VPC SPECIALTY LENDING INVESTMENTS PLC

the "**Company**"

TERMS OF REFERENCE FOR THE DISCLOSURE COMMITTEE

1. Role of the Disclosure Committee (the "Committee")

1.1 The role of the Committee is:

(i) To ensure a system is in place to Identify inside information when it arises;

(ii) To ensure that the Company complies with its disclosure obligations in respect of such inside information; and

(iii) To ensure that the Company complies with its the record-keeping and notification obligations respect of inside information.

1.2 The obligations on the Company relating to the disclosure and control of its inside information are set out in the EU Market Abuse Regulation (Regulation 596/2014) ("**MAR**") together with its associated implementing regulations and guidance. The FCA's Disclosure Guidance ("**DG**") provides further assistance in respect of interpretation of the applicable rules.

2. Members of the Insider Committee

Elizabeth Passey (Chairperson)
Any other independent non-executive director nominated by the Chairperson
A representative of the Investment Manager

A representative of the Company Secretary shall act as secretary of the Committee

3. Quorum and proceedings

All members of the Committee shall be required to attend each meeting. In the event that Elizabeth Passey is unavailable them the Chairman of the Company shall act as Chairman of the Committee in her place. Meetings of the Committee may be called on short or immediate notice.

4. General

4.1 Potential instances of inside information (including proposals relating to any transaction, event or matter involving the Company will be notified to the Committee's chairperson or the Company Secretary. In the event that any member of the Committee is aware that he or she is, or may be, in possession of inside information or is approached with a potential development which may constitute inside information, such member shall contact the Company Secretary who should make a log of the potential inside information and convene a meeting with the other members of the Committee as soon as possible.

4.2 In the event that information is deemed by the Committee to be inside information or potentially be inside information, a member of the Committee or the Company Secretary shall contact the Company's corporate broker without delay to discuss the implications of and to run through MAR as it relates to the facts of the case.

4.3 If the information is deemed to be inside information under MAR the Committee in conjunction with the Company's corporate broker and, where necessary, legal advisers will assess whether or not the Company is able to delay disclosure.

4.4 Once the information is deemed to be inside information:

- The Company Secretary will keep a detailed log of insiders as prescribed by MAR (Insider List).
- A note will be kept by the Company Secretary setting out why the Company delayed disclosure (to the extent disclosure was delayed).
- If disclosure of the inside information is delayed, the Company Secretary will notify the FCA in the prescribed manner when the inside information is announced.
- To the extent the inside information relates to external events consideration must be given to the use of confidentiality agreements to minimise the likelihood of leaks.
- The Committee, in conjunction with the Company Secretary, will consider on a case by case basis when to add persons to the Insider List.

4.5 It is emphasised that record keeping of all of the above (in particular the decision and reasons behind delayed disclosure) is important and MAR stipulates prescribed forms for Insider Lists.

4.6 Where the Committee concludes that the information does not constitute inside information, a copy of the minutes recording the Committee's decision must be circulated to all members of the Disclosure Committee.

4.7 Where the Committee concludes that a short delay is justified because further details must be obtained in order to assess the significance of the information a draft holding announcement will be prepared as soon as possible and circulated to the Committee members for approval.

4.8 Where the Committee concludes that information does constitute inside information, the Committee will inform the Board to the extent that they are not already aware of the event or circumstance.

4.9 Where the Disclosure Committee concludes that information does constitute inside information, it will consider whether an announcement is required to be made immediately or whether it would be permissible to delay the disclosure of inside information.

4.10 If an announcement is required to be made immediately, a draft announcement will be produced as soon as possible, with input from internal stakeholders and external advisers as appropriate and presented for approval by the Board.

5. Selective disclosure

5.1 The Committee will be consulted if selective disclosure of inside information may be required. The Committee will consider whether such disclosure may be permitted and whether it is likely to impact on the treatment of inside information.

5.2 Where a decision to allow selective disclosure is made, a draft holding announcement must be prepared as soon as possible and circulated to the Disclosure Committee members for approval.

6. Delay procedure

6.1 Where the Committee considers that the Company is able to delay disclosure of inside information, the Committee must:

(i) consider and identify the legitimate interests of the Company that are likely to be prejudiced by immediate disclosure;

(ii) consider whether delaying disclosure is likely to mislead the public;

(iii) consider whether and how the Company is able to ensure the confidentiality of the information (where appropriate identifying any specific actions required to ensure confidentiality);

(iv) consider and record the date and time when the information became inside information;

(v) consider when the inside information is likely to be disclosed;

(vi) record its decisions and rationale as regards the above criteria and all other relevant information, including a full list of individuals involved in making the decision to delay public disclosure

(vii) ensure the on-going monitoring of the conditions for the delay (and update the records relating to the delay to reflect any changes in circumstances).

6.2 Where a decision to delay an announcement is made, a draft holding announcement must be prepared as soon as possible and circulated to the Committee members for approval.

7. External Advice

The Committee shall seek advice from the Company's financial advisers and external legal Advisers as it deems necessary.

Appendix: MAR obligations

1 Disclosure of information to the market

1.1 One of the most important continuing obligations on the Company regarding disclosure and control of inside information **is the requirement to ensure timely and accurate disclosure of inside information to the market** (Article 17(1) MAR). The requirements in this area are key to ensuring transparent and effective markets and preventing market abuse.

1.2 Information must be released by the Company to the market via an RIS, in accordance with the implementing standards prescribed by Article 17(1) MAR. The FCA has approved a number of RIS providers for the purposes of the rules, a list of which is available on the FCA website. The Company must ensure that it has arrangements in place with one of these providers to ensure that it can comply with its disclosure requirements. Where an announcement contains inside information, this fact must be clearly stated (for example, a general statement that "This announcement contains inside information" – although it is not sufficient to state that the announcement "may" contain inside information).

1.3 The Company should take all reasonable care to ensure that any information it notifies to an RIS is not misleading, false or deceptive and does not omit anything likely to affect the import of the information. **In deciding whether an announcement is accurate and not misleading, the Insider Committee should ensure it seeks appropriate advice from advisers, particularly the Company's corporate broker and legal advisers**. The Company might consider that verification of an announcement to be released to an RIS should be undertaken in order to ensure all statements of fact are not misleading, false or deceptive.

2 The disclosure and control of inside information (Articles 17-18 MAR)

Disclosure of inside information

2.1 As noted above, the primary disclosure obligation in Article 17 of MAR is that **the Company must notify an RIS as soon as possible of any inside information which directly concerns the Company** (Article 17(1) of MAR). This is subject to some exceptions in Article 17(4) and (5) of MAR relating to delayed disclosure and selective disclosure which are set out below.

2.2 "Inside information" (with respect to listed securities and other financial instruments) is information of a precise nature which:

"(a) has not been made public,

(b) relates, directly or indirectly, to one or more issuers or to one or more financial instruments, and

(c) would, if it were made public, be likely to have a significant effect on the prices of those financial instruments or on the price of related derivative financial instruments."

(Article 7(1)(a) and 7(3)) of MAR).

2.3 Each element of the above test must be satisfied for the information to be inside information. The question of whether particular information is price-sensitive should always be considered in parallel with the question of whether it is information that would be used by a reasonable investor as part of the basis for an investment decision.

2.4 While the EU authorities have so far declined to provide any indicative list of examples of inside information relating to an issuer's securities, the FCA has previously indicated (under the pre-MAR regime) that examples of relevant information likely to affect a reasonable investor's decision include information relating to the assets and liabilities of the Company, its financial condition or performance, major new developments in the Company's business and information previously disclosed to the market.

2.5 Under MAR, information is "precise" if it:

"(a) indicates circumstances that exist or may reasonably be expected to come into existence or an event that has occurred or may reasonably be expected to occur; and

(b) is specific enough to enable a conclusion to be drawn as to the possible effect of those circumstances or that event on the price of financial instruments or related instruments (derivatives, etc.) (Article 7(2) of MAR)."

2.6 In the case of a protracted process that is intended to bring about, or that results in, particular circumstances or a particular event, those future circumstances or that future event, and also the intermediate steps of that process which are connected with bringing about or resulting in those future circumstances or that future event, may be deemed to be precise information. An intermediate step in a protracted process shall be deemed to be inside information if, by itself, it satisfies the criteria of inside information (Article 7(3) of MAR).

The Company must bear in mind that, according to the FCA, there is no figure (percentage change or otherwise) that can be set when determining the price significance of the information, as this will vary from company to company.

2.7 To the extent any Director becomes aware of any information which might constitute inside information, he/she must inform his/her other fellow Directors of such information and the Insider Committee should consider what further steps to take including:

2.7.1 deciding whether information is inside information;

2.7.2 deciding whether the Company is entitled to delay announcement of the inside information;

2.7.3 approving announcements if required; and

2.7.4 deciding to take other action, if appropriate (for example, to seek a suspension from listing pending clarification of uncertainties).

It is important that the Insider Committee seeks advice where necessary without delay from the Company's external advisers, including the Company's corporate broker and legal advisers. In many cases it will be appropriate to obtain advice from external advisers. The FCA considers an issuer's failure to take timely advice from legal advisers and corporate brokers in relation to disclosure obligations to be an aggravating factor when assessing the level of financial penalty to impose on an issuer for breach of the obligation to disclose inside information. Where advice is given by an external adviser, it should not be ignored.

2.8 Inside information must be published via an RIS as soon as possible. The FCA has indicated previously that this obligation in practice means "without delay". **MAR 17(1) also requires the Company to post on its website and maintain for at least five years all inside information which it is required to disclose via an RIS.**

Delaying Disclosure

2.9 Under Article 17(4) of MAR the Company may, under its own responsibility, delay the public disclosure of inside information, such as not to prejudice its legitimate interests, provided that:

"(a) immediate disclosure is likely to prejudice its legitimate interests;

(b) delay of disclosure would not be likely to mislead the public; and

(c) the issuer is able to ensure the confidentiality of that information."

If the Company intends to delay disclosure under Article 17(4) of MAR, it will need to ensure that it notifies the FCA of the delay.

The form of notification can be found at:

https://www.fca.org.uk/your-fca/documents/forms/delayed-disclosure-inside-information-notification-form

The Company must also record its assessment of the basis on which conditions (a) to (c) above are met (taking into account the ESMA guidelines below) and the evidence for the decision, and must provide this to the FCA if requested.

2.10 ESMA has issued draft guidelines setting out a non-exhaustive indicative list of the legitimate interests of issuers such as may justify delay in disclosure of inside information, and on situations in which such delay may mislead the public.

2.11 ESMA recommends that the non-exhaustive list of legitimate interests (potentially justifying delay) should include (in short) the following:

2.11.1 the issuer is conducting on-going negotiations the outcome of which would likely be jeopardised by public disclosure;

2.11.2 the financial viability of the issuer is in grave and imminent danger and immediate public disclosure would risk jeopardising recovery negotiations;

2.11.3 the issuer has a two-tier board structure and secondary (i.e. supervisory board) approval is required to give effect to the relevant decision;

2.11.4 the issuer has developed a product or an invention and the immediate public disclosure of that information is likely to jeopardise the issuer's intellectual property rights;

2.11.5 the issuer is planning a major acquisition or disposal, the disclosure of which would jeopardise the conclusion of the transaction; and/or

2.11.6 a transaction previously announced is subject to a public authority's approval, which is conditional upon additional requirements, the disclosure of which will likely affect the issuer's ability to meet the relevant conditions.

2.12 ESMA indicates that delaying disclosure of inside information is likely to mislead the public in circumstances in which the inside information intended for delay would (if disclosed) contradict earlier information or current market expectations, including, at a minimum, circumstances in which the information intended to be delayed:

2.12.1 is materially different from a previous public announcement of the issuer on the same matter;

2.12.2 concerns the fact that the issuer's financial objectives are likely not to be met, where such objectives were previously publicly announced; and/or

2.12.3 is in contrast with the market's expectations, where such expectations are based on signals that the issuer has previously set.

Selective disclosure

2.13 The ESMA guidance also sets out a non-exhaustive list of persons to whom it may be justifiable for the Company to make selective disclosure. This list includes major shareholders of the listed company, its lenders and credit-rating agencies. The Company should document the confidentiality restrictions or, if they are not reduced to writing, record the terms and (if appropriate) the nature of the obligations. However, if the confidentiality restrictions exist with an adviser with whom the Company has an on-going relationship, the Company can rely on confidentiality provisions in its standard terms and conditions.

2.14 In disclosing inside information on a selective basis, the Company should be mindful of its obligations under MAR prohibiting unlawful disclosure of inside information (Article 10 of MAR). In the context of a potential issue or placement of shares, the prescribed procedures to be followed for qualifying market soundings (not amounting to unlawful disclosure) will also need to be considered (Article 11).

Rumours

2.15 In relation to market rumour, if the Company has delayed disclosing inside information and it is the subject of largely accurate market rumour, Article 17(7) of MAR states that in such circumstances the Company may not delay disclosure of the inside information any longer as it is unable to ensure the confidentiality of the inside information (as required under Article 17(7) of MAR). In this circumstance, the inside information must be disclosed by the Company via an RIS as soon as possible, using a holding announcement if there may be a delay in a detailed announcement.

2.16 If the market rumour is false, the DG indicates that it is unlikely that the fact that the Company knows the rumour is false would itself be inside information. However, even if the knowledge that the rumour is false does constitute inside information, the Company should be able to delay disclosure in accordance with Article 17(4) or (5) of MAR (DG 2.7.3 G).

Control of inside information

2.17 **The Company must ensure that it (or a person acting on its behalf or on its account) draws up a list of those persons who have access to inside information and who are working for the Company or relevant entity or are otherwise performing tasks through which they have access to inside information relating to the Company, such as advisers.** The Company should at all times be in a position to provide the up-to-date insider list to the FCA as soon as possible on request (Article 18(1) of MAR).

2.18 The Company may delegate the task of drawing up and updating the insider list, but will remain fully responsible for compliance with its obligations in this area and must always retain a right of access to the insider list.

2.19 Under Article 18(1) and (2) of MAR the Company retains ultimate responsibility for maintaining a complete and comprehensive insider list. While the Company may delegate the preparation and maintenance of the list to an appropriate agent (or seek assistance from agents), the Company itself remains ultimately responsible for maintaining a complete insider list of all individuals performing tasks on the Company's behalf with access to inside information, regardless of by whom the individuals are employed or retained (i.e. including individual employees of the Company's advisers).

2.20 The insider list must be in a secure electronic form, sufficient to ensure the accuracy and confidentiality of the information (as well as access to and retrieval of previous versions) and must follow the templates prescribed under Commission Implementing Regulation 2016/347. Separate templates are prescribed for deal-or event-specific inside information and for permanent insiders. The deal-or event-specific insider list must be split into sections for separate pieces of inside information, with each section including a list of individuals with access to the relevant piece(s) of inside information.

2.21 The list must contain the following information for each relevant individual:

2.21.1 first name;

2.21.2 surname;

2.21.3 birth name if different;

2.21.4 professional telephone numbers (work direct telephone line and work mobile number);

2.21.5 company name and address;

2.21.6 function and reason for being an insider;

2.21.7 date and time at which the person obtained access to the inside information (or, for permanent insiders, was included in the list);

2.21.8 date and time at which the person ceased to have access to the inside information;

2.21.9 date of birth;

2.21.10 national identification number (if applicable);

2.21.11 personal telephone numbers (home and personal mobile telephone numbers); and

2.21.12 personal home address.

2.22 Details for permanent insiders need not be repeated on the deal-or event-specific list.

2.23 The insider list must be updated promptly each time there is a change in the reason why a person is on the list (for example, as a result of a new piece of inside information), whenever a new person is added to the list and whenever a person on the list no longer has access to inside information (such as in cases where the information has been disclosed to the market). Each update to the insider list must state the dates and times on which it was created and updated (Article 18(4) of MAR). **The list (including each updated version) needs to be kept for five years from the date on which it was drawn up or updated, whichever is the latest (Article 18(5)).**

2.24 The Company must also take all reasonable steps to ensure that all persons on the insider list acknowledge in writing the legal and regulatory duties entailed and are aware of the sanctions attaching to insider dealing and unlawful disclosure of inside information. The Company must also ensure that its advisers and agents have taken all reasonable steps to ensure that every person on their insider lists has done the same (Article 18(2)).