

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. IT CONTAINS PROPOSALS RELATING TO BIOPHARMA CREDIT PLC (THE “COMPANY”) ON WHICH YOU ARE BEING ASKED TO VOTE.

If you are in any doubt about the contents of this Circular or the action you should take, you are recommended to seek immediately your own personal financial advice from an appropriately qualified independent adviser authorised pursuant to the UK Financial Services and Markets Act 2000 if in the United Kingdom or otherwise regulated under the laws of your own country.

If you have sold or otherwise transferred all of your Shares, please send this Circular together with the accompanying Proxy Appointment at once to the purchaser or transferee or to the stockbroker, banker or other agent through whom the sale or transfer was effected, for onward transmission to the purchaser or transferee.

This Circular should be read as a whole. Your attention is drawn in particular to the letter from your Chairman which is set out on pages 4 to 10 of this Circular and which recommends that you vote in favour of the Resolutions to be proposed at the annual general meeting of the Company (“AGM”) referred to in this Circular. Your attention is also drawn to the section entitled “Action to be Taken” on page 8 of this Circular.

BIOPHARMA CREDIT PLC

(Incorporated in England and Wales with registered no.10443190 and registered as an investment company under section 833 of the Companies Act 2006)

Notice of Annual General Meeting

Including a recommended proposal for the approval of a Related Party Transaction

The Proposals described in this Circular are conditional on Shareholder approval at the AGM. Notice of the AGM to be held at 11 a.m. on 29 June 2018 at the offices of Herbert Smith Freehills LLP, Exchange House, Primrose Street, London EC2A 2EG is set out at the end of this Circular.

Shareholders are requested to return a Proxy Appointment by one of the following methods: (i) in hard copy form by post, by courier or by hand to Link Asset Services, PXS, 34 Beckenham Road, Beckenham, Kent BR3 4TU; or (ii) in the case of CREST members, by utilising the CREST electronic proxy appointment service (details of which are contained in this Circular), in any case so as to be received by the Company’s registrar, Link Asset Services, as soon as possible and, in any event, not less than 48 hours before the time at which the AGM (or any adjournment thereof) is to begin. In calculating such 48 hour period, no account shall be taken of any part of a day that is not a Business Day. Completion of a Proxy Appointment will not preclude a Shareholder from attending, speaking and voting in person at the AGM.

Defined terms used in this Circular have the meanings ascribed to them in the section headed “Definitions” on page 19.

This Circular is not a prospectus and is not an offer to sell or a solicitation of any offer to buy any securities in the United States or in any other jurisdiction. The Shares have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended, and the Company has not been, and will not be, registered under the U.S. Investment Company Act of 1940, as amended.

The Listing Rules applicable to closed-ended investment companies which are listed on the Premium Listing Segment of the Official List of the UK Listing Authority do not apply to the Company. However, the Directors intend that, as a matter of best practice and good corporate governance, the Company conducts its affairs in accordance with certain key provisions of the Listing Rules in such manner as they would apply to the Company were it admitted to the Official List under Chapter 15 of the Listing Rules. The UK Listing Authority will not monitor the Company’s voluntary compliance with the Listing Rules applicable to closed-ended investment companies which are listed on the Premium Listing Segment of the Official List of the UK Listing Authority nor will it impose sanctions in respect of any failure of such compliance by the Company. The UK Listing Authority has not reviewed the contents of this Circular.

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TIMETABLE

Latest time and date for receipt of Proxy Appointment for the AGM	11 a.m. on 27 June 2018
Annual General Meeting	11 a.m. on 29 June 2018

All references to times in this document are to London times, unless otherwise stated.

PART I: LETTER FROM THE CHAIRMAN

BIOPHARMA CREDIT PLC

(Incorporated in England and Wales with registered no.10443190 and registered as an investment company under section 833 of the Companies Act 2006)

Jeremy Sillem (Chairman)
Colin Bond
Duncan Budge
Harry Hyman

Registered Office:
Beaufort House
51 New North Road
Exeter EX4 4EP

29 May 2018

Dear Shareholder

NOTICE OF ANNUAL GENERAL MEETING INCLUDING A RECOMMENDED PROPOSAL FOR THE APPROVAL OF A RELATED PARTY TRANSACTION

1. INTRODUCTION

At the AGM of the Company, Shareholders will be asked to consider the approval of, and vote on, the various items of business to be considered at the AGM, being:

- the receipt and adoption of the Strategic Report, the Reports of the Directors and the Auditor and financial statements for the period ended 31 December 2017;
- the receipt and approval of the Directors' Remuneration Report;
- the approval of the Directors' Remuneration Policy;
- the election of the Directors;
- the appointment of Pricewaterhouse Coopers LLP as Auditor and the authorisation of the Directors to determine remuneration of the Auditor;
- the approval of the Company's dividend payment policy;
- the purchase by the Company of its own shares;
- the holding of general meetings on not less than 14 clear days' notice;
- the authorisation of using electronic communication with Shareholders;
- amendment of the Articles of Association (the "**Articles**") to allow for electronic Board meetings; and
- in the case of the Independent Shareholders, the approval of a Related Party Transaction in respect of the proposed amendment to the performance fee under the Investment Management Agreement by the amendment agreement dated 24 May 2018, (together, the "**Proposals**").

The purpose of this Circular is to provide Shareholders with details of, and to seek Shareholder approval for, each of the Resolutions together comprising the Proposals. This Circular includes the notice of the AGM to be held at 11 a.m. on 29 June 2018 at the offices of Herbert Smith Freehills LLP, Exchange House, Primrose Street, London EC2A 2EG.

The Board considers that the related party transaction is fair and reasonable and believes that the Proposals are in the best interests of the Company and its Shareholders as a whole and recommends that you vote in favour of each of the Resolutions at the AGM. You are therefore urged to complete and return your Proxy Appointment without delay, whether or not you intend to attend the AGM.

2. THE PROPOSALS

Resolutions 1 to 10, 13 and 15 will be proposed as ordinary resolutions and Resolutions 11, 12 and 14 will be proposed as special resolutions. Only Independent Shareholders are eligible to vote on Resolution 15.

Resolution 1 – To receive the Annual Report and financial statements

The Directors are required to present the Strategic Report, Directors' Report and Auditor's Report and the financial statements for the period ended 31 December 2017 to the meeting. These are contained in the Annual Report which is included in this mailing.

Resolutions 2 and 3 – To receive and approve the Directors' Remuneration Report and Policy

Shareholders have an annual advisory vote on the report on Directors' remuneration and a binding vote, to be held at least every three years, on the remuneration policy of the Directors. Shareholders are being requested to vote on the receipt and approval of the Directors' Remuneration Report and Directors' Remuneration Policy as set out on pages 39 and 40 of the Annual Report.

Resolutions 4 to 7 – To elect the Directors

Under the Articles and in accordance with the AIC Code of Corporate Governance, Directors are subject to election by Shareholders at the first annual general meeting (being the AGM) after their appointment. Thereafter, at each annual general meeting any Director who has not stood for re-election at either of the two preceding annual general meetings shall retire. In addition, one-third of the Directors eligible to retire by rotation shall retire from office at each annual general meeting. Beyond these requirements, the Board has agreed a policy whereby all Directors will seek annual re-election at the Company's annual general meetings.

In accordance with the above policy, all Directors will be standing for election at the AGM, being the Company's first annual general meeting.

The Board confirms that the performance of each of the Directors seeking election is effective and demonstrates commitment to the role and the Board believes that it is therefore in the best interests of Shareholders that these Directors be elected. The Directors also believe that the Board has an appropriate balance of skills, experience and knowledge.

Full biographies of all the Directors are set out on pages 28 and 29 of the Annual Report and are also available for viewing on the Company's website www.bpcruk.com/management-board/.

Resolutions 8 and 9 – To appoint Pricewaterhouse Coopers LLP as Auditor of the Company, to hold office until the conclusion of the next general meeting at which financial statements are laid before the Company and to authorise the Directors to determine the remuneration of Pricewaterhouse Coopers LLP

At each general meeting at which the Company's financial statements are presented to its members, the Company is required to appoint an auditor to serve from the conclusion of that meeting until the conclusion of the next such meeting. The Board, on the recommendation of the Audit and Risk Committee, recommends the appointment of Pricewaterhouse Coopers LLP. Resolution 9 gives authority to the Directors to determine the Auditor's remuneration.

Resolution 10 – To approve the Company's dividend payment policy

The Company pays dividends in U.S. dollars or GBP Sterling (at the Shareholder's election) on a quarterly basis. The Company may, where the Directors consider it appropriate, use the reserve created by the cancellation of its share premium account to pay dividends.

The Company's target dividend for the first financial year following IPO was 4 per cent. (calculated by reference to the US\$1.00 per Ordinary Share issue price at IPO) and, once substantially invested, the Company will target an annual dividend yield of 7 per cent. on the Ordinary Shares (calculated by reference to the US\$1.00 per Ordinary Share issue price at IPO), together with a net total return on NAV of 8 to 9 per cent. per annum on the Ordinary Shares in the medium term.

The Board is conscious that this means that Shareholders will not be given the opportunity to vote on the payment of a final dividend. Accordingly, it has been decided that Shareholders will be asked to confirm their ongoing approval of the Company's current dividend payment policy. This is set out in Resolution 10.

Resolution 11 – To approve the purchase of the Company’s own shares

At a general meeting of the Company held on 27 February 2017, the Company was granted authority to purchase up to 14.99 per cent. of the Company’s ordinary share capital issued at IPO, amounting to 114,205,416 Ordinary Shares. No Ordinary Shares have been bought back under this authority.

Resolution 11, a special resolution, will renew the Company’s authority to make market purchases of up to 137,046,499 Ordinary Shares (being 14.99 per cent. of the Company’s Ordinary Shares at the date of this Circular), either for cancellation or placing into treasury at the determination of the Directors. Purchases of Ordinary Shares will be made within guidelines established from time to time by the Board. Any purchase of such shares would be made only out of the available cash resources of the Company. The maximum price which may be paid for any Ordinary Share is the higher of: (i) 5% above the average of the mid-market values of such share for the five business days before the purchase is made, or (ii) the higher of the price of the last independent trade and the highest current independent bid for such share. The minimum price which may be paid per any Ordinary Share is US\$0.01.

As at 25 May 2018 (the latest practicable date prior to the publication of this Circular), there were no warrants or options to subscribe for shares in the capital of the Company.

The Directors would use this authority to address any significant imbalance between the supply and demand for the Company’s Ordinary Shares and to manage the discount to Net Asset Value per Ordinary Share at which the Ordinary Shares trade. Ordinary Shares will be repurchased only at prices below the Net Asset Value per Ordinary Share, which should have the effect of increasing the Net Asset Value per Share for remaining Shareholders. This authority will expire at the annual general meeting to be held in 2019 when a resolution to renew this authority will be proposed.

Resolution 12 – Notice period for general meetings

Under the Companies Act 2006, the notice period of general meetings (other than an annual general meeting) is 21 clear days’ notice unless the Company: (i) has gained shareholder approval for the holding of general meetings on 14 clear days’ notice by passing a special resolution at the most recent annual general meeting; and (ii) offers the facility for all Shareholders to vote by electronic means. The Company would like to preserve its ability to call general meetings (other than an annual general meeting) on less than 21 clear days’ notice. The shorter notice period proposed by Resolution 12 would not be used as a matter of routine, but only where the flexibility is merited by the business of the meeting and is thought to be in the interests of Shareholders as a whole. The approval will be effective until the date of the annual general meeting to be held in 2019, when it is intended that a similar resolution will be proposed.

Resolution 13 – Electronic communications with Shareholders

The Company is seeking to take advantage of the provisions of the Companies Act 2006 to allow electronic communications with its Shareholders, including making important documents available through its website, and an ordinary resolution authorising this is included within the Notice of AGM.

The Resolution, if passed, would allow the Company to use electronic communications with Shareholders by placing documents such as the Annual Report on a website rather than sending them in hard copy. The Company will notify those Shareholders who have elected for electronic communication, by post or email if they have provided an email address, that the document is available on the website. Shareholders can, however, ask for a hard copy of any document at any time.

If this Resolution is passed, the new arrangements are expected to result in potential administrative, printing and postage cost savings for the Company, while preserving Shareholders’ rights to receive hard copy documents if they so wish.

Resolution 14 – To allow Board and Committee meetings to be held by electronic communication

The Directors are mindful that the current Articles do not currently allow Board and Committee meetings to take place by electronic communication. Accordingly, the Directors are seeking authority to amend the Articles to facilitate Board and Committee meetings to take place in this way. This is set out in Resolution 14.

Resolution 15 – The approval of a Related Party Transaction in respect of the amendment to the Investment Management Agreement

Background to and rationale for the change to the Investment Management Agreement

The Investment Management Agreement entered into on IPO provided that, subject to (i) the total return on NAV (calculated per Ordinary Share) exceeding 6 per cent. over a performance period (the “**Annual Condition**”), (ii) the total return on NAV (calculated per Ordinary Share) as at the end of such performance period representing an increase of at least 6 per cent. per annum compounded on the issue price of the Ordinary Shares at IPO (the “**Compounding Condition**”), and (iii) a high watermark (which is the total return on NAV (calculated per Ordinary Share) as at the end of the last performance period in respect of which a performance fee was payable to the Investment Manager) (the “**High Watermark Condition**”), the Investment Manager was entitled to receive a performance fee equating to 10 per cent. of the total return over such performance period, on the basis of catch up arrangements whereby the Investment Manager would receive 50 per cent. of the total return above 6 per cent. (the “**Excess Total Return**”) up to the point at which it had received 10 per cent. of the overall total return allocated to itself and Shareholders in this manner, and thereafter 10 per cent. of the remaining Excess Total Return; provided always that the amount of any performance fee payable to the Investment Manager would be reduced to the extent necessary to ensure that, after account is taken of such fee, conditions (i), (ii) and (iii) above are still satisfied.

Since no provision was made in the Investment Management Agreement for the deferral of a performance fee, this meant that even if the Annual Condition and the High Watermark Condition were met in respect of a given performance period, if the Compounding Condition was not also satisfied, the Investment Manager would not be entitled to a performance fee in respect of such period even once the Compounding Condition was subsequently satisfied at the end of a subsequent performance period.

At IPO, the Company communicated a lower initial year return expectation versus its longer-term target, which reflected the expenses incurred in relation to the IPO and the cash drag expected to arise from the pace of deployment of the IPO proceeds.

As disclosed in the prospectus related to the Company’s placing programme dated 14 March 2018, the Investment Manager intended to seek the Board’s and the shareholders’ approval to amend the terms of the performance fee payable to the Investment Manager under the Investment Management Agreement. The purpose of this amendment is to address more fairly the consequence (in terms of the ability to earn future performance fees) of the low return generated (as expected for the reasons set out above) during 2017 (which affects the Investment Manager’s ability to meet the Compounding Condition for subsequent performance periods).

As described in more detail below, the amendment seeks to provide to the Investment Manager an opportunity to earn a performance fee for a particular performance period where all the conditions to the payment of such performance fee (as detailed above) are satisfied except for the Compounding Condition by deferring (rather than forfeiting) such performance fee for that particular period to a future performance period wherein the Compounding Condition is satisfied. This amendment will only affect performance fees earned for the performance periods commencing after 1 January 2018. No performance fee is payable in any event with respect to the period between IPO and 31 December 2017.

Further, upon a detailed review of the performance fee in the above context, the performance fee has been redrafted in order to simplify the calculations of what, if any, performance fee is payable to the Investment Manager in respect of any particular period.

An overview of the key changes to the performance fee is set out below and the consequent revisions to the Investment Management Agreement are detailed in Part III of this Circular.

A summary of the material terms of the Investment Management Agreement (other than the revisions of the performance fee) is contained in paragraph 1 of Part II of this Circular.

Principal terms of the Related Party Transaction

For the reasons set out above, subject to approval by the Independent Shareholders, the terms of the performance fee payable to the Investment Manager shall be replaced with the terms set out in Part III of this Circular. The amendments provide that when the Compounding Condition is not satisfied in respect of a performance period, the Investment Manager's entitlement to the performance fee which would otherwise arise is deferred to the end of the first subsequent performance period in respect of which the Compounding Condition is satisfied. There is, however, no change to the provision that the Investment Manager loses its performance fee entitlement if the Annual Condition (requiring a 6 per cent. annual return hurdle to be met) or the High Watermark Condition is not met.

Separately, having a full year of input data to these calculations (results of IPO, revenues, expenses, the tap issue, dividends, etc.) the replacement language offers a better expression of these concepts. Consequently, the basis for calculating the performance fee, Compounding Condition and the High Watermark Condition is proposed to be changed from a per Ordinary Share basis to a total NAV attributable to Ordinary Shares basis. While it is expected that the change from a per Ordinary Share basis to a total NAV attributable to Ordinary Shares basis will, by itself, not have a material economic impact on the performance fee payable to the Investment Manager, this change would simplify and clarify the calculations.

The drafting of the Compounding Condition and High Watermark Condition is also proposed to be amended to clarify certain points of detail and to state that these calculations (which were previously based on NAV growth plus dividends) are made on the basis of an annualised rate of return on the gross proceeds of the IPO (with such calculations taking into account the impact of share issuances, dividends and NAV growth). The precise calculations and adjustments are set out in an agreed financial model, which will be used by the Company, Investment Manager and the Company's Auditor, as an aid for interpretation. These changes would also clarify the calculations going forward.

Finally, the "Total Return" for calculating the performance fee is now proposed to be determined by reference to the "Net Income" of the Company (as shown in its audited annual accounts) rather than per Ordinary Share return calculations which require a number of additional steps and complex calculations. If there is a disagreement between the Company and the Investment Manager on the performance fee payable in respect of a particular period, the matter will be referred to independent accountants whose decision, as experts, shall be treated as final.

The Independent Shareholders will vote on the Related Party Transaction through Resolution 15, which is to be proposed as an ordinary resolution at the AGM. The Investment Manager is not a Shareholder and accordingly is not able to vote on Resolution 15, and it has undertaken to take all reasonable steps to ensure that members of the Investment Manager's group, to the extent they are Shareholders, will not vote on Resolution 15.

Details of the current shareholdings of major Shareholders are set out in paragraph 2 of Part II of this Circular.

3. RESOLUTIONS

You will find set out at the end of this Circular, a notice convening an AGM of the Company to be held at 11 a.m. on 29 June 2018.

All persons holding Shares at close of business on 27 June 2018, or if the AGM is adjourned, on the register of Shareholders of the Company 48 hours before the time of any adjourned AGM, shall be entitled to attend, speak or vote at the AGM and shall be entitled on a poll to one vote per Share held. As at 25 May 2018 (being the latest practicable date prior to publication of this Circular), there were 914,252,831 Ordinary Shares and 163,782,307 C Shares in issue (with no Ordinary Shares or C Shares held in treasury).

4. ACTION TO BE TAKEN

Whether or not you intend to attend the AGM, you should ensure that your Proxy Appointment is returned to the Company's registrar, Link Asset Services, by one of the following means:

- (1) in hard copy form by post, by courier or by hand to, Link Asset Services, PXS, 34 Beckenham Road, Beckenham, Kent BR3 4TU; or

- (2) in the case of CREST members, by utilising the CREST electronic proxy appointment service in accordance with the procedures set out in the notes to the notice of the AGM; or
- (3) by voting online at www.signalshares.com, in accordance with the procedures set out in the notes to the notice of the AGM.

When completing the enclosed Proxy Appointment, in accordance with the Company's Articles and to comply with certain US federal securities laws, for the purposes of Resolutions 4 to 7, shareholders are required to indicate whether or not they (including any person on whose behalf they are acting) are a US Person or a resident of the United States. Please refer to Article 70 of the Articles for more information.

Each shareholder (including any person on whose behalf they are acting) that IS NOT a US Person and NOT a resident of the United States can confirm their status to us in the following manner:

- (1) if completing the Proxy Appointment in hard copy form, by marking an "X" in the box next to the certification language at the bottom of the form of proxy (directly below Resolution 7);
- (2) if completing the Proxy Appointment using the CREST electronic proxy appointment service, by clicking any of "For" or "Against" next to Resolution "1a"; and
- (3) if completing the Proxy Appointment using a Link Signal Shares account, by clicking any of "For" or "Against" next to Resolution "1a".

Each shareholder (including any person on whose behalf they are acting) that IS a US Person or a resident of the United States can confirm their status to us in the following manner:

- (1) if completing the Proxy Appointment in hard copy form, please leave the box next to the certification language at the bottom of the form of proxy (directly below Resolution 7) blank;
- (2) if completing the Proxy Appointment using the CREST electronic proxy appointment service, please click "Withheld" next to Resolution "1a"; and
- (3) if completing the Proxy Appointment using a Link Signal Shares account, please click "Withheld" next to Resolution "1a".

PLEASE NOTE THAT YOU WILL NOT BE ABLE TO COMPLETE THE PROXY APPOINTMENT ONLINE WITHOUT PROVIDING THE APPROPRIATE INDICATION NEXT TO RESOLUTION "1a" IN THE MANNER DESCRIBED ABOVE.

In each case, the Proxy Appointment must be received by the Company not less than 48 hours before the time for holding of the AGM. In calculating such 48 hour period, no account shall be taken of any part of a day that is not a Business Day. To be valid, the relevant Proxy Appointment should be completed in accordance with the instructions accompanying it and lodged with the Company's registrars by the relevant time.

Completion and return of the Proxy Appointment will not affect a Shareholder's right to attend, speak and vote at the AGM.

A quorum consisting of two Shareholders present in person or by proxy is required for the AGM.

5. DOCUMENTS ON DISPLAY

Copies of each of: (i) the current Articles and the proposed amendment to the Articles to allow for electronic Board meetings; (ii) the published annual report and audited accounts of the Company for the period ended 31 December 2017; and (iii) the proposed amended Investment Management Agreement, will be available for inspection at: the registered office of the Company at Beaufort House, 51 New North Road, Exeter EX4 4EP and the offices of Herbert Smith Freehills LLP at Exchange House, Primrose Street, London EC2A 2EG, during normal business hours on any Business Day, from the date of this Circular until the conclusion of the AGM, and at the place of the AGM for at least 15 minutes prior to, and during, the AGM.

6. RECOMMENDATION

The Board considers that the related party transaction is fair and reasonable and believes that the Proposals are in the best interests of the Company and its Shareholders as a whole. Accordingly, the Board unanimously recommends that Shareholders vote in favour of each of the Resolutions at the AGM.

The Directors intend to vote in favour of each of the Resolutions in respect of their own beneficial holdings of Shares (amounting to an aggregate 600,000 Ordinary Shares¹, representing approximately 0.066 per cent. of the issued share capital of the Company) as at the date of this Circular.

Yours faithfully

Jeremy Sillem
Chairman

¹ The legal and beneficial interest in 50 per cent. of Mr Budge's 100,000 Ordinary Shares is held by Mrs Budge.

PART II: ADDITIONAL INFORMATION

1. MATERIAL CONTRACTS

Investment Management Agreement

- 1.1 The Company and the Investment Manager entered into the Investment Management Agreement dated 1 March 2017, pursuant to which the Investment Manager is appointed to act as investment manager of the Company, with responsibility to perform investment management and risk management functions for the Company, and to advise the Company on a day to day basis in accordance with the investment policy of the Company, subject to the overall policies, supervision, review and control of the Board. Under the terms of the Investment Management Agreement and subject always to the investment guidelines contained in the Investment Management Agreement, the Investment Manager has discretion to buy, sell, retain, exchange or otherwise deal in investment assets for the account of the Company. The Investment Manager is also required to comply with such regulatory requirements as may apply to it from time to time as the alternative investment fund manager of the Company for the purposes of the AIFM Directive.

Key Person

- 1.2 The key person under the Investment Management Agreement is Pedro Gonzalez de Cosio or such other person designated as such by the Investment Manager with the Board's prior written consent.

Borrowing

- 1.3 Subject to the borrowing limits agreed with the Company, the Investment Manager shall have the discretion to commit the Company or a subsidiary thereof to supplement the assets of the Company's portfolio either by borrowing on the Company's or subsidiary's behalf or by committing either of them to a contract which may require them to supplement the assets of the Company's portfolio.
- 1.4 Subject to the provisions in paragraph 1.3 above, the Investment Manager may arrange overdraft or other short-term borrowing facilities for the Company on normal banking terms and may use the moneys so borrowed for meeting settlements or for other short-term purposes or for the purchase of additional investments and may arrange for other borrowings by the Company or any subsidiary thereof.

Liability and Indemnity

- 1.5 The Investment Manager shall not be liable to the Company for any loss, claim, costs, charges and expenses, liabilities or damages ("**Losses**") arising out of any action taken or omitted to be taken by the Investment Manager (or any other Manager Indemnified Person) except for Losses arising out of or in connection with the gross negligence, fraud, bad faith, wilful misconduct or knowing violation of applicable securities laws of any Manager Indemnified Person. For the purposes of this paragraph 1.5 and paragraph 1.7 below, "Manager Indemnified Person" means the Investment Manager, its associates, delegates or agents, and the officers, directors or employees of the Investment Manager or its associates, delegates or agents.
- 1.6 The Investment Manager shall not be liable in any circumstances for any Losses that constitute indirect, special or consequential loss, or loss of profits, opportunity, goodwill or reputation arising out of or in connection with the Investment Management Agreement.
- 1.7 The Company shall indemnify each Manager Indemnified Person against all claims by third parties which may be made against such Manager Indemnified Person in connection with the provision of services under the Investment Management Agreement except to the extent that the claim arises out of or in connection with the fraud, gross negligence, wilful misconduct, bad faith or knowing violation of applicable securities laws of any Manager Indemnified Person.

Service Standard

- 1.8 The Investment Manager is required, under the terms of the Investment Management Agreement, to perform its obligations with such skill and care as would be reasonably expected of a professional discretionary investment manager managing in good faith an investment company of comparable size and complexity to the Company and having a materially similar investment objective and investment policy and to ensure that its obligations under the Investment Management Agreement are performed by a team of appropriately qualified, trained and experienced professionals (the "**Service Standard**").

Management Fee and Performance Fee

- 1.9 The Company shall pay, and the Investment Manager shall be entitled to receive, the management fee and, subject to the fulfilment of certain conditions, the performance fee (as amended by the amendment agreement dated 24 May 2018).
- 1.10 The Company pays the Investment Manager a management fee calculated on the following basis: (1/12 of 1 per cent. of the Net Asset Value on the last Business Day of the calendar month in respect of which the management fee is to be paid (calculated before deducting any accrued management fee in respect of such calendar month)) minus (1/12 of US\$100,000) (the “**Management Fee**”). The Management Fee is calculated monthly and invoiced quarterly in arrears and is exclusive of any value added tax (or any equivalent tax) that may be applicable.
- 1.11 The Management Fee payable in respect of any quarter will be reduced (but not below zero) by an amount equal to the aggregate of: (i) the Company’s *pro rata* share of any transaction fees, topping fees, break-up fees, investment banking fees, closing fees, consulting fees or other similar fees which the Investment Manager (or an affiliate) receives in aggregate over such quarter, in connection with transactions involving investments of the Company (“**Transaction Fees**”); and (ii) any Carried Forward Amount from the previous quarter. The Company’s *pro rata* share of any Transaction Fees will be in proportion to the Company’s economic interest in the investment(s) to which such Transaction Fees relate.
- 1.12 To the extent the aggregate of: (i) the Company’s *pro rata* share of Transaction Fees in respect of any quarter; and (ii) any Carried Forward Amount from the previous quarter, exceeds the Management Fee payable in respect of any quarter, the Management Fee payable in respect of such quarter shall be reduced to zero, and the excess amount shall be carried forward to the following quarter (the “**Carried Forward Amount**”).
- 1.13 Further details of the performance fee are described under Resolution 15 in Part 1 of this Circular.

Termination

- 1.14 Unless otherwise agreed by the Company and the Investment Manager, the Investment Management Agreement may be terminated by:
 - 1.14.1 the Investment Manager on not less than 6 months’ notice to the Company, such notice not to expire earlier than 18 months following first admission; or
 - 1.14.2 the Company on not less than 6 months’ notice to the Investment Manager, such notice not to expire earlier than: (i) 36 months following first admission, unless approved by Shareholders by ordinary resolution; and (ii) 18 months following first admission, in any event.
- 1.15 The Investment Management Agreement may be terminated by the Company with immediate effect from the time at which notice of termination is given or, if later, the time at which such notice is expressed to take effect if:
 - 1.15.1 an order has been made or an effective resolution passed for the winding up or liquidation of the Investment Manager (except a voluntary liquidation for the purpose of reconstruction or amalgamation upon terms previously consented to in writing by the Company, such consent not to be unreasonably withheld or delayed), or a receiver or similar officer has been appointed in respect of the Investment Manager or of any material part of the Investment Manager’s assets, or the Investment Manager is, or is deemed to be, unable to pay its debts as and when due;
 - 1.15.2 the Investment Manager ceases, or takes steps to cease, to carry on substantially the whole of its business;
 - 1.15.3 the Investment Manager makes a material alteration to the nature of its business and such alteration has the effect of discontinuing activities required to be performed under the Investment Management Agreement in connection with the Company’s investment policy;
 - 1.15.4 the Investment Manager has: (i) committed fraud, gross negligence or wilful misconduct in the performance of its services under the Investment Management Agreement; or (ii) breached its obligations under the Investment Management Agreement (including a breach of the Service Standard) (whether or not, for the avoidance of doubt, such breach would otherwise be a repudiatory breach) and the Company is reasonably likely

- to suffer a loss of an amount equal to or greater than 10 per cent. of NAV as at the date of such breach, directly or indirectly arising out of or in connection with such breach;
- 1.15.5 one or more of the representations in relation to the BioPharma III Interest and the RPS Note is untrue or inaccurate in any material respect or misleading, and the Company suffers a loss of an amount equal to or greater than 10 per cent. of NAV as at the date of first admission;
 - 1.15.6 the Investment Manager's registration as an investment adviser under the Advisers Act is suspended by the SEC;
 - 1.15.7 the scope of the Investment Manager's permissions from the SEC is restricted to the extent that it impairs the Investment Manager's ability to perform its obligations under the Investment Management Agreement in any material respect;
 - 1.15.8 a key person either: (i) ceases to be an officer, member or partner of the Investment Manager; or (ii) otherwise ceases (1) to be actively engaged in the performance of the obligations of the Investment Manager under the Investment Management Agreement; or (2) to devote substantially all of its business time to the affairs of the Investment Manager and its affiliates (each a "**Key Person Event**"), and an appropriate replacement for such Key Person has not been substituted by the Investment Manager and approved by the Board (such approval not to be unreasonably withheld or delayed) within 180 days of the date on which the Key Person Event occurs;
 - 1.15.9 if, at any time, the Company's principals, together, hold less than a majority of the total voting rights in the general partner of the Investment Manager;
 - 1.15.10 the Investment Manager breaches any provision of the Investment Management Agreement and such breach results in the trading of the Ordinary Shares on the London Stock Exchange being suspended or terminated, or results in the Company losing its status as, or becoming ineligible for approval as, an investment trust pursuant to section 1158 of the Corporation Tax Act 2010; or
 - 1.15.11 the Company is required by any relevant regulatory authority to terminate the Investment Manager's appointment.
- 1.16 The Investment Management Agreement may be terminated by the Investment Manager with immediate effect from the time at which notice of termination is given or, if later, the time at which such notice is expressed to take effect, if an order has been made or an effective resolution passed for the winding up or liquidation of the Company (except a voluntary liquidation for the purpose of reconstruction or amalgamation upon terms previously consented to in writing by the Investment Manager, such consent not to be unreasonably withheld or delayed).
- 1.17 The Board shall notify the Investment Manager in writing as soon as reasonably possible if it resolves to propose a material change to the investment guidelines set out in the Investment Management Agreement. If, in the opinion of the Investment Manager, acting reasonably, the proposed change is of such significance that the Investment Manager would no longer be able to perform its obligations under the Investment Management Agreement in accordance with the Service Standard, the Investment Manager may terminate the Investment Management Agreement on the earlier of: (i) the date on which the appointment of a replacement investment manager becomes effective; or (ii) the Business Day prior to the date on which the proposed changes to the investment guidelines set out in the Investment Management Agreement are intended to take effect.
- 1.18 In the event that:
- 1.18.1 the Shared Services Agreement is terminated or is amended in any material respect, the Investment Manager shall not make any new investments until: (i) in the event of termination, replacement personnel are identified by the Investment Manager and approved by the Board, acting reasonably; or (ii) in the event of a material amendment, such amendment is approved by the Board, acting reasonably; or
 - 1.18.2 a Key Person Event occurs, the Investment Manager shall not make any new investments until an appropriate replacement for such Key Person has been substituted by the Investment Manager and approved by the Board (such approval not to be unreasonably withheld or delayed), provided that, if an appropriate replacement has not

been so substituted within 180 days of the Key Person Event occurring, the Board may, at its discretion, direct the Investment Manager to not make any new investments until further notice,

provided that nothing in this paragraph 1.18 shall prevent the Investment Manager from making: (i) payments to discharge existing obligations in respect of existing investments; or (ii) Follow On Investments.

Governing law

1.19 The Investment Management Agreement is governed by the laws of England and Wales.

First Amendment to the Investment Management Agreement

1.20 The Investment Management Agreement was amended on 14 March 2018 to clarify that the Performance Fee would only be payable on the performance of the Ordinary Shares.

Second Amendment to the Investment Management Agreement

1.21 The Investment Management Agreement was amended on 24 May 2018 for certain regulatory changes as well as to amend the performance fee payable to the Investment Manager as described in Part III of this Circular which is subject to approval by the Independent Shareholders. The amendment agreement also clarified that both, the Management Fee and any performance fee payable under the Investment Management Agreement shall be exclusive of any value added tax (or equivalent tax) that may be applicable.

2. MAJOR SHAREHOLDERS

As at the date hereof, insofar as is known to the Company, the following persons are directly or indirectly interested in 3 per cent., or more of the Company's total voting rights:

Name	Number of Ordinary Shares	Number of C Shares	Percentage of Voting Rights
Invesco Limited	180,002,730	32,246,290	19.68
Prudential plc	137,258,250	5,520,200	13.24
Adage Capital Management LP	25,284,247	66,000,000	8.47
Pablo Legorreta	76,742,549	0	7.12
Interseguro Compania de Seguros S.A.	72,791,326	0	6.75
Inteligo Bank Ltd	58,782,562	3,300,000	5.76

3. SIGNIFICANT CHANGE

As at the date of this Circular, save as otherwise previously announced by RIS, there has been no significant change in the financial or trading position of the Group since 31 December 2017, the date to which the Company's first annual financial statements have been drawn up.

PART III: SUMMARY OF THE PERFORMANCE FEE

The defined terms in this Part III “Summary of the Performance Fee” shall have the meanings given in paragraph 3 (Definitions) of this Part III below. Any defined terms not given a meaning in paragraph 3 (Definitions) shall have the meanings ascribed to them in the section headed “Definitions” on page 19. Unless otherwise indicated, references to any paragraph are to a paragraph in this Part III of the Circular.

PROPOSED CHANGES TO THE PERFORMANCE FEE

Subject to approval by the Independent Shareholders, with effect from 1 January 2018, the performance fee of the Company shall be replaced with the performance fee as follows:

1. PERFORMANCE FEE

1.1 Subject to the satisfaction of the Performance Conditions, in respect of each Performance Period, the Investment Manager (or, where the Investment Manager so directs, any associate of the Investment Manager) shall be entitled to receive an amount equal to the lesser of:

1.1.1 50 per cent. of the Excess Total Return relating to the Performance Period; and

1.1.2 10 per cent. of the Total Return relating to the Performance Period,

the amounts payable to the Investment Manager (or its associate) in accordance with this paragraph 1.1, being the “**Performance Fee**”.

1.2 The Investment Manager’s entitlement to a Performance Fee in respect of any Performance Period shall be conditional on the Company having generated, based on the Closing NAV relating to such Performance Period, a minimum 0% annualized rate of return from the end of the last Performance Period in respect of which a Performance Fee (or a Deferred Performance Fee) was payable (the “**Last Performance Period**”) to the Investment Manager (or an associate) by the Company through to the end of the relevant Performance Period, (the “**High Watermark Condition**”). The calculation of the annualised rate of return will (i) use the Closing NAV of the Last Performance Period as the initial cost; (ii) take into account dividends (which will be deemed paid on the Ex-Dividend Date), (iii) take into account the gross proceeds of new Ordinary Share issuances or conversions of C Shares into Ordinary Shares, and (iv) take into account the gross disbursements of Ordinary Share repurchases, in each case, since Admission; provided that where the Investment Manager would have been entitled to a Performance Fee under paragraph 1.1 but the payment of such Performance Fee in full would result in the High Watermark Condition not being satisfied immediately following such payment, the Investment Manager would only be entitled to the portion of the Performance Fee that does not result in the failure of the High Watermark Condition.

1.3 In addition to the High Watermark Condition, the Investment Manager’s entitlement to a Performance Fee in respect of any Performance Period shall also be conditional on the Company having generated, based on the Closing NAV relating to such Performance Period, a minimum 6 per cent. annualised rate of return on the Gross Proceeds (as defined in paragraph 3 below) from the time of Admission through to the end of the Performance Period (the “**Compounding Condition**” and together with the High Watermark Condition, the “**Performance Conditions**”), where the calculation of the annualised rate of return will take into account dividends (which will be deemed paid on the Ex-Dividend Date), the gross proceeds of new Ordinary Share issuances or conversions of C Shares into Ordinary Shares, and the gross disbursements of Ordinary Share repurchases, in each case, since Admission; provided that:

1.3.1 where the Investment Manager would have been entitled to a Performance Fee under paragraphs 1.1 and 1.2 and is not so entitled solely because the Compounding Condition has not been satisfied; the amount of such Performance Fee to which the Investment Manager would have been entitled (the “**Deferred Performance Fee**”) shall, subject to paragraph 1.3.2, be payable to the Investment Manager at the end of the first subsequent Performance Period with respect to which the Compounding Condition is satisfied;

1.3.2 where the Investment Manager would have been entitled to a Performance Fee under paragraphs 1.1 and 1.2 but the payment of such Performance Fee in full would result in the Compounding Condition not being satisfied immediately following such payment; the Investment Manager would be entitled to the portion of the Performance Fee that does

not result in the failure of the Compounding Condition and the difference would become part of the Deferred Performance Fee and be payable in accordance with paragraph 1.3.1; and

- 1.3.3 where the Investment Manager would have been entitled to a Deferred Performance Fee under paragraphs 1.3.1 or 1.3.2 but the payment of such Deferred Performance Fee in full would result in the Compounding Condition not being satisfied immediately following such payment; the Investment Manager would be entitled to the portion of the Deferred Performance Fee that does not result in the failure of the Compounding Condition and the difference would remain part of the Deferred Performance Fee and be payable in accordance with paragraph 1.3.1.
- 1.4 The Performance Fee for a Performance Period and any Deferred Performance Fee payable under paragraph 1.3, shall be paid as soon as practicable after the end of the relevant Performance Period and, in any event, within 15 Business Days of the publication of the Company's audited annual financial statements relating to the Performance Period.
- 1.5 The Company and the Investment Manager agree that the provisions of the revised Investment Management Agreement are intended to reflect the calculations set out in the model agreed between the Company and the Investment Manager on 24 May 2018 (the "**Model**") (as evidenced by an email exchange between the Investment Manager and the Company attaching the Model and acknowledging agreement). The Company and the Investment Manager (and, where appropriate, the Auditors) shall use the Model as an aid in the event of any doubts or disagreements over the intended operation of the provisions of the revised Investment Management Agreement. The Company and the Investment Manager may agree to make such adjustments to the Model or the provisions of the revised Investment Management Agreement as may be considered fair, reasonable and necessary to give effect to the commercial intentions of the parties. Where the Company and the Investment Manager are unable to agree on the Performance Fee (or the Deferred Performance Fee) payable in respect of a Performance Period, the matter shall be referred to the independent accountants as agreed between the Company and the Investment Manager or failing such agreement, appointed by the President of the Institute of Chartered Accountants in England and Wales (acting as an expert and not an arbitrator), whose decision shall be treated as final.
- 1.6 For the avoidance of doubt, the Performance Fee shall be exclusive of any value added tax (or any equivalent tax) that may be applicable.

2. PERFORMANCE SHARES

- 2.1 If, during the last month of a Performance Period (which, in respect of any Deferred Performance Fee, will be the Performance Period in which such Deferred Performance Fee is payable), the Ordinary Shares have, on average, traded at a discount of 1 per cent. or more to the Net Asset Value per Ordinary Share (calculated by comparing the middle market quotation of the Ordinary Shares at the end of each Business Day in the month to the prevailing published Net Asset Value per Ordinary Share (exclusive of any dividend declared) as at the end of such Business Day and averaging this comparative figure over the month), the Investment Manager shall (or shall procure that its associate does) apply 50 per cent. of any Performance Fee paid by the Company to the Investment Manager (or its associate) in respect of that Performance Period and under paragraphs 1.3 and 1.4 above if applicable (net of all taxes and charges applicable to such portion of the Performance Fee) to make market acquisitions of Ordinary Shares (the "**Performance Shares**") as soon as practicable following the payment of the Performance Fee by the Company to the Investment Manager (or its associate) and at least until such time as the Ordinary Shares have, on average, traded at a discount of less than 1 per cent. to the Net Asset Value per Ordinary Share over a period of 5 Business Days (calculated by comparing the middle market quotation of the Ordinary Shares at the end of each such Business Day to the prevailing published Net Asset Value per Ordinary Share (exclusive of any dividend declared) as at the end of such Business Day and averaging this comparative figure over the period of 5 Business Days); provided that the obligation set out in this paragraph 2.1:
- 2.1.1 shall not apply to the extent that the acquisition of the Performance Shares would require the Investment Manager to make a mandatory bid under Rule 9 of the UK City Code on Takeovers and Mergers (the "**Code**"); and

- 2.1.2 shall expire at the end of the Performance Period which immediately follows the Performance Period to which the obligation relates.
- 2.2 The Investment Manager agrees to neither offer, sell, contract to sell, pledge, mortgage, charge, assign, grant options over, or otherwise dispose of, directly or indirectly, any Performance Shares nor to mandate a third party to do so on his behalf, or announce the intention to do so (together, a “**Disposal**”) for a period of 12 months immediately following the acquisition of such Performance Shares.
- 2.3 The restriction in paragraph 2.2 shall not apply where the Investment Manager has:
- 2.3.1 received the prior written consent of the Company;
 - 2.3.2 accepted a general offer for the issued share capital of the Company made in accordance with the Code (a “**General Offer**”);
 - 2.3.3 sold the Performance Shares to an offeror or potential offeror during an offer period (within the meaning of the Code);
 - 2.3.4 made any Disposal pursuant to an offer by the Company to purchase its own Ordinary Shares where such offer is made on identical terms to all holders of Ordinary Shares in the Company;
 - 2.3.5 made any Disposal through the implementation of any scheme of arrangement by the Company or other procedure to effect an amalgamation to give effect to a General Offer;
 - 2.3.6 sold or transferred the Performance Shares pursuant to an order made by a court with competent jurisdiction or where required by applicable law or regulation; or
 - 2.3.7 made a Disposal pursuant to any decision or ruling by an administrator, administrative receiver or liquidator appointed to the Investment Manager in connection with a winding up or liquidation of the Investment Manager.
- 2.4 Where practicable and permitted by law or regulation, the Investment Manager undertakes to the Company that it shall give the Company at least five Business Days’ notice of any Disposal of the Performance Shares pursuant to paragraph 2.3.
- 2.5 On termination of this Agreement:
- 2.5.1 the Investment Manager shall be paid the Management Fee up to the effective date of termination (“**Termination Date**”);
 - 2.5.2 any accrued but unpaid Performance Fee in respect of any Performance Period completed prior to the Termination Date shall continue to be payable;
 - 2.5.3 any accrued but unpaid Deferred Performance Fee that is payable in respect of any Performance Period completed prior to the Termination Date shall continue to be payable; and
 - 2.5.4 if applicable, a termination fee determined in accordance with paragraph 2.6 below.
- 2.6 Upon termination of this Agreement pursuant to:
- 2.6.1 paragraphs 1.14.2, 1.16 or 1.17 of Part II of this Circular;
 - 2.6.2 paragraph 1.15.8 (solely as a result of death or disability of a Key Person) of Part II of this Circular; or
 - 2.6.3 paragraph 1.15.11 (in circumstances where the Company is required by any relevant regulatory authority to terminate the Investment Manager’s appointment for reasons other than malfeasance by the Investment Manager or an affiliate) of Part II of this Circular,
- the Investment Manager shall be entitled to receive a one-time termination fee equal to 2 per cent. of the Invested NAV as at the Termination Date.
- 2.7 Upon termination of this Agreement pursuant to paragraph 1.15.8 of Part II of this Circular for any reason other than the death or disability of a Key Person, the Investment Manager shall be entitled to receive a one-time termination fee equal to 1 per cent. of the Invested NAV as at the Termination Date.

3. DEFINITIONS

3.1 For the purposes of this Schedule, the following terms have the meanings set forth below:

“**Admission**” means 30 March 2017;

“**Closing NAV**” means the NAV attributable to the Ordinary Shares on the last day of the relevant Performance Period as reported by the Company;

“**Deferred Performance Fee**” has the meaning given in paragraph 1.3.1;

“**Excess Total Return**” means, in relation to each Performance Period, the amount by which the Total Return exceeds the Performance Hurdle;

“**Ex-Dividend Date**” means, with respect to a dividend declared by the Company, the date on which Shares trade ex-dividend;

“**First Performance Period**” means the period from Admission up to and including 31 December 2017;

“**Gross Proceeds**” means \$761,877,360.00;

“**Invested NAV**” means the Net Asset Value attributable to the Ordinary Shares less any amounts held by the Company in cash or near-cash equivalents;

“**Model**” has the meaning given in paragraph 1.5;

“**Month**” means a calendar month;

“**Net Capital Increase**” means “I” less “R” where:

I is the aggregate of, for each Ordinary Share issue during a Performance Period, the number of days between admission to listing of such issue until the end of the Performance Period divided by 365, such percentage multiplied by the net proceeds of such Ordinary Share issue, and

R is the aggregate of, for each Ordinary Share repurchase/redemption (including into treasury) during a Performance Period the number of days between settlement of such repurchase until the end of the Performance Period divided by 365, such percentage multiplied by the actual amount disbursed by the Company to effect such Ordinary Share repurchase;

“**Net Income**” means, in relation to a Performance Period, the “Return on ordinary activities after finance costs and taxation” (Total including revenue and capital account) as set out in the Company’s audited annual financial statements attributable to the Ordinary Shares relating to such Performance Period;

“**Performance Conditions**” has the meaning given in paragraph 1.3;

“**Performance Fee**” has the meaning given in paragraph 1.1;

“**Performance Hurdle**” means, in relation to each Performance Period, “A” multiplied by “B”, where:

“A” is 6 per cent.; and

“B” is the Starting NAV, less any dividends which are unpaid and are declared in respect of a prior Performance Period but, for accounting purposes such dividend has not yet reduced the Starting NAV, plus the Net Capital Increase during the Performance Period;

“**Performance Period**” means the First Performance Period and/or a Subsequent Performance Period, as the context so requires;

“**Starting NAV**” means the NAV attributable to the Ordinary Shares on the first day of the relevant Performance Period as reported by the Company;

“**Subsequent Performance Period**” means each 12-month period subsequent to the First Performance Period, commencing on the relevant 1 January and ending on the relevant 31 December (inclusive); and

“**Total Return**” means, in relation to a Performance Period, the Net Income for such Performance Period (which, for the avoidance of doubt, shall be before the deduction of any Performance Fee or Deferred Performance Fee payable in respect of any Performance Period. To the extent Net Income is a negative number, it shall be deemed as zero.

PART IV: DEFINITIONS

“Advisers Act”	the United States Investment Advisers Act of 1940, as amended
“AGM”	the annual general meeting of the Company convened for 11 a.m. on 29 June 2018 (or any adjournment thereof), notice of which is set out at the end of this Circular
“Articles”	the articles of association of the Company adopted from time to time
“Auditors”	the Company’s auditors from time to time
“Board”, “Committee” or “Directors”	the board of directors of the Company, including any duly constituted committee of the board of directors of the Company
“BioPharma III Interest”	the limited partnership interest in BioPharma Secured Investments III Holdings Cayman, LP acquired by the Company in connection with the IPO
“Business Day”	a day (excluding Saturdays and Sundays or public holidays in England and Wales) on which banks generally are open in London for the transaction of normal, non-automatic business
“C Shares”	redeemable C shares of US\$0.01 each in the capital of the Company carrying the rights set out in the Articles
“Circular”	this document
“Company”	BioPharma Credit PLC, a limited liability company incorporated under the Act in England and Wales with registration number 10443190, whose registered office is at Beaufort House, 51 New North Road, Exeter EX4 4EP
“Follow On Investments”	means an investment or prospective investment subject to a commitment (being an offer and acceptance of heads of terms or a letter of intent in respect to such investment (whether or not such heads of terms or letters of intent are legally binding)) made by the Company or the Investment Manager (acting on behalf of the Company) on or prior to the termination of, or a material amendment (as appropriate) to, the Shared Services Agreement;
“FSMA”	the UK Financial Services and Markets Act 2000, as amended from time to time
“GBP Sterling”	the lawful currency of the United Kingdom
“Group”	the Company and its subsidiaries for the time being and, as at the date of this Circular, means the Company and BPCR Ongdapa Ltd
“Independent Shareholders”	the Shareholders excluding the Investment Manager and members of the Investment Manager’s group for the purposes of Resolution 15
“Investment Management Agreement”	the investment management agreement between the Company and the Investment Manager, dated 1 March 2017
“Investment Manager”	Pharmakon Advisors L.P., a limited partnership established under the laws of the State of Delaware registered as an investment adviser with the SEC under the Advisers Act
“IPO”	the Company’s initial public offering of Ordinary Shares made in March 2017
“Listing Rules”	the listing rules made by the UK Listing Authority under section 73A of FSMA
“London Stock Exchange” or “LSE”	London Stock Exchange plc
“Net Asset Value” or “NAV”	the value of the assets of the Company less its liabilities determined in accordance with the accounting policies and principles adopted by the Board from time to time

“Net Asset Value per Ordinary Share”	the Net Asset Value attributable to the Ordinary Shares divided by the number of Ordinary Shares in issue at the relevant time
“Ordinary Shares”	ordinary shares of US\$0.01 each in the capital of the Company
“Proposals”	the business of the AGM and the approval by Independent Shareholders of the Related Party Transaction
“Proxy Appointment”	the form of appointment of a proxy on behalf of a Shareholder in accordance with the procedures described in this Circular
“Regulatory Information Service” or “RIS”	a service authorised by the UK Listing Authority to release regulatory announcements to the London Stock Exchange
“Related Party Transaction”	the amendments proposed to be made to the Investment Management Agreement, as described in this Circular
“Resolutions”	the resolutions to be proposed at the AGM and contained in the notice of AGM at the end of this Circular
“RPS Note”	together, a credit agreement entered into between the Company and RPS BioPharma Investments, LP, an exempted limited partnership established under the laws of the Cayman Islands and a promissory note in favour of the Company issued by RPS BioPharma Investments, LP
“SEC”	the United States Securities and Exchange Commission
“Shared Services Agreement”	the shared services agreement dated 30 November 2016 between the Investment Manager and RP Management LLC, a limited liability corporation established under the laws of the State of Delaware registered as an investment adviser with the SEC under the Advisers Act
“Shareholder”	a holder of Shares
“Shares”	all shares of any class in the capital of the Company in issue at any time
“U.S. Dollars” or “US\$”	the lawful currency of the United States
“US Person”	a “US person” as defined in Regulation S under the United States Securities Act of 1933 (as amended)

BIOPHARMA CREDIT PLC

(Incorporated in England and Wales with registered no.10443190 and registered as an investment company under section 833 of the Companies Act 2006)

(the “Company”)

Notice of Annual General Meeting

NOTICE will be hereby given that an annual general meeting of the Company will be held at the offices of Herbert Smith Freehills LLP, Exchange House, Primrose Street, London EC2A 2EG at 11 a.m. on 29 June 2018 to consider and, if thought fit, to pass the following resolutions.

Resolutions 1 to 10, 13 and 15 will be proposed as ordinary resolutions; this means that for each of those ordinary resolutions to be passed, more than half of the votes cast must be in favour. In the case of resolution 15 only the Independent Shareholders are eligible to vote. Resolutions 11, 12 and 14 will be proposed as special resolutions; this means that for each of those resolutions to be passed, at least three-quarters of the votes cast must be in favour.

1. To receive and, if thought fit, to accept the Strategic Report, Directors’ Report, Auditor’s Report and the financial statements for the period ended 31 December 2017.
2. To receive and approve the Directors’ Remuneration Report (excluding the Directors’ Remuneration Policy) for the period ended 31 December 2017, as set out in the Company’s Annual Report and financial statements for the period ended 31 December 2017.
3. To receive and approve the Directors’ Remuneration Policy for the period ended 31 December 2017, as set out in the Company’s Annual Report and financial statements for the period ended 31 December 2017.
4. To elect Jeremy Sillem as a Director of the Company.
5. To elect Colin Bond as a Director of the Company.
6. To elect Duncan Budge as a Director of the Company.
7. To elect Harry Hyman as a Director of the Company.
8. To appoint Pricewaterhouse Coopers LLP as Auditor to the Company, to hold office from the conclusion of this meeting until the conclusion of the next general meeting at which financial statements are laid before the Company.
9. To authorise the Directors to determine the remuneration of the Auditor of the Company.
10. To approve the Company’s dividend payment policy.
11. **THAT**, the Company be and is hereby generally and unconditionally authorised to make market purchases (within the meaning of section 693(4) of the Companies Act 2006) of Ordinary Shares of \$0.01 on such terms and in such manner as the Directors may from time to time determine, provided that:
 - a. the maximum number of Ordinary Shares hereby authorised to be acquired between the date of this resolution and the date of the Company’s annual general meeting to be held in 2019 shall be 137,046,499 or, if less, that number of Ordinary Shares which is equal to 14.99 per cent. of the Ordinary Shares in issue as at the passing of this resolution;
 - b. the minimum price which may be paid for any Ordinary Share is \$0.01;
 - c. the maximum price which may be paid for any Ordinary Share is the higher of: (i) an amount equal to 105 per cent. of the average of the middle market quotations for such share as derived from the London Stock Exchange Daily Official List for the five business days immediately preceding the day on which such share is contracted to be purchased; and (ii) the higher of a) the price of the last independent trade and b) the highest current independent bid for such share on the trading venues where the market purchases by the Company pursuant to the authority conferred by this resolution will be carried out;
 - d. this authority shall expire at the end of the Company’s annual general meeting to be held in 2019, unless previously renewed, varied or revoked by the Company in general meeting;

- e. the Company may make a contract to purchase its Ordinary Shares under the authority hereby conferred prior to the expiry of such authority, which contract would or might require the Company to purchase its Ordinary Shares after such expiry and the Company shall be entitled to purchase its Ordinary Shares pursuant to any such contract as if the power conferred hereby had not expired; and
 - f. any shares bought back under the authority hereby granted may, at the discretion of the Directors, be cancelled or held in treasury and, if held in treasury, may be resold from treasury or cancelled at the discretion of the Directors.
12. **THAT** a general meeting, other than an annual general meeting, may be called on not less than 14 clear days' notice.
 13. **THAT**, the Company be authorised, subject to and in accordance with the provisions of the Companies Act 2006, to send, convey, or supply all types of notices, documents or information to shareholders by electronic means, including making such notices, documents or information available on a website.
 14. **THAT** the Company's Articles of Association be and are hereby amended to allow the Directors to hold Board and Committee meetings by means of electronic communication.
 15. **THAT** the amendments to the performance fee under the Investment Management Agreement described in Part III of this Circular, which is a related party transaction under the Listing Rules of the UK Listing Authority, be and are hereby approved.

By order of the Board
BIOPHARMA CREDIT PLC

Registered Office:
Beaufort House
51 New North Road
Exeter EX4 4EP

Date: 29 May 2018

Notes:

- (i) Holders of Ordinary Shares and C Shares are entitled to attend, speak and vote at the AGM. A member entitled to attend, speak and vote at this meeting may appoint one or more persons as his/her proxy to attend, speak and vote on his/her behalf at the meeting. A proxy need not be a member of the Company. If multiple proxies are appointed, they must not be appointed in respect of the same shares. To be effective, the enclosed form of proxy, together with any power of attorney or other authority under which it is signed or a certified copy thereof, should be lodged at the office of the Company's Registrar at the address printed on the form of proxy no later than 11 a.m. on 27 June 2018. As an alternative to completing a paper copy of the proxy form, shareholders may submit their proxy vote electronically via the Registrar's website by visiting www.signalshares.com. From there, shareholders can log in to their Link Signal Shares account or register for Link Signal Shares by following the on-screen instructions. You will need to enter your Investor Code, which can be found on your proxy form. For an electronic proxy to be valid, the appointment must be received by the Company's Registrar, Link Asset Services, by no later than 11 a.m. on 27 June 2018. If you return more than one proxy appointment, either by paper or electronic communication, that received last by Link Asset Services before the latest time for the receipt of proxies will take precedence. A member may not use any electronic address provided to communicate with the Company for any purpose other than that stated. You are advised to read the terms and conditions of use carefully. Electronic communication facilities are open to all shareholders and those who use them will not be disadvantaged. The appointment of a proxy will not prevent a member from attending the meeting and voting in person if he/she so wishes. A member present in person or by proxy shall have one vote on a show of hands and on a poll every member present in person or by proxy shall have one vote for every Ordinary Share or C Share of which he/she is the holder. The termination of the authority of a person to act as proxy must be notified to the Company in writing. Amended instructions must be received by the Company's Registrar by the deadline for receipt of proxies.

To appoint more than one proxy, shareholders will need to complete a separate proxy form in relation to each appointment (you may photocopy the proxy form), stating clearly on each proxy form the number of shares in relation to which the proxy is appointed. A failure to specify the number of shares to which each proxy appointment relates or specifying an aggregate number of shares in excess of those held by the member will result in the proxy appointment being invalid. Please indicate if the proxy instruction is one of multiple instructions being given. All proxy forms must be signed and should be returned together in the same envelope if possible.

In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company's Register of Members in respect of the joint holders (the first named being the most senior).

Only those shareholders registered in the register of members of the Company as at close of business on 27 June 2018 (the "**specified time**") shall be entitled to attend or vote at the aforesaid Annual General Meeting in respect of the number of shares registered in their name at that time.

Changes to entries on the relevant register of securities after close of business on 27 June 2018 shall be disregarded in determining the rights of any person to attend or vote at the meeting. If the meeting is adjourned to a time not more than 48 hours after the specified time applicable to the original meeting, that time will also apply for the purpose of determining the entitlement of members to attend and vote (and for the purpose of determining the number of votes they may cast) at the adjourned meeting. If however the meeting is adjourned for a longer period then, to be so entitled, members must be entered on the Company's register of members at the time which is 48 hours before the time fixed for the adjourned meeting, or if the Company gives notice of the adjourned meeting, at the time specified in that notice.

- (ii) Shareholders who hold their shares electronically may submit their votes through CREST. Instructions on how to vote through CREST can be found by accessing the following website: www.euroclear.com/CREST. Shareholders are advised that CREST and the internet are the only methods by which completed proxies can be submitted electronically.

CREST members who wish to appoint a proxy or proxies by utilising the CREST electronic proxy appointment service may do so for this meeting and any adjournment thereof by following the procedures described in the CREST manual. CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

In order for a proxy appointment or instruction made by means of CREST to be valid, the appropriate CREST message (a "**CREST Proxy Instruction**") must be properly authenticated in accordance with Euroclear UK & Ireland Limited's specifications and must contain the information required for such instructions, as described in the CREST manual (available via www.euroclear.com/CREST). The message, in order to be valid, must be transmitted so as to be received by the Company's agent (ID RA 10) by the latest time for receipt of proxy appointments specified in Note (i) above. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the Company's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time, any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means. CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear UK & Ireland Limited does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time.

In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST manual concerning practical limitations of the CREST system and timings.

The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5) (a) of the Uncertificated Securities Regulations 2001.

- (iii) A person to whom this notice is sent who is a person nominated under section 146 of the Companies Act 2006 to enjoy information rights (a "**Nominated Person**") may, under an agreement between him/her and the shareholder by whom he/she was nominated, have a right to be appointed (or to have someone else appointed) as a proxy for the Annual General Meeting. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he/she may, under any such agreement, have a right to give instructions to the shareholder as to the exercise of voting rights. The statements of the rights of members in relation to the appointment of proxies in Note (i) above do not apply to a Nominated Person. The rights described in those notes can only be exercised by registered members of the Company.
- (iv) Shareholders (and any proxies or representatives they appoint) agree, by attending the meeting, that they are expressly requesting and that they are willing to receive any communications (including communications relating to the Company's securities) made at the meeting.
- (v) As at 25 May 2018 (being the last business day prior to the publication of this notice), the Company's issued share capital amounted to 914,252,831 Ordinary Shares and 163,782,307 C Shares carrying one vote each. No shares were held in treasury. Therefore, the total voting rights of the Company as at the date of this notice of meeting were 1,078,035,138.

- (vi) Any corporation which is a member may appoint one or more corporate representatives who may exercise on its behalf all of its powers as a member provided that they do not do so in relation to the same shares. To be able to attend and vote at the meeting, corporate representatives will be required to produce prior to their entry to the meeting evidence satisfactory to the Company of their appointment. Corporate shareholders may also appoint one or more proxies in accordance with Note (i).
- (vii) Any question relevant to the business of the AGM may be asked at the meeting by anyone permitted to speak at the meeting. Alternatively, you may submit your question in advance by letter addressed to the Secretary at the registered office of the Company. The Company must answer any question asked by a member relating to the business being dealt with at the meeting unless:
 - answering the question would interfere unduly with the preparation for the meeting or involve the disclosure of confidential information;
 - the answer has already been given on a website in the form of an answer to a question; or
 - it is undesirable in the interests of the Company or the good order of the meeting that the question be answered.
- (viii) Members should note that it is possible that, pursuant to requests made by members of the Company under section 527 of the Companies Act 2006, the Company may be required to publish on a website a statement setting out any matter relating to: (i) the audit of the Company's financial statements (including the Auditor's report and the conduct of the audit) that are to be laid before the Annual General Meeting; or (ii) any circumstances connected with an Auditor of the Company ceasing to hold office since the previous meeting at which annual financial statements and reports were laid in accordance with section 437 of the Companies Act 2006. The Company may not require the members requesting any such website publication to pay its expenses in complying with sections 527 or 528 of the Companies Act 2006. Where the Company is required to place a statement on a website under section 527 of the Companies Act 2006, it must forward the statement to the Company's Auditor no later than the time when it makes the statement available on the website. The business which may be dealt with at the AGM includes any statement that the Company has been required under section 527 of the Companies Act 2006 to publish on a website.
- (ix) Members satisfying the thresholds in section 338 of the Companies Act 2006 may require the Company to give, to members of the Company entitled to receive notice of the Annual General Meeting, notice of a resolution which those members intend to move (and which may properly be moved) at the AGM. A resolution may properly be moved at the AGM unless (i) it would, if passed, be ineffective (whether by reason of any inconsistency with any enactment or the Company's constitution or otherwise); (ii) it is defamatory of any person; or (iii) it is frivolous or vexatious. A request made pursuant to this right may be in hard copy or electronic form, must identify the resolution of which notice is to be given, must be authenticated by the person(s) making it and must be received by the Company not later than six weeks before the date of the AGM.
- (x) Members satisfying the thresholds in section 338A of the Companies Act 2006 may request the Company to include in the business to be dealt with at the AGM any matter (other than a proposed resolution) which may properly be included in the business at the AGM. A matter may properly be included in the business at the AGM unless (i) it is defamatory of any person, or (ii) it is frivolous or vexatious. A request made pursuant to this right may be in hard copy or electronic form, must identify grounds for the request, must be authenticated by the person(s) making it and must be received by the Company not later than six weeks before the date of the AGM.
- (xi) Any person holding 3 per cent. or more of the total voting rights of the Company who appoints a person other than the Chairman of the meeting as his/her proxy is to ensure that both he/she and his/her proxy comply with their respective disclosure obligations under the UK Disclosure Guidance and Transparency Rules.
- (xii) When completing the enclosed proxy form, in accordance with the Company's Articles and to comply with certain US federal securities laws, members are requested to indicate whether they certify that: (a) they are not a US Person and reasonably believe they are not a resident of the United States; and (b) to the extent that they hold shares for the account or benefit of any other person, such other person is not a US Person and they reasonably believe such other person is not a resident of the United States.
- (xiii) Copies of the letters of appointment of the Directors of the Company will be available for inspection at the registered office of the Company during normal business hours on any weekday (Saturdays, Sundays and public holidays excluded) from the date of this notice until the conclusion of the AGM and on the date of the AGM at the offices of Herbert Smith Freehills L.L.P. from 10.45 a.m. until the conclusion of the meeting.
- (xiv) This notice, the information required by section 311A of the Companies Act 2006 and, if applicable, any members' statements, members' resolutions or members' matters of business received by the Company after the date of this notice, will be available on the Company's website at www.bpcruk.com.
- (xv) Members may not use any electronic address provided either in the notice of meeting or any related documents (including the form of proxy) to communicate with the Company for any purpose other than those expressly stated.

