UK PRIVATE CAPITAL
Invested in a better future

Governance Handbook

April 2026



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1. Overview

This handbook provides directors, members and employees of the UK Private Capital Trade Association ("UK Private Capital", or the "Association") with a summary of our governance structure and is supplementary to the Memorandum of Association and Articles of Association. In the event of any conflict, the provisions of the Memorandum and Articles of Association shall prevail.

Anyone involved in management and governance of UK Private Capital is expected to act with integrity at all times in the way that they discharge their responsibilities to the Association. In particular, they are accountable to the UK Private Capital Council and wider membership; they are expected to act with objectivity, openness and honesty; and, when discharging functions on behalf of UK Private Capital, must put the interests of UK Private Capital and its membership ahead of their own interests and those of their firms. Any conflicts of interest should be appropriately disclosed and managed.

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1.1. Mission and key activities

UK Private Capital is the industry body and public policy advocate for the private capital industry in the UK.

For more than three decades, we have represented the industry and delivered authoritative research and analysis, proprietary publications, specialist training, topical conferences and best practice standards.

UK Private Capital exists to connect all of the internal components of the private capital industry (investors, fund managers, entrepreneurs and companies, advisers and service providers) to each other and to represent their interests to government, parliamentarians, officials and regulators, the media, other sections of the business community and society at large. We seek to improve the efficiency of the sector, individually and collectively, by widening access to it and awareness of it, to assist personal and professional development through training programmes and to produce research publications whose value is recognised both within the industry and beyond.

Our membership comprises more than 600 influential firms, including over 300 private equity and venture capital houses, as well as institutional investors, professional advisers, service providers and international associations. We work together to facilitate the provision of capital and expertise to growing businesses, to unlock potential and to deliver enhanced returns to the millions who directly and indirectly invest in our industry.

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2. Membership

2.1. Overview

2.1.1 UK Private Capital's membership is comprised of: General Partners, Limited Partners, Professional Services organisations & Financial Institutions, Honorary and Academic. In addition, Investee Companies gain access to UK Private Capital membership benefits throughout the period of investment. Members will be classified as either a Full Member or an Associate Member. Pursuant to the UK Private Capital Articles of Association, only Full Members are entitled to vote at UK Private Capital General Meetings.

2.1.2 UK Private Capital membership is at the reasonable discretion of UK Private Capital. UK Private Capital may decline to give reasons to an applicant for any rejection of a membership application or removal of an existing member but UK Private Capital will always seek to disclose its reasons for a rejection of a membership application or removal of a member where it is permitted and practicable to do so. Section 2.4 outlines reasons why an application may typically be rejected or a member may be removed.

2.1.3 Where a new membership application (i.e. a member who has submitted an application for membership and that application is pending acceptance) has been made, UK Private Capital may exercise its discretion under Clause 2.1.2 and reject a membership application. Where a rejection has occurred under this Clause 2.1.3 , the applicant shall be entitled to a full refund of any membership fee paid to UK Private Capital.

2.1.4 Where a renewal of a membership has been made (i.e. an existing member of UK Private Capital), UK Private Capital may exercise its discretion under Clause 2.1.2 and remove a member from membership. Where a removal of a member has occurred under this Clause 2.1.4, Clause 5.4 of the UK Private Capital terms and conditions shall apply, and the member shall not be entitled to a refund of its membership fee.

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2.2. Categories of membership

General Partners

General Partners are active in making equity investments primarily in unquoted companies and raise funds from institutional investors such as pension funds and insurance companies.

UK General Partners *Full Member*	UK General Partners are defined as General Partners with an office or investments in the UK.
Overseas General Partners *Associate Member*	Overseas General Partners are defined as private equity and venture capital General Partners with neither an office nor investments in the UK.
Impact Investment Funds *Full Member*	Impact investors are defined as investors who explicitly seek to generate social or environment returns in addition to financial returns, and who measure and report on that impact to their investors and stakeholders.
Corporate Venturers	Corporate Venture Capital investors are corporations or corporations'

Full Member	investment entities that make equity investments into privately-held businesses.
Direct Investors *Associate Member*	Direct investors are defined as institutional investors whose core private equity strategy is direct investing in corporate entities, rather than fund investing.
Alternative Lenders *Associate Member*	Alternative lenders are defined as funds which provide debt to unquoted companies to support their growth and raise funds from institutional investors.
Real Estate Funds *Associate Member*	Private Equity Real Estate Fund Managers are defined as funds investing in property for growth, and raise funds from Institutional Investors.
Accelerator *Associate Member*	Start-up Accelerator investors are fixed-term, cohort-based programs, that make equity investments whilst providing mentorship and educational components.

Limited Partners

Limited Partners are predominantly institutional investors that invest in private equity and venture capital funds.

Institutional Investors *Associate Member*	Institutional investors include pension funds, insurance companies, family offices, Sovereign Wealth Funds, endowments and foundations.
Third-party Fund Managers *Associate Member*	Third-party fund managers are defined as fund-of-funds, secondaries funds and discretionary and non-discretionary fund managers.

Advisors & Financial Institutions

Advisors and Financial Institution members include law firms, banks, corporate finance firms, accountancy and auditing firms, consulting and advisory firms, executive search firms, insurance firms, placement agents, publishing and communications firms, software providers and third party fund administrators servicing the private equity and venture capital industry, as well as academic institutions. This is an associate member category.

Honorary

Honorary members include fellow trade associations that support the private equity and venture capital industry and international trade and investment agencies that support links with UK business and investment.

Academic

Academic members are research and/or educational organisation that support the private equity and venture capital ecosystem or a specific sector. Academic members include business schools, foundations and research centres funded by the UK Government. Academic members do not benefit commercially from their research.

Investee Companies

Investee companies (or portfolio companies) of UK Private Capital member General Partners automatically get access to UK Private Capital membership benefits throughout the period of investment.

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2.3. Fee structure

Fee scales for all classes of membership are available on UK Private Capital's website (www.ukprivatecapital.co.uk/membership.html).

Full members that hold investments in companies which are required to comply with the Walker Guidelines on disclosure and transparency must pay an additional fee. This fee is based on the number of investments held as primary investor that meet the Private Equity Reporting Group's ("PERG") reporting criteria. Further details are contained under Clause 2.4.2.

2.4. Membership Criteria

2.4.1 Members must agree to abide by the terms of the UK Private Capital Member Code of Conduct and any breaches of the code will be taken seriously. Any alleged breaches will be investigated and may result in the termination of a member's membership. Following investigation, and where a member is determined to be in breach of the UK Private Capital Member Code of Conduct, termination of a member's membership, whether an existing or New Member ("New Member" being a member holding membership for less than a year), shall be at the reasonable discretion of UK Private Capital. Save for the provision contained in Clause 2.1 above, UK Private Capital reserves the right to retain any unused portion of a member's membership fee as a result of a membership termination under this Clause, and the member shall not be entitled to a refund.

2.4.2 Walker Guidelines and PERG

i) Where a member is required to comply with the requirements of the Walker Guidelines and meets the PERG reporting criteria, it is a condition of the UK Private Capital membership that the member complies with the PERG's criteria or makes reasonable efforts to comply.

ii) If a member does not comply or make reasonable efforts to comply with the PERG's criteria, the matter will be referred to the UK Private Capital Council to review the membership and make a decision as to the member's membership. Following its decision, the UK Private Capital Council's decision shall be final. The PERG may also report on lack of transparency or disclosure.

2.5. Where a member is required to comply with the Walker Guidelines, the member shall also be obliged to pay the relevant PERG fee.

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3. UK Private Capital Code of Conduct and complaints process

3.1. UK Private Capital Member Code of Conduct

Membership of UK Private Capital implies support for the development of the UK private equity industry by encouraging entrepreneurs and investing in viable economic activity. In addition, members should contribute to the creation of a favourable climate for companies seeking private equity and for investors seeking to invest in private equity.

Each General Partner applicant must have, as its principal business, the provision of equity finance to unquoted companies and make its returns mainly through medium to long-term capital gain and an investment capability in the UK. The General Partner should take an active role in helping to build and develop the companies in which it invests and adopt a "responsible investment" approach throughout the deal cycle from pre-investment to exit (see Clause 3.3 for further detail). The General Partner must be a member of a recognised regulatory authority where appropriate.

All other applicants must have a number of staff with experience of working in the private equity industry and have a record of providing services to private equity firms or their portfolio companies in the UK or globally.

I. All members shall promote and maintain ethical standards of conduct and at all times deal fairly and honestly with each other and with companies seeking private equity.

II. All members shall conduct their business in a professional way and will not engage in practices which would be damaging to the image of the private equity industry. Within their own firms (and portfolio companies), members will promote the principles of equality and diversity, equal opportunities, anti-discrimination and anti-harassment. UK Private Capital has endorsed Level 20's guidelines for private equity firms, see Clause 3.4 for further detail.

III. No member shall take improper advantage of its position in UK Private Capital, nor of any information addressed to UK Private Capital .

IV. General Partner and Limited Partner members, where applicable, recognise that their primary business is building the strength of their investee companies, which will result in the funds under management making long-term capital gains.

V. Membership of UK Private Capital implies an active involvement by General Partner and Limited Partner members, where applicable, in the companies in which they invest and this involvement shall be applied constructively to the benefit of the company concerned.

VI. Members who sponsor investment syndications with other parties, whether members of UK Private Capital or not, must operate on the basis of full disclosure to such other parties.

VII. General Partner and Limited Partner members, where applicable, will not accept in their funds subscribed capital from unspecified sources.

VIII. General Partner and Limited Partner members, where applicable, shall be accountable to their investors and keep their investors fully and regularly informed, including the provision of regular financial reports.

IX. General Partner and Limited Partner members, where applicable, shall respect confidential information supplied to them by companies looking for private equity investment or by companies in which they have invested.

X. All Full Members must supply investment and performance information to UK Private Capital or its nominated agent. This information will be treated confidentially and used in the compilation of private

equity industry reports where only aggregate information will be published.

Members shall require their directors, employees, representatives and nominees to comply with these standards. Members will avoid financing enterprises or participating in activities, which are inconsistent with these goals.

In addition to the above, all new applicants will be required to complete a Code of Conduct questionnaire to establish the firm's suitability, in regard to the UK Private Capital Member Code of Conduct. The questions require applicants to outline aspects of their firm's operations, such as its ethical framework, principles for equal opportunity and diversity, approach to fund sourcing, and the commitments to its portfolio companies.

The UK Private Capital Council issued a Statement of Best Practice confirming UK Private Capital's expectations for members to operate in accordance to the Code of Conduct, any legal and regulatory requirements placed upon them and to consider wider societal responsibilities. Further details are available here.

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3.2. UK Private Capital Code of Conduct for Turnaround Investors and UK Private Capital Members Encountering Turnaround Situations

Every year many businesses are saved from collapse by turnaround investments made by private equity firms who provide a critical injection of capital, ideas and execution skills to underperforming or failing companies.

The UK Private Capital has a voluntary code of conduct for members engaged in turnaround activity. Members of UK Private Capital who sign up to the Turnaround Code agree to the following commitments:

I. UK Private Capital members aim at business rescue rather than closing a business to realise its assets.

II. The positive and negative impact on lives of employees, customers and creditors will be carefully considered before investment. To the extent that the investment results in a negative impact on these lives, the investor will ensure that communication is clear to ensure that the affected people can make alternative plans where necessary and due process is followed.

III. Interest rates charged on any debt funding will be set commensurate with the risk. Investment will be made with the dual aims of improving business and saving, or better, growing, where possible employment whilst also generating an acceptable return for investors who have funded the turnaround.

IV. Insolvency procedures should not be considered the default option. Alternatives which may achieve a better all round outcome (e.g. agreeing compromises with creditors or a pension scheme outside of formal insolvency) should be considered carefully before insolvency routes are adopted. However in some circumstances, where for example a business is exposed to large and uncertain liabilities, insolvency will be the only route to save a business.

V. In the event of pre-pack administrations, investors will request Insolvency Practitioners to ensure compliance with Statement of Insolvency Practice 16 as issued by the Insolvency Regulatory Body, R3.

VI. The investors will annually provide feedback to UK Private Capital on their turnaround activities to ensure that UK Private Capital can properly communicate with key stakeholders such as government bodies and the press about the turnaround activities of its members.

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3.3. Responsible investment

The UK Private Capital's Responsible Investment Toolkit is an in-depth introduction to responsible investment and why it matters. The toolkit includes insights on how to integrate environment, social and governance (ESG) considerations into investment strategies. It provides practical advice throughout the investment life-cycle, from due diligence through to exit, as well as at the house level and includes case studies. The toolkit is available here: www.ukprivatecapital.co.uk/our-industry/uk-private-capital-and-esg/responsible-investor-toolkit.html.
Responsible investment is considered fundamental to value creation. Some of the best examples can be found in the winners of the UK Private Capital Responsible Investment Awards, our platform for members to showcase their commitment and success to integrating ESG practices into their investment strategies. Further information is available here: www.ukprivatecapital.co.uk/about-us/uk-private-capital-awards.html

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3.4. Diversity

UK Private Capital is committed to improving diversity and inclusion in the private equity and venture capital industry. A core part of our strategy is to work with firms to:

- increase the participation of men and women from all backgrounds in the industry; and
- encourage greater representation in senior roles.

We have put in place a framework to support this strategy that covers:

- our own governance and being a signatory of HM Treasury's Women in Finance Charter;
- engagement with the industry through our events series;
- publishing authoritative industry research; and
- working with firms and promoting careers in the industry.

Further information on our activities is available here: www.ukprivatecapital.co.uk/our-industry/diversity-equity-inclusion.html

UK Private Capital also supports the work of Level 20 (www.level20.org) and Diversity VC (www.diversity.vc) and the targets they have set for the industry. We have endorsed Level 20's guidelines for private equity firms.

Level 20 guidelines for private equity firms

The following guidelines have been drawn up by Level 20, a not for profit organisation set up in 2015 to encourage more women to join and to succeed in private equity. They are designed to give targets and objectives for private equity firms in the recruitment and retention of women.

Level 20 encourages private equity firms to:

- Promote a culture that encourages and supports the success of women.
- Recruit suitably qualified women at all levels and in all roles across their firms.
- Demonstrate a commitment from the top of the organisation to the objective of having more women in senior roles across all positions in the firm.

- Establish goals and/or initiatives to increase retention of women across all roles.
- Implement policies that assure the professional development and success of all employees and employ metrics to measure success.
- Establish processes that support the development of all employees with regard to promotion, compensation and career development.

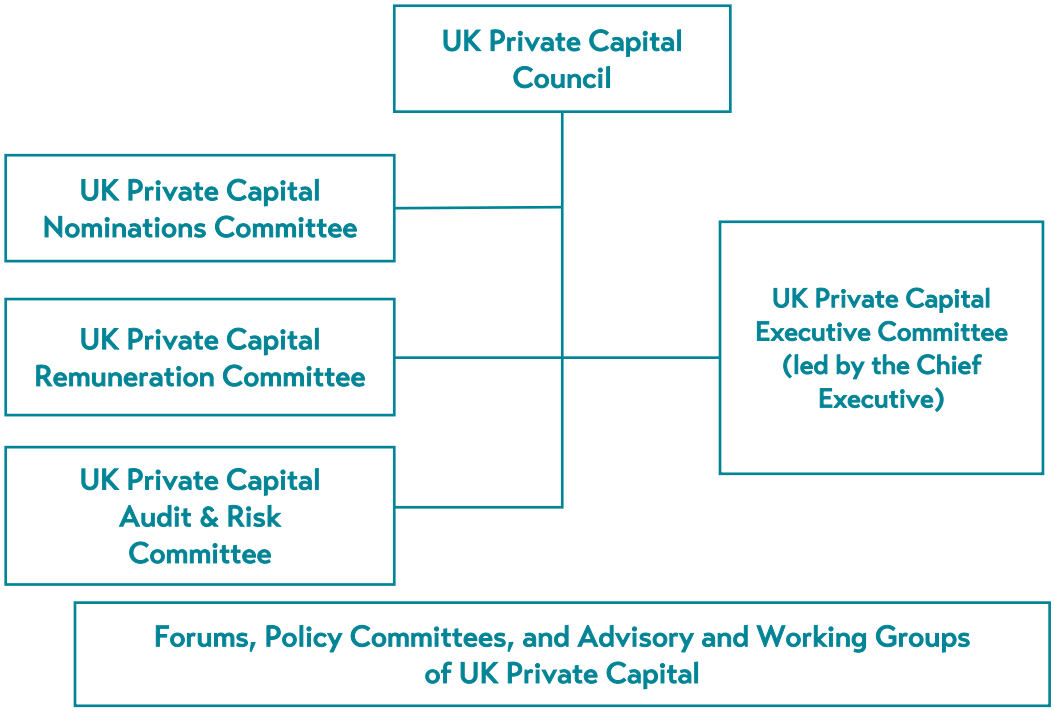
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3.5. Complaints procedures

Complaints about UK Private Capital member firms or the UK Private Capital senior management team (thereafter defined as the "**Executive Committee**" or "**EXCO**") should be sent to the Chief Executive at info@ukprivatecapital.co.uk.

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4. Governance structure



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4.1. Conduct of Council, Executive Committee, UK Private Capital Committees, Advisory and Working Groups

Discrimination and harassment

UK Private Capital is committed to providing equal opportunities to all individuals, across the Council and its Committees, the EXCO, its Committees, Advisory and Working Groups, fairly and irrespective of age, disability, gender, gender reassignment, marital or civil partnership status, pregnancy or maternity, race including colour, ethnic or national origins and nationality, religion or belief or sexual orientation.

We aim to create a working environment that is free from discrimination and harassment in any form, in which all employees, members, and suppliers are treated with dignity and respect.

Gifts and inducements

Reasonably small tokens and reasonable hospitality may be accepted or given to Council, EXCO, Forums, Policy Committees, Advisory and Working Group members, provided they do not place the person receiving them under any obligation. No other gifts may be received.

Any gift or hospitality above £100 should be declared to the UK Private Capital's COO and CFO or a member of the UK Private Capital Council.

Conflict of Interest

UK Private Capital monitors conflicts of interests of its Council members and members of EXCO. A conflict of interest register is maintained accordingly for each category.

Confidentiality

Subject to the Public Interest Disclosure Act 1998 Council, the EXCO, Forum, Policy Committee, and Advisory and Working Group members must not disclose to any person outside UK Private Capital any information relating to UK Private Capital's business or that of any associated company, client or supplier which is of a private or confidential nature. This restriction also applies after the termination of employment but will cease to apply to information which may come into the public domain.

Failure to comply may result in a civil claim or criminal prosecution being brought against the individual. Council, EXCO, Committee, Advisory and Working Group members may be required to enter a confidentiality, intellectual property, and termination restriction agreement where necessary in the view of UK Private Capital to protect its proprietary information.

Data Protection

UK Private Capital complies with the relevant Data Protection legislation. Where necessary and appropriate, Council, Forum, Policy Committee, Advisory and Working Group members as well as UK Private Capital employees, receive training regarding their responsibilities under Data Protection legislation.

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5. UK Private Capital Council

5.1. Overview and structure

UK Private Capital Council is charged with the responsibility for the oversight of the strategy and management of the affairs of UK Private Capital.

The Council is comprised of representatives of Members and Associate Members of UK Private Capital from a cross section of the industry, including investors and advisers. Although there is additional flexibility built into the Articles of Association, it is generally intended that the Council is comprised of between 8 to 12 members, with a majority from full member firms (UK GPs), together with no more than three members of the EXCO. To ensure a fair balance of members, two or more representatives from the same member firm cannot sit on the Council at the same time. Council members are not remunerated for their role.

Members of the Council are listed here.

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5.2. Council Remit

The core remit of Council is as follows:

- To represent the members and ensure their goals are being furthered;
- To ensure that the organization has a clear strategy and medium/long term objectives are soundly based and have strong support amongst UK Private Capital members and EXCO;
- Ensure management have the resources (at all levels of the organisation) and mandate to execute UK Private Capital's strategy;
- To make key decisions on matters reserved for the Council;
- To appoint, hold to account, and evaluate the Chief Executive and key members of the EXCO;
- To identify and manage key strategic, financial and operational risks for UK Private Capital; and
- To ensure UK Private Capital's governance structure is appropriate and its effectiveness is regularly reviewed.

A nominated Council member will further have the responsibility to oversee the processes and protections which UK Private Capital has in place around member data received for research purposes. This Council member must not be an GP or LP to avoid any competition issues.

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5.3. Responsibilities of Council members

A member of the UK Private Capital Council will automatically become a director of UK Private Capital Trade Association, a UK company limited by guarantee, as defined in the Companies Act 2006. As such, members of Council have the same fiduciary duties as a UK company director.

The Companies Act 2006 sets out the seven general duties that the directors owe to the Association. These are:

- the duty to act in accordance with the Company's constitution;
- the duty to promote the success of the Company;
- the duty to exercise independent judgement;
- the duty to exercise reasonable care, skill and diligence;
- the duty to avoid conflicts of interest;
- the duty not to accept benefits from third parties; and
- the duty to declare interest in proposed transactions.

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5.4. Matters reserved for Council

Matters reserved for Council are currently as follows:

- Determination of the Association's objectives and strategies to achieve these objectives, and review of their achievement and implementation;
- Approval of the annual operating and capital expenditure budget of the Association;
- Approval of any unbudgeted expenditure (whether capital or operating in nature) in excess of £100,000, and of any contractual commitments exceeding £150,000 in value or exceeding twelve months in duration;
- Approval of Projects which exceed £100,000 in value. Where projects exceed the budgeted value by more than £50,000 additional authorization will be obtained.
- Approval of any investment made by the Association in any third party legal entity, whether a subsidiary or associate;
- Approval of material changes to the Association's management structure or key personnel (including appointment and removal of the Chief Executive); and
- Approval of the Annual Report & Accounts of the Association.

Matters reserved for Council will be reviewed regularly in the ordinary course of business.

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5.5. Proceedings at Council meetings

The Council meets six times a year, with additional meetings convened if required. The agenda for each Council meeting is set in advance in consultation with the Chair and focused on the remit of the Council. Minutes are recorded and provide a summary of the nature of discussions held and decisions made.

The Council is provided with papers for meetings in a timely manner, usually within 5 days of the meeting, and information is in a form and of a quality appropriate to enable it to discharge its duties. The Council will also receive other reports and information outside of the regular meeting schedule which it or the EXCO considers significant. Council members are required to attend a minimum of 70% of Council meetings per year.

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5.6. Interaction with UK Private Capital Executive Committee

Council members are required to attend Council meetings, with members of the EXCO in attendance as and when required.

The Council does not manage the EXCO directly, all actions required of the EXCO by the Council should be communicated via the Chief Executive.

The Chief Executive should meet informally with the Chair and Vice Chairs on a regular basis in the interim period between Council meetings. Such meetings should not be used as a forum in which to take decisions, which should be properly reserved for Council consideration and agreement.

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5.7. Voting rights

Each member of the Council has one vote. Where necessary, questions arising at a meeting of the Council shall be decided by a majority of votes. In case of an equality of votes, the Chair of the meeting shall have a casting vote in addition to any other vote he may have.

The quorum necessary for the transaction of the business of the Council shall be three, or such higher number (if any) as may be fixed by the Council, two of which at a minimum should be Non-Executive Council Members.

The Council may delegate any of its powers, authorities and discretions to any committee, consisting of such person or persons (whether a member or members of the Council or not) as it thinks fit. Any committee so formed shall, in the exercise of the powers, authorities and discretions so delegated; conform to any regulations that may be imposed on it by the Council.

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5.8. Election of Council members

Membership of the Council is considered through a Nominations Committee that recommends potential members to the Council, to be subsequently approved by the Council. Nominations for Council Members will be drawn from a pool of appropriately qualified candidates identified by the Nominations Committee. Council members must have the requisite balance of experience, skills, independence and standing in the industry.

Council Members shall serve for up to three years from their appointment/ reappointment at the Annual General Meeting. Each new member of the Council is approved at the General Meeting following his/her appointment, and must resign and, if applicable, offer themselves for re-election at the end of their three year term. Council Members can serve up to two three-year terms. This does not apply to Executive Council Members (e.g. Chief Executive and Chief Operating Officer/ Chief Finance Officer), and does not apply to a Council Member who is serving as a Chair, Immediate Past Chair or Vice Chair. The Council shall elect a Chair and Vice Chair. Any person who is eligible to be appointed or elected as a Council Member shall be eligible for election as Chair or Vice Chair. The persons elected shall hold office from the appointed day, as decided by the Council, up until a maximum of 25 months from the appointed date provided that it complies with the Articles of Association. It is intended that the Past Chair will resign from Council within three years after ceasing to be Chair, provided that it complies with the appointment and reappointment provisions set out in the Articles of Association. It is expected that the Council will be selected to adequately represent the interests of the various stakeholder constituencies of UK Private Capital, and will always contain at least one Member from the following categories of UK Private Capital member firm:

- Global Capital
- UK & European Capital (Growth Capital)
- Venture Capital

- Limited Partner / Investor
- Professional Adviser

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5.9. Conflicts of interest policy

The Council maintains a policy to manage conflicts of interest in respect of the duties that Council members owe to UK Private Capital and the duties that they owe to third parties. This is set out in the Articles of Association.

In addition, where an actual or potential conflict of interest arises in the course of Council business, the affected Council member must disclose the actual or potential conflict. Council should determine whether the conflict is such that the affected member should recuse themselves from the discussion or any related vote on a case by case basis, and both the conflict or potential conflict and the action taken to manage it should be recorded in the minutes of the Council meeting.

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5.10. Competition law risks

The Competition Law Risk Management Policy for the Forums, Policy Committees, Advisory & Working Groups of UK Private Capital (Clause 8.1) also applies to the Council and the committees of the Council.

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6. Key UK Private Capital Council Officers

6.1. Chair & Vice Chair(s)

Role & Responsibilities

The Chair is the leader of the UK Private Capital Council and a figurehead for the Association. As such, the Chair must be an individual of high reputation and esteem in the private equity industry. The Chair's specific responsibilities include:

- To set the agenda for the Council and to ensure the membership of the Council is appropriate;
- To ensure the Council discharges its duties;
- To chair the Nominations, Remuneration and Audit & Risk Committees;
- To chair the Annual General Meeting;
- To make a small number of speeches as a figurehead for UK Private Capital;
- To promote the highest standards of corporate governance; and
- To meet regularly with the Chief Executive and EXCO members.

The UK Private Capital Chair does not have personal decision making authority and any projects the Chair wishes to lead must be agreed by the Council.

Appointment & Term

An individual standing for Chairmanship of UK Private Capital must serve for one year as Vice Chair, one year (with a maximum of 25 months) as Chair, one year as Past Chair and up to one year as Previous Past Chair, provided that it complies with appointment and reappointment provisions set in Section 15.7 of the Articles of Association.

The newly appointed Chair becomes automatically Chair of the three UK Private Capital Council Committees (Nominations Committee, Audit & Risk Committee, Remuneration Committee).

The Vice Chair may be an existing member of Council, though this is not a requirement. To be appointed Vice Chair, a candidate must be employed as a director or member of a body corporate, or a partner in or proprietor of a firm which has full membership of UK Private Capital.

Nominations for Vice Chair must be made by the Nominations Committee, and approved by the Council. Should the Vice Chair appointed not be an existing member of Council, their appointment to Council must be approved at the first General Meeting following their appointment.

The newly appointed Vice-Chair becomes automatically Vice-Chair of the three UK Private Capital Council Committees (Nominations Committee, Audit & Risk Committee, Remuneration Committee).

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6.2. Chief Executive

Role & Responsibilities

The role of the Chief Executive is to lead UK Private Capital and represent its members' interests. The Chief Executive is the public policy advocate for the industry. The Chief Executive manages the Association's interests and activities on a day-to-day basis, subject to the Matters Reserved for Council, and assists the Council in carrying out its role by providing advice and recommendations consistent with the agreed objectives of the Association.

In fulfilling his executive role, the Chief Executive acts within the authority delegated by Council. Her or his specific responsibilities include:

- leading the EXCO in the day to day running of the Association;
- developing and presenting to Council the strategy and objectives of the Association;
- implementing and delivering plans to meet the strategy and objectives of the Association;
- monitoring the operational performance of the Association;
- development of, and succession planning for, the EXCO, and approving appointments and termination of staff reporting to the EXCO;
- reporting regularly to Council with appropriate, timely and quality information so that Council can discharge its responsibilities effectively;
- represent the Association to external stakeholders, including members, regulators, legislators, governmental authorities and the media.

Appointment & Term

Appointment to Chief Executive must be proposed by the Nominations Committee, and approved by the Council.

The Chief Executive will be appointed for a term and notice period to be determined by Council, save that the Chief Executive's appointment to Council is subject to approval at the first General Meeting following their appointment.

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7. Committees of the UK Private Capital Council

7.1. UK Private Capital Nominations Committee

The Nominations Committee's remit is to keep under review the structure, size and composition of the UK Private Capital Council, and to nominate candidates for appointment to the UK Private Capital Council, for appointment to the roles of Vice Chair (and by extension future Chair) and Chief Executive of UK Private Capital, and for appointment to the role of Chair and Vice-Chair, if any, of the various UK Private Capital Committees (on the recommendation of EXCO).

Members of the Nominations Committee shall be appointed by Council and should include the UK Private Capital Chair, the Chief Executive and at least two other Council members, including at least the UK Private Capital Chair, the UK Private Capital Vice Chair. The quorum necessary for a meeting of the Committee or for a decision of the Committee to be taken is two members, one of which should be a Non-Executive Council Member.

The Nominations Committee should carry out regular, formal effectiveness reviews of the Council, the Chief Executive and the EXCO.

The Nominations Committee should further carry out regular, formal effectiveness reviews of each UK Private Capital Forum, Policy Committee, Advisory & Working Group including the Chair of each. These reviews should take place at least once a year and consider aspects such as member meeting attendance, member mandate length and member diversity.

Unless otherwise determined by the Council, the duration of an appointment as a Nominations Committee member shall be for a period of up to three years which may be extended by the Council for an additional period of three years.

No member of the Committee should be present when his or her own performance or re-appointment is being considered by the Committee.

Members of the Nominations Committee are listed here.

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7.2. UK Private Capital Remuneration Committee

The Remuneration Committee's remit is to establish and approve remuneration policy for the employees of UK Private Capital, including Chief Executive and EXCO Directors. The Remuneration Committee will also establish and evaluate performance objectives and compensation for the Chief Executive and specified senior employees.

The Committee will be chaired by the Chair of the UK Private Capital Council. Members of the Remuneration Committee shall be appointed by Council and will comprise of at least the UK Private Capital Chair, the UK Private Capital Vice Chair, and at least two other Council members. Other individuals may be invited to attend at the Committee's discretion when appropriate and necessary. Unless otherwise determined by the Council, the duration of an appointment shall be for a period of up to three years which may be extended by the Council for an additional period of up to three years.

The quorum necessary for a meeting of the Committee or for a decision of the Committee to be taken is three members, two of which should be Non-Executive Council Members.

UK Private Capital is a signatory of HM Treasury's Women in Finance Charter (further information is available

here). One of the Charter's commitments requires UK Private Capital to have an intention to ensure the pay of the EXCO is linked to delivery of internal targets on gender diversity. The Remuneration Committee is responsible for this commitment, and shall consider whether the remuneration and bonuses of UK Private Capital employees is fair and reasonable, recognising-year performance and paying particular attention to any gender pay gap and relevant equal pay legislation, and if appropriate make recommendations to the Council.

Members of the Remuneration Committee are listed here.

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7.3. UK Private Capital Audit & Risk Committee

The Audit & Risk Committee shall review and recommend to Council for approval the draft statutory financial statements, the annual report and any other financial information requiring Council approval.

The Audit & Risk Committee shall also keep under review the adequacy and effectiveness of the Association's financial accounting and reporting arrangements and the related internal controls, and ensure that an appropriate register of risks is maintained and regularly reviewed.

The Audit & Risk Committee will also consider and make recommendations to Council to be put before members at the annual General Meeting in relation to the appointment, re-appointment or removal of the Association's external auditor; and will meet with the external auditor at least once per annum to review the findings of the audit.

Members of the Audit & Risk Committee shall be appointed by Council and should include the UK Private Capital Chair and at least two other Council members. The quorum necessary for a meeting of the Committee or for a decision of the Committee to be taken is two members, one of which should be a Non-Executive Council Member

The Committee shall meet at appropriate times in the financial reporting and audit cycle.

Unless otherwise determined by the Council, the duration of an appointment as an Audit & Committee member shall be for a period of up to three years which may be extended by the Council for an additional period of up to three years.

Members of the Audit & Risk Committee are listed here.

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8. Forums, Policy Committees, Advisory & Working Groups of UK Private Capital

8.1. Terms of reference

This section is related to the Forums, Committees, Advisory and Working Groups of UK Private Capital, as distinct from the Committees of the UK Private Capital Council covered in Clause 7. These Forums, Committees, Advisory and Working Groups are comprised of representatives UK Private Capital member firms and third party subject matter experts, and are established by the UK Private Capital Council or the EXCO to advise the Council and the EXCO on specific matters. For simplicity, Forums, Policy Committees, Advisory and Working Groups are referred to solely as "**Committees**" in the following section text.

Unless a Committee has its own Terms of Reference, these general Terms of Reference shall apply.

Decision making power

All Committees of UK Private Capital are advisory bodies and have no decision making power. Decisions are taken by the EXCO or are referred to the UK Private Capital Council as appropriate. On technical matters within the remit of a technical Committee, the Committee Chair may take decisions with the EXCO approval, unless the matter is of sufficient importance to be referred to the UK Private Capital Council.

Meetings

Committee meetings are generally held monthly or quarterly depending on the objectives and requirements of each Committee. Although the Committees have no decision making power, the quorum necessary to hold a validly held meeting shall be two members of the Committee.

Technical and PERG committee members are required to attend at least 70% of meetings per year. For all other committees, members are required to attend at least 50% of meetings per year.

Should meeting attendance drop below the required meeting attendance threshold, an email from UK Private Capital will be sent to the member reminding them of the requirement and asking the member for their reasons for non-attendance. Meeting attendance will be managed on a case-by-case basis and should it become apparent that meeting attendance from a particular member of a Committee is difficult (e.g. frequent travel/management responsibilities), the member could propose an alternative to attend certain meetings in the place of the main representative, provided that the alternative is of equivalent seniority and influence the intention of which is to ensure continuity whilst sharing the burden of meeting requirements. This should be exceptional on a case-by-case basis.

In the case of a Technical Committee member, the Committee member will be asked if they have an alternative representative to sit on the Committee.

Committee members with 0% attendance per year will be removed.

Committee objectives

Each Committee has a clear set of objectives that outlines the scope of the Committee and the value of the Committee to the membership. The key initiatives of the Committees are reviewed on a regular basis, taking

account of its likely output and its link to UK Private Capital longer term strategy. The key initiatives agreed by the Committee are approved by the Council, where relevant.

Committees need to demonstrate their relevance to the membership, with regular output to the membership and summaries of matters currently being dealt with.

Committees need to address a number of key areas:

- Communication to relevant members on a regular basis
- Engagement with members e.g. responding to membership concerns and issues
- Consistency with the overarching UK Private Capital strategy

Key activities of all committees are summarised and included in the papers at each Council meeting.

Committee chairs are expected to attend Council meetings when significant matters arise within their committees that require further discussion at Council level. Policy Committee chairs should attend more regularly (see Clause 8.2 below).

Committee Membership

Committee Members should UK Private Capital Members and the representation on the Committee should be drawn from across the UK Private Capital membership to ensure that the Committees are balanced. Each Committee has an assigned representative from the UK Private Capital Executive team (referred to as the "**UK Private Capital Committee Account Manager**" in this document) and is provided with dedicated secretariat and organizational support from UK Private Capital.

Each Chair, in conjunction with the EXCO and the Committee members, will determine the applicable size of each Committee. Committee membership needs to represent the industry overall, therefore consideration will be given to an appropriate balance of GPs, LPs and advisors depending on the scope and objectives of the Committee.

Committee Responsibilities

Members are expected to undertake an active role in meetings and should be expected to be issued with actions following meetings. Such actions may include assistance in drafting and the reviewing of submissions and joining appropriate sub-committees and working groups.

All members are expected to maintain at least a 70% attendance; no alternates should be sent without approval from the Chair.

Committee Applications

Applications for membership to a Committee should be made via the Committee vacancy page on the UK Private Capital website, direct to UK Private Capital. Alternatively, members may be recommended to UK Private Capital and the Chair of the Committee. The Chair and the UK Private Capital Committee Account Manager for each Committee will submit the details of the proposed nomination to the UK Private Capital Governance Manager who will in turn submit it to EXCO for final decision. The Nominations Committee will be informed at its periodic meetings of the Committee nominations so approved since its last meeting.

Committee Chairs and Vice Chairs appointments are decided by the UK Private Capital Council Committee 'Nominations Committee'.

Period of Appointment

Members should be expected to undertake this commitment for a minimum period of three years which may be extended for a further three year period. In certain circumstances terms of longer than six years may be appropriate, but their membership will be subject to regular review. Committee members are able to stand down from a Committee by providing the Committee Chair with one months' notice.

The Chair, after consultation with the Chief Executive has the authority to review individual membership of the Committee on a regular basis.

A review of the performance of Committee members takes place on an annual basis and is conducted by the Committee Chair.

Committee Chairs should notify UK Private Capital of any retiring committee members. UK Private Capital will organise a suitable token of thanks to the retiring member.

Committee Chairs

The role of a Committee Chair is to lead the relevant Committee and ensure it functions effectively.

To appoint a Committee Chair, the UK Private Capital Committee Account Manager of that Committee shall submit a nomination paper to EXCO two weeks before the next Nominations Committee. Once EXCO has approved the contemplated Chair nomination, it will be submitted for final decision to the next Nominations Committee meeting.

The Chair is for a three-year period, with an option to extend in specific circumstances. An incoming Chair may only be elected if they have served on the committee for a period of time as an ordinary member or vice chair to ensure continuity.

The Chair needs to be of sufficient standing in the PE/VC Industry. Both Associate and Full Members may become Chair of a Committee.

The UK Private Capital Committee Account Managers monitor the performance of the Chairs and report any issues to the Council. The performance evaluation covers a review of the activities performed by the Committee against its objectives and their relevance in the context of UK Private Capital's wider strategy.

Committee Vice-Chairs

Where practicable, a Vice-Chair for each Committee should be appointed.

A Vice-Chair may be elected by a Committee to stand in for the Chair in their absence. Similarly a Vice-Chair may be identified and elected with a succession plan such that the Vice Chair will take on the position of Chair, having followed the process for the election of a committee Chair in the previous section.

The election of a Vice-Chair shall take place following submission of a nomination paper by the UK Private Capital Committee Account Manager of that Committee to the UK Private Capital EXCO two weeks before the next Nominations Committee.

Once the UK Private Capital EXCO has approved the contemplated Vice-Chair nomination, it will be submitted for final decision to the next Nominations Committee meeting.

Working Groups and Sub-Committees

Each Chair in conjunction with the UK Private Capital Committee Account Manager and the Committee has the mandate to establish working groups and sub-committees for specific projects. Such working groups and sub-committees may include people who are not members of the committee itself.

If deemed beneficial, the sub-committee Chair (after consultation and agreement with the respective Committee Chair and UK Private Capital Committee Account Manager) may invite other UK Private Capital members that are not members of the committee to join the sub-committee if they bring additional experience and expertise to the group.

Interaction with the Executive Committee

UK Private Capital works with the Committee Chair to ensure the activities of the Committee and its sub-committees are consistent with the UK Private Capital strategy.

UK Private Capital provides all committees with dedicated secretariat and organisational support responsible for all administrative matters. Each Committee has an assigned representative from UK Private Capital to act as the main point of contact with UK Private Capital. The Chief Executive aims to attend all committee meetings, and will provide the main link between the committees and the UK Private Capital Council.

On a regular basis (and at least quarterly), UK Private Capital provides to Council a high-level overview of the projects and areas UK Private Capital is working on to ensure the activities of the Committees are aligned to that of UK Private Capital.

Minutes of meetings are kept by UK Private Capital and summarise discussions held and decisions taken. The minutes also include action points and indicate who is responsible for taking these forward. These are monitored by UK Private Capital on a regular basis.

The Committee Chairs are encouraged to provide feedback on the performance of the UK Private Capital team to the Chief Executive.

UK Private Capital should be notified of any Committee dinners or other events in advance. Such events need the approval of the Chief Executive if they are to be funded by UK Private Capital.

Conflicts of interest

Where an actual or potential conflict of interest arises in the course of Committee business, the affected Committee member must disclose the actual or potential conflict (unless it is reasonable to assume that it is already known to the Chair and a majority of the other members of the Committee). The relevant Committee Chair (or the other members of the Committee if the Chair is the member disclosing the conflict) should determine whether the conflict is such that the affected member should recuse themselves from the discussion or any related vote on a case by case basis, and both the actual or potential conflict and the action taken to manage it should be recorded in the minutes of the Committee meeting.

Competition Law Risk Management Policy

All EXCO, Council and Committee members are expected to familiarise themselves with relevant aspects of competition law. In particular, UK and EU competition law prohibits agreements that prevent, restrict or distort competition. As a general principle, firms should not inform each other of their intended market behaviour. Council and Committee members must ensure that all matters discussed and all materials and data made available

to them in respect of their Committee-related activities are appropriate and do not contain competitively sensitive information (such as inside or price sensitive information). Further, Committee members should not be involved in any informal discussions that may happen around the Committee meeting that similarly involve exchange of competitively sensitive information.

Where Committee members think an inappropriate topic has been raised or that they should not be involved in discussions relating to any particular matter, they should object or absent themselves from the part of the meeting at which the matter is discussed. In practice, this may mean that consideration of certain items that may be considered to be competitively sensitive shall be withheld from meetings of the Committee until such information is within the public domain.

The need for compliance with applicable competition/anti-trust laws, rules and regulations should be clearly communicated to all new Committee members. Committee members should also be periodically reminded of this The Chair of each Committee should be asked periodically to confirm that as far as they are aware there have been no breaches.

Meeting agendas

Copies of the agenda will be circulated beforehand so that Committee members can recuse themselves from all or part of a meeting in the event of a conflict of interest.

Meeting minutes

Attendance is closely monitored and as part of the minutes, a record of who attended and an accurate record of what was discussed at any Committee meeting will be maintained by the UK Private Capital Committee Account Manager. The minutes will be shared as part of the following meeting's papers to the Committee.

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8.2. Remit of UK Private Capital Committees

Policy committees

The UK Private Capital's Policy Committees are comprised of subject matter experts from UK Private Capital as well as full and associate member firms. They are concerned with identifying and responding to emerging technical issues.

Policy Committee Chairs will be invited to regularly attend Council meetings to lead the Council's discussion of technical items on the Council's agenda and shall have the right to attend and speak if they wish to raise a matter within the remit of their committee with the Council. In general, Policy Committee chairs should attend a meeting of the Council at least annually.

The five Policy Committees are:

- Legal
- Accounting, Reporting & Governance (with Venture CFO working group)
- Regulatory
- Taxation (with a Personal Tax subcommittee and a Business Tax subcommittee; and a Venture Tax

subcommittee)

- Sustainability (with an Impact, Diversity, Value Creation, Sustainability Regulation and Reporting and Green Finance Taskforce)

Industry Leaders Forums

The forums represent the relevant segment of UK Private Capital membership and act as a tool for communication between the members and the UK Private Capital Council and EXCO. These committees are an invaluable tool to maintain strong connections between UK Private Capital and its members and the committees take a lead in delivering member communications to the relevant segments.

The forums are:

- Global Capital Forum
- Growth Capital Forum
- Venture Capital Forum (with an EIS/VCT subcommittee)
- Limited Partner Forum
- Private Credit Forum
- National Growth Forum

Advisory Groups

There are also several advisory groups that advise the EXCO on our policy recommendations, informing our research and publications and growing our member services:

- Investor Relations
- Research
- External Affairs Advisory Group
- Performance Measurement Survey Review Board
- Public Policy Panel

Working Groups

The working groups for specific projects are:

- Channel Islands

The remit and membership of all Committees can be found on the UK Private Capital website (www.ukprivatecapital.co.uk/about-us/our-governance.html).

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9. General Meetings

9.1. Overview

We hold a General Meeting of the Association each year and all our full members are invited to attend[1]. Meetings are arranged with sufficient notice to ensure that UK Private Capital is, and is seen to be, an open, transparent, and democratic organisation.

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9.2. Notice of General Meetings

The Annual General Meeting and any meeting called for passing a special resolution is called with at least 21 clear days' notice in writing and all other meetings of the Association shall be called by at least 14 clear days' notice in writing. A meeting of the Association, notwithstanding that it is called by shorter notice, shall be deemed to have been called if it is agreed by a majority in number of the Members having a right to attend and vote at the meeting (being a majority, who, together, represent not less than 90 per cent of the total voting rights at that meeting of all the Members.)

The notice is given in writing to our Full Members and specifies the place, day and time of the meeting and the general nature of the business to be transacted and any text of special resolutions that are being proposed.

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9.3. Matters reserved for General Meetings

The following matters are reserved for the Annual General Meeting, namely to:

- Table and approve the Directors' Report and Financial Statements of the Association;
- Elect and/or re-elect Council members. Council members may be co-opted by the Council between General Meetings, in which case any such appointment must be confirmed at the following General Meeting or (in default of such confirmation) the co-opted Council Member's appointment shall automatically terminate at the close of such General Meeting;
- Appoint the Auditors of the Association; and
- Approve any special resolutions (including changes to the Articles of Association should this be required).

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9.4. Members' votes

Subject to the below, every Full Member present at a meeting in person (whether physically or via video-conference) or by proxy has one vote. If a poll is called, subject to the below, every Full Member present in person or by proxy shall have one vote. Associate Members shall not be entitled to any vote and their attendance is permitted at the discretion of the Chairman.

No Full Member shall be entitled to vote (whether in person or by proxy) at any General Meeting unless all

[1] Article 9.1 of the Articles of Association

moneys at that time due for payment by it to the Association have been paid.

The instrument appointing a proxy is made available to our Full Members for completion in writing by the Full Member. A proxy need not be a member of the Association[2].

Any corporation which is a Full Member may authorise such person as it thinks fit to act as its representative at or with reference to any meeting of the Association. The authorised person is entitled to exercise the same powers on behalf of the corporation. Accordingly, for the avoidance of doubt, a corporation represented by such a person is deemed to be a Full Member.

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10. Accounts and audit

Our accounting records are kept in accordance with UK law[3] and can be found at the registered office of the Association[4]. Our records are open to inspection by members of the Council.

The Council, however, shall from time to time and at its discretion determine whether and to what extent (if any) and at what times and places and under what conditions or regulations the accounts and books of UK Private Capital or any of them shall be open to the inspection of Full members not being Council members. No Full member and (for the avoidance of doubt) no Associate Member (not being a Council member) shall have any right of inspecting any accounts, other books or any other documents of UK Private Capital except as conferred by statute or authorised by the Council or by UK Private Capital in a General Meeting[5].

We lay our financial statements before Full Members for consideration at the Annual General Meeting.

We also appoint our Auditors at the Annual General Meeting in accordance with the Companies Act 2006.

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[2] Article 12.4 of the Articles of Association
[3] Sections 386 and 389 of the Companies Act 2006
[4] Section 388 of the Companies Act 2006 allows records to be kept elsewhere
[5] Article 20.2 of the Articles of Association