from the fund manager some of its egregious remuneration in the period 2016-2020, which is disproportionate to the performance and the amount of work done, or any other legal redress. These, if successful, would be of benefit in particular to the I class shareholders.
2. review the best strategy for the H share class, including dealing with the large share price discount. This may well lead to a recommendation (that would be put to shareholders) to wind up the Company and return the funds to shareholders.
3. focus on how to keep costs to a minimum.

We urge you to help with ensuring the best outcome for your VCT, by voting to appoint Richard Roth to the Board and to remove Terry Back, Sir Aubrey Brocklebank and Sir Peter Bazalgette as well as any further directors the current board may appoint.

ShareSoc support this campaign and these recommendations.

The leaders of the ShareSoc Edge VCT Campaign are currently Richard Roth, Cliff Weight, Mark Lauber, and Andrew Kenny.

For more information, please see <https://www.sharesoc.org/campaigns/edge-vct-campaign/>