

Dividend Investment Scheme

Terms and Conditions

- 1 (a) These terms and conditions ("Scheme Terms and Conditions") apply to the dividend investment scheme ("Scheme") made available by Mobeus Income & Growth 4 VCT plc ("Company"). The administrator of the Scheme is Link Asset Services ("Scheme Administrator").
 - (b) The Scheme was approved by Shareholders at the Annual General Meeting of the Company held on 27 May 2010. Elections to participate in the Scheme should be addressed to the Scheme administrator, Link Asset Services ("Scheme Administrator") in accordance with condition 12 and will only be effective for dividends to be paid 15 days (or thereafter) following receipt of the election by the Scheme Administrator.
 - (c) Election to participate may be through a mandate form made available by the Scheme Administrator, through an election contained in an offer for subscription application form, through a Dividend Election Input Message through CREST (in accordance with condition 12(b)) or as may otherwise be agreed with the Scheme Administrator.
- 2 (a) ~~Mobeus Income & Growth 4 VCT plc~~ ("the Company"), acting through the Scheme Administrator, shall have absolute discretion to accept or reject elections. An applicant shall become a member of the Scheme upon acceptance of his or her election by the Scheme Administrator on the Company's behalf ("Participants"). The Scheme Administrator will provide written notification if an election is rejected. Only registered ~~S~~shareholders may join the Scheme ("Shareholders").
 - (b) ~~Participants who are Shareholders~~ may only participate in the Scheme ~~in respect of a class of shares~~ if all ordinary shares of 1p each in the Company ("Sshares") of that class registered ~~are~~ in their name are mandated to the Scheme in relation to each specific account holding for which an election has been made unless condition 2(c) applies. By joining the Scheme in relation to a specific account holding, Participants instruct the Scheme Administrator that the mandate will apply to the full number of shares ~~of a class held by them in relation to that account~~, as entered onto the share register of the Company from time to time.
 - (c) Shareholders who hold their shares as nominees ("~~Nominee Participants~~") may make partial elections under the Scheme in respect of some of the Shares held in a specific account. A cash dividend will be paid in respect of the balance of Shares not included in the election. A partial election shall only apply to the relevant dividend for which the election has been received and will not apply to future dividends, as long as all shares of a particular class held in respect of a beneficial holder from time to time are mandated to the Scheme. Nominee Participants who make partial elections of holdings will be required to make such an election in respect of each dividend payment.
 - (d) The Company shall apply dividends to be paid to Participants on ordinary shares of 1p each (Ordinary Shares) in the Company in respect of which an election has been made in the allotment subscription of further ~~Ordinary~~ Shares. The Scheme Administrator shall not have the discretion, and Participants may not instruct the Scheme Administrator, to apply those dividends ("funds") towards any investments other than investment in ~~Ordinary~~ Shares as set out in this condition 2(~~bd~~).
 - (e) In relation to nNew sShares to be allotted in relation to a dividend such shares issued under the Scheme will only be allotted to the registered ~~s~~Shareholder and not any beneficial holder. Nominee Participants shall not be entitled to instruct the Scheme Administrator to allot ~~s~~Shares to a beneficial holder (and Participants are advised to read condition 16 in respect of the consequences for VCT tax reliefs).
- 3 (a) On or as soon as practicable after a day on which a dividend on ~~the s~~Shares is due to be paid to a Participant Shareholders or, if such day is not a dealing day on the London Stock Exchange, the dealing day thereafter ("Payment Date"), the Participant's funds held by the Company shall, subject to conditions 9, 11 and 20 below, and the Company having the requisite shareholder authorities and any other statutory or regulatory requirements, be applied on behalf of that Participant to subscribe for the maximum number of whole new ~~s~~Shares which can be allotted-acquired with the funds.
 - (b) The number of ~~s~~Shares to be allotted to a Participant pursuant to condition 3(a) above shall be calculated by dividing the Participant's funds held by the greater of (i) 70% of the last published net asset value per existing Share immediately prior to issue (adjusted to take into account the relevant dividend to be paid, unless such published net asset value already reflects the dividend to be paid), existing ordinary share and (ii) the average of the middle market price for ordinary shares taken from

~~the London Stock Exchange Daily Official List for the five business days immediately preceding the Payment Date. Shares will not be allotted at less than their nominal value.~~ Shares will not be allotted at less than their nominal value.

- (c) Fractional entitlements will not be allotted and any cash balance will be held by the Company and carried forward and included in the funds available in calculating the number of Shares to be allotted to the calculating a Participant's on the next dividend entitlement. No interest shall accrue or be payable in respect of any such cash balances carried forward.
 - (d) The Company shall not be obliged to ~~allot issue s~~Shares under the Scheme to the extent that the total number of ~~s~~Shares allotted by the Company pursuant to the Scheme in any financial year would exceed 10% of the aggregate number of ~~s~~Shares on the first day of such financial year. In such circumstances, the Company may allocate the availability of the Scheme as it sees fit.
- 4 The Scheme Administrator shall as soon as practicable after the allotment of ~~s~~Shares in accordance with condition 3(a) procure (i) that the Participants are entered onto the ~~Share Register register of members~~ of the Company ("Register") as the registered holders of those ~~s~~Shares; (ii) that ~~s~~Share certificates (unless such ~~s~~Shares are to be uncertificated) and, where applicable, income tax ~~vouchers-relief certificates~~ ("Tax VouchersCertificates") are sent to Participants at their own risk and (iii) that Participants receive a statement detailing:
- (a) the total number ~~and class~~ of ~~s~~Shares held at the record date for which a valid election was made;
 - (b) the number ~~and class~~ of ~~S~~shares allotted;
 - (c) the price per ~~s~~Share allotted;
 - (d) the cash equivalent of the ~~s~~Shares allotted;
 - (e) the date of allotment of the ~~s~~Shares; and
 - (f) any funds to be carried forward for investment on the next Payment Date.
- 5 All costs and expenses incurred by the Scheme Administrator in administering the Scheme will be borne by the Company.
- 6 Each Participant warrants to the Scheme Administrator that all information set out in ~~the Application any mandate F~~form (or equivalent, including any electronic election) on or in which the election to participate in the Scheme is contained is correct and to the extent any of the information changes he or she will notify the changes to the Scheme Administrator and that during the continuance of his or her participation in the Scheme he or she will comply with the provisions of condition 7 below.
- 7 The right to participate in the Scheme will not be available to any person who has a registered address in any jurisdiction outside the UK. No such person receiving a copy of the Scheme documents may treat them as offering such a right unless an offer could properly be made to such person. It is the responsibility of any Shareholder wishing to participate in the Scheme to be satisfied as to the full observance of the laws of the relevant jurisdiction(s) in connection therewith, including obtaining any governmental or other consents which may be required and observing any other formalities needing to be observed in any such jurisdiction(s).
- 8 Participants acknowledge that the Scheme Administrator is not providing a discretionary management service. Neither the Scheme Administrator nor the Company shall be responsible for any loss or damage to Participants as a result of their participation in the Scheme unless due to the negligence or wilful default of the Scheme Administrator or the Company or their respective employees and agents.
- 9 (a) Participants may: at any time by notice to the Scheme Administrator terminate their participation in the Scheme (in respect of all or some of their account holdings where multiple accounts are held) and withdraw any funds held by the Company on their behalf; ~~in respect of shares they hold as nominee and subject to condition 2(f), give notice to the Scheme Administrator that, in respect of a forthcoming Payment Date, their election to receive shares is only to apply to a specified amount due to the Participant as set out in such notice.~~ Such notices shall not be effective in respect of the next forthcoming Payment Date unless it is received by the Scheme Administrator at least 15 days prior to such Payment Date. In respect of notices under (a) above, sSuch notice will be deemed to have been served where, in respect of any specific account holding, the shareholding of the Participant reduces to nil. Upon receipt of notice of termination, all funds held by the Company on the Participant's behalf shall be returned to the Participant as soon as reasonably practical at the address set out in register of the membersRegister, subject to any deductions which the Company may be entitled or bound to make hereunder.

(b) In the event that a Participant is sent a dividend as cash instead of having shares allotted under the Scheme as a result of a manifest error, the Participant concerned shall be entitled to apply such dividend in order to receive shares pursuant to the Scheme at the time of the next allotment under the Scheme, provided that the dividend cheque (or other payment method) is returned uncashed to the Scheme Administrator. In such circumstances, the Participant concerned will be asked to sign a declaration acknowledging that the effective date which may apply to the allotment (including for tax relief purposes) will be the date on which shares are next allotted pursuant to the Scheme and that the allotment price for the shares and the number of shares to be allotted, both calculated in accordance with the clause 3(b) of these terms and conditions, will be based on the price prevailing at the time of next allotment pursuant to the Scheme.

10 Cash balances of less than £5 held by the Company on behalf of Participants who have withdrawn from the Scheme will not be repaid, but will be donated to a registered charity at the discretion of the Company.

11 The Company shall be entitled at its absolute discretion, at any time and from time to time to:

- (a) suspend the operation of the Scheme;
- (b) terminate the Scheme without notice to the Participants; and/or
- (c) resolve to pay dividends to Participants partly by way of cash and partly by way of apply the balance to acquire new sShares pursuant to the Scheme.

12 (a) Participants who wish to participate in the Dividend Investment Scheme and whose shares are held in certificated form, i.e. not in CREST, should complete and sign a Mandate Form (or equivalent) and return it no later than 15 days prior to the dividend payment date to ~~Corporate Actions Department, Link Asset Services, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU~~ the Scheme Administrator. Personalised mMandate fForms can be obtained from the Scheme Administrator. If you have any queries, please contact the Scheme Administrator at the address above provided in condition 13 or by telephoning: 0371 664 0324 (Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. Lines are open between 9.00 am-5.30 pm, Monday to Friday excluding public holidays in England and Wales).

12 (b) If a Participant's shareholding is in uncertificated form in CREST (and was in uncertificated form as at the relevant record date), the Participant can only elect to receive a apply a dividend in the form to acquire of new sShares under the Scheme by means of the CREST procedure ~~to effect such an election~~. No other method of election will be permitted under the Scheme and will be rejected. By doing so, such Shareholders confirm their election to participate in the Scheme and their acceptance of the Scheme tTerms and eConditions. If a Participant is a CREST sponsored member, they should consult their CREST sponsor, who will be able to take appropriate action on their behalf. All elections made via the CREST system should be submitted using the Dividend Election Input Message in accordance with the procedures as stated in the CREST Reference Manual. The Dividend Election Input Message submitted must contain the number of Sshares on which the election is being made. If the relevant field is left blank, or, completed with zero, the election will be rejected. If a Participant enters a number of Shares greater than the holderlding in CREST on the relevant record date for the dividend, the system will automatically amend this down to the record date holding. When inputting the election, a single drip election should be selected (the Corporate Action Number for this can be found on the CREST GUI). Evergreen elections will not be permitted. Participants who wish to receive New Shares instead of cash participate in the Scheme in respect of future dividends, must complete a Dividend Election Input Message on each occasion otherwise they will receive the dividend in cash. Once an election is made using the CREST Dividend Election Input Message it cannot be amended. Therefore, if a CREST Shareholder wishes to change their election, the previous election would have to be cancelled. Elections (or, as the case maybe, cancellation) via CREST should be received by CREST no later than 5.00 p.m. on such date that is at least 15 days before the relevant dividend pPayment eDate for the relevant dividend in respect of which you wish to make an election. Once an election is made using the CREST Dividend Election Input Message it cannot be amended. Therefore, if a CREST Shareholder wished to change their election, the previous election would have to be cancelled.

12 (c) A written mandate form (or equivalent) will remain valid for all dividends paid to the Participant by the Company in respect of Shares held within the relevant account holding until such time as the Participant gives notice in writing to ~~Capita Registrars~~ Link Asset Services that he no longer wishes to participate in the Scheme.

13 Save as set out in condition 12(b), all mandate forms (or equivalent) and notices and instructions (which shall be in writing) in connection with this Scheme shall be given to the Scheme Administrator and delivered or

posted to Corporate Actions Department, Link Asset Services, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU.

- 14 (a) The Company shall be entitled to amend the Scheme Terms and Conditions on giving one month's notice in writing to all Participants. ~~If such a~~ Amendments ~~which~~ have arisen as a result of any change in statutory or other regulatory requirements ~~may be effected without notice, notice of such amendment will not be given to Participants~~ unless in the Company's opinion the change materially affects the interests of Participants. Amendments to the Scheme Terms and Conditions which are of a formal, minor or technical nature or made to correct a manifest error and which do not adversely affect the interests of Participants may be effected without notice.
- ~~15 (b) The Company reserves the right to interpret these Scheme Terms and Conditions and apply them as modified from time to time to be able to operate, and to achieve the intended principles of, the Scheme.~~
- ~~15~~ By ~~ticking the relevant election box and~~ completing and delivering ~~the Application Form or submitting the a~~ mandate form (or equivalent, including any election electronically), the Participant:
- (a) agrees to provide the Company with any information which it may request in connection with such application and to comply with legislation relating to venture capital trusts or other relevant legislation (as the same may be amended from time to time); and
- (b) declares that a loan has not been made to the Participant or, in the case of any Nominee Participant, the beneficial owner on whose behalf the ~~s~~Shares are held, or any associate of either of them, which would not have been made, or would not have been made on the same terms, but for the Participant electing to ~~receive~~ acquire new ~~s~~Shares through the Scheme and that the ~~s~~Shares are being acquired for bona fide investment purposes and not as part of a scheme or arrangement the main purpose of which is the avoidance of tax.
- 16 (a) Elections by individuals for VCT shares should attract applicable VCT tax reliefs (depending on the particular circumstances of a particular individual) for the tax year in which the ~~S~~Shares are allotted. Shares allotted to Nominee Participants should attract tax relief for their beneficial owners. ~~but~~ Participants and beneficial owners are, however responsible for ascertaining their own tax status and liabilities and should obtain tax advice in relation to their own particular circumstances. ~~Neither~~ the Scheme Administrator nor the Company accepts any liability in the event that tax reliefs are not obtained. ~~Shares allotted to Nominees may not attract VCT tax reliefs and beneficial owners should obtain tax advice in relation to their own particular circumstances.~~ The Tax Voucher Certificate can be used to claim any relevant income tax relief either by obtaining from the HM Revenue & Customs an adjustment to a Participant's tax coding under the PAYE system or by waiting until the end of the year and using the Self Assessment Tax Return. Nominee Participants may need to provide supporting evidence as to the beneficial holder and that participation in the Scheme is on behalf of the beneficial owner.
- (b) Participants should be aware of the following:
- (i) Up-front income tax relief of up to 30% will only be available on amounts subscribed in VCT shares up to an aggregate amount of £200,000 in any one tax year (subject to reducing the Participant's income tax liability to nil).
- (ii) A disposal of VCT shares will be subject to clawback by HMRC of any income tax relief originally obtained if such shares are sold within five years of issue. HMRC operate a first in, first out policy to shares disposed of.
- (iii) The disposal of existing shares in a VCT within six months before or after subscription for new shares in the same VCT (or otherwise where the acquisition and subscription is linked) will result in the amount of the investment in the new shares in the VCT to which VCT tax reliefs are available being reduced by an amount equal to the proceeds received on the disposal. Careful consideration should be given to participating in the Scheme where a Shareholder has disposed, or intends to dispose, of his or her Shares.
- (iv) Whilst it is the intention of the board of directors that the Company ("Board") will continue to be managed so as to qualify as a VCT, there can be no guarantee that such status will be maintained.
- ~~16~~17 The Company will, ~~subject to conditions 9, 11 and 20~~ save as otherwise provided in these Scheme Terms and Conditions, ~~issue~~ allot ~~S~~Shares in respect of the whole of any dividend payable (for the avoidance of doubt irrespective of whether the amount of allotment is greater than any maximum limits imposed from time to time to be able to benefit from any applicable VCT tax reliefs) unless the Scheme Administrator has been notified to the contrary in writing at least 15 days before a Payment Date.

~~17~~18 Shareholders ~~participating in the Scheme electing to receive shares rather than a cash dividend~~ will be treated as having received a normal ~~dividend~~ cash dividend with such dividend being applied to acquire new Shares. Shareholders qualifying for VCT tax reliefs should not be liable to income tax ~~on shares allotted~~ in respect of the cash dividends from qualifying VCT shares or in respect of the new Shares acquired therefrom.

~~18~~19 For capital gains tax purposes, Shareholders who elect to ~~acquire~~ receive sShares instead of a from ~~their~~ cash dividend are not treated as having made a capital disposal of their existing sShares. The new sShares will be treated as a separate asset for capital gains purposes.

~~19~~20 The Company shall not be obliged to accept any application or issue sShares hereunder if the ~~Board Directors~~ so decides in ~~their~~ its absolute discretion. The Company may do or refrain from doing anything which, in the reasonable opinion of the ~~Directors~~ Board, is necessary to comply with the law of any jurisdiction or any rules, regulations or requirements of any regulatory authority or other body, which is binding upon the Company or the Scheme Administrator.

~~20~~21 The amount of any claim or claims a Participant has against the Company or the Scheme Administrator shall not exceed the value of such Participant's sShares in the Scheme. Nothing in these Scheme Terms and Conditions shall exclude the Company or the Scheme Administrator from any liability caused by fraud, wilful default or negligence. Neither the Company nor the Scheme Administrator will be responsible for:

- (a) acting or failing to act in accordance with a court order of which the Scheme Administrator has not been notified (whatever jurisdiction may govern the court order); or
- (b) forged or fraudulent instructions and will be entitled to assume that instructions received purporting to be from an Shareholder (or, where relevant, a nominee) are genuine; or
- (c) losses, costs, damages or expenses sustained or incurred by an Shareholder (or, where relevant, a nominee) by reason of industrial action or any cause beyond the control of the Company or the Scheme Administrator, including (without limitation) any failure, interruption or delay in performance of the obligations pursuant to these Scheme Terms and Conditions resulting from the breakdown, failure or malfunction of any telecommunications or computer service or electronic payment system or CREST; or
- (d) any indirect or consequential loss.

~~21~~22 (a) The Company respects the privacy of its Shareholders and Participants in the Scheme and is committed to protecting their personal information. If you would like to find out more about how the Company uses and looks after personal information, please refer to the privacy notice, which can be found at www.mig4vct.co.uk.

(b) You have certain rights in relation to your personal information, including the right to receive a copy of the information that is held about you. For more details, please see the privacy notice referred to above.

(c) Certain information may be shared with the Scheme Administrator, the registrars and/or other delegates for the purposes of processing elections, participation in the Scheme and in relation to a Shareholder's ongoing investment in the Company. Information may also be shared with regulatory bodies to the extent any of the above entities are required, or consider obliged, to do so in accordance with any statute or regulation or if governmental, judicial and law enforcement bodies require.

(d) You authorise the Company and its delegates to provide any information as provided by or to you in connection with your participation in the Scheme to any authorised financial adviser notified to the Company (or on the Company's behalf) by you from time to time. You acknowledge that any such communication may be sent to your financial adviser prior to or, where requested, in place of, being sent to you in such form as may be agreed with your authorised financial adviser.

~~22~~23 These Scheme Terms and Conditions are for the benefit of a Participant only and shall not confer any benefits on, or be enforceable by, a third party and the rights and/or benefits a third party may have pursuant to the Contracts (Rights of Third Parties) Act 1999 are excluded to the fullest possible extent.

~~23~~24 These Scheme Terms and Conditions shall be governed by, and construed in accordance with, English law and each Participant 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 proceeding arising out of or in connection with the Scheme in any other manner permitted by law or in any court of competent jurisdiction.

Shareholders who are in any doubt about their tax position should consult their independent financial adviser.