

## **SPARK VCT plc**

### **Corporate Governance**

The Board of SPARK VCT consists of four non-executive directors, three of whom are independent of the Manager. Andrew Carruthers is associated with the Manager, however, the majority of the Board acts independently of the Manager. The Board has a formal schedule of matters reserved to it and meets at least five times per year and on other occasions as required. The Board as a whole is responsible for the appointment of its own members and professional advisers (neither a nominations committee nor a remuneration committee has been appointed as the Directors consider the Board to be small). Other matters specifically reserved to the Board include banking arrangements, proposals for changes to the Articles and related party transactions. In addition, the Board carefully reviews the allocation of investments made by the Manager between the Company and its other managed funds, in accordance with established guidelines. The Board receives the minutes of the investment committee of the Manager that meets weekly to discuss the venture capital portfolio and receives a detailed quarterly report from the Manager, including management accounts and progress reports on the investee companies. Any additional information is supplied on request.

Additionally SPARK VCT has an Audit Committee which reports to the full SPARK VCT Board. The Audit Committee members are Greg Lockwood (Chairman), David Adams and Robin Field. The Audit Committee meets at least twice a year to review the half yearly financial report, annual report and accounts and the terms of appointment of the auditor together with its remuneration. The Company's auditor, Grant Thornton UK LLP, also performs tax services, monitors compliance with the Venture Capital Trust provisions and advises on accounting issues. The Audit Committee reviews the need for non-audit services and authorises such on a case-by-case basis, having consideration to the cost effectiveness of the services and the independence and objectivity of the auditor. The Audit Committee has satisfied itself that the auditor is independent and that its objectivity is unimpaired.

The directors of SPARK VCT and a brief description of their responsibilities are as follows:

#### **David Adams**

*Independent Director*

David Adams is a non-executive independent director of SPARK VCT and a member of the Audit Committee. David has over 25 years of experience as a corporate lawyer, including 19 years as a corporate partner at leading London law firm, Travers Smith, acting predominantly for small to mid cap UK and overseas quoted companies and UK financial intermediaries and advising on mergers and acquisitions, fund raising and other corporate transactions. David retired from the legal profession in June 2006 and now acts as an independent consultant providing strategic and transaction advice. He is currently the non-executive chairman of a private property company.

David was appointed to the Board of SPARK VCT on 30 March 2009.

#### **Andrew Carruthers**

*Non-independent Director*

Andrew Carruthers is Chief Executive Officer of SPARK Ventures plc and SPARK Ventures Management Limited, the Manager. He was previously a Director of NewMedia Investors responsible for capital raising and corporate finance for a range of technology businesses including Lastminute.com. Prior to that he was involved in the operational management of

technology and finance as a Director or Founder of online information, TV and digital distribution companies in the US and UK. Andrew qualified as an accountant with KPMG.

He was appointed to the Board of SPARK VCT on 27 June 2007.

**Robin Field**

*Chairman and Independent Director*

Robin Field is Chairman of SPARK VCT and a member of the Audit Committee. He began his commercial career with Jardine Matheson & Co. in the Far East where he fulfilled a number of managerial roles including that of general manager of the largest independent shipping agency in Taiwan. He then gained a MBA with distinction at INSEAD before serving as a strategy consultant with the LEK Partnership. He was chief executive of Filofax Group plc when the company floated on the London Stock Exchange in 1996. He is a non-executive director of Artemis VCT plc and a non-executive director of a number of private companies.

Robin joined the Board on 21 January 2009.

**Greg Lockwood**

*Independent Director*

*Chairman of the Audit Committee*

Greg Lockwood is a non-executive independent director of SPARK VCT and the Chairman of the Audit Committee. He has been involved in backing growth ventures for 13 years. He was a director in the corporate finance department of UBS, and in 1999 moved to the UBS Capital division to found a captive fund investing in communications technologies. In 2002 Greg helped outsource this operation, which included investments in Wolfson Microelectronics and Betfair, through the set up of an independent firm. By 2006 this fund was almost fully exited by which time Greg had started to invest privately in internet marketplace businesses. This activity is currently being formalised as Piton Capital.

Greg was appointed to the Board of SPARK VCT on 30 March 2009.