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Final Form

2017

POLAR CAPITAL GLOBAL HEALTHCARE GROWTH AND INCOME TRUST PLC

and

PCGH ZDP PLC

DEED OF UNDERTAKING

Herbert Smith Freehills LLP

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THIS DEED is dated

2017 and made between:

- (1) **POLAR CAPITAL GLOBAL HEALTHCARE GROWTH AND INCOME TRUST PLC**, a public limited company incorporated in England and Wales with registered number 07251471, and whose registered office is at 16 Palace Street, London, SW1E 5JD (the "**Company**").
- (2) **PCGH ZDP PLC**, a public limited company incorporated in England and Wales with registered number 10700107, and whose registered office is at 16 Palace Street, London, SW1E 5JD (the "**PCGH ZDP**"); and

RECITALS

- (A) PCGH ZDP is a wholly-owned subsidiary of the Company and has in issue on the date of this Deed 50,000 ordinary shares of £1.00 each held by the Company.
- (B) The capital entitlement of each ZDP Share will increase as specified in PCGH ZDP's Articles over a period of seven years from ZDP Admission such that each ZDP Shareholder on 19 June 2024 will have a final capital entitlement of 122.99 pence per ZDP Share on that date.
- (C) PCGH ZDP has agreed to advance the Company an amount of £_____ (or if lesser the Gross Initial ZDP Placing Proceeds) pursuant to a loan agreement.
- (D) As a condition to the Loan Agreement, the Company has agreed to grant the undertakings set out in this Deed to PCGH ZDP.

IT IS AGREED as follows:

1. DEFINITIONS, CONSTRUCTION AND THIRD PARTY RIGHTS

1.1 Definitions

In this Deed, the following terms shall have the following meanings:

"Accelerated Winding-Up Resolution" has the meaning as ascribed to it in the ZDP Articles.

"Additional Funding Requirement" means, as applicable, either:

- (a) in circumstances where the Final Capital Entitlement is payable, the amount by which the Final Capital Entitlement multiplied by the number of outstanding ZDP Shares as at the Final Repayment Date (or, if earlier, the date on which a Scheduled Winding-Up Resolution or a Permitted Winding-Up Resolution is passed) exceeds the amount of the Loan (including any interest thereon) required to be repaid to PCGH ZDP by the Company pursuant to the Loan Agreement; or
- (b) in all other circumstances, the amount by which the accrued capital entitlement attributable to the ZDP Shares on the date a Winding-Up Resolution is passed multiplied by the number of outstanding ZDP Shares as at that date exceeds the amount of the Loan (including any interest thereon) required to be repaid to PCGH ZDP by the Company pursuant to the Loan Agreement.

"Additional Shares" means the Ordinary Shares to be subscribed for by the Company to ensure that the amount paid up on such Ordinary Shares is equal to, or greater than, the Additional Funding Requirement.

"Deed" means this deed.

"Bank Borrowings" means any monies borrowed by the Group from a financial lending institution for the purposes of making investments or for the Group's working capital requirements and which, for the avoidance of doubt, excludes: (i) the Gross Initial ZDP Placing Proceeds; (ii) any facilities incurred by the Group for the purpose of currency

hedging; and (iii) any facilities incurred in connection with the payment of the Final Capital Entitlement.

"Business Day" means a day (other than a Saturday or Sunday) on which banks are open for general business in London.

"Company Articles" the articles of association of the Company, as amended and restated from time to time.

"Company Directors" the directors of the Company from time to time.

"Condition Precedent" has the meaning given to it in Clause 4.

"Cover" means the cover of the ZDP Shares, calculated in accordance with the ZDP Articles.

"Early Winding-Up Resolution" means Accelerated Winding-Up Resolution and Permitted Winding-Up Resolution together.

"Final Capital Entitlement" means 122.99 pence per ZDP Share.

"Final Repayment Date" means 19 June 2024.

"Gross Initial ZDP Placing Proceeds" the gross proceeds of the initial placing of ZDP Shares.

"Group" means together, the Company and PCGH ZDP.

"Group Shares" together, any class of shares in the Company and PCGH ZDP.

"Listing Rules" means the listing rules made by the UKLA under section 74 of the Financial Services and Markets Act 2000, as amended.

"Loan" means the principal amount advanced by PCGH ZDP to the Company under the Loan Agreement.

"Loan Agreement" means the loan agreement entered into by the Company and PCGH ZDP on or around the date of this Deed.

"Ordinary Shares" means ordinary shares of £1.00 each in the capital of PCGH ZDP.

"PCGH Shares" ordinary shares of 25 pence each in the capital of the Company.

"Permitted Winding-Up Resolution" has the meaning as ascribed to it in the ZDP Articles.

"Scheduled Winding-Up Resolution" means a special resolution to wind-up PCGH ZDP which is proposed to the shareholders in general meeting on 19 June 2024 in accordance with the ZDP Articles.

"Winding-Up Resolution" has the meaning as ascribed to it in the ZDP Articles.

"ZDP Admission" means the admission of the ZDP Shares to be issued pursuant to the Initial ZDP Issue to (i) listing on the standard segment of the Official List; and (ii) trading on the London Stock Exchange's main market for listed securities, becoming effective in accordance with the Listing Rules and the admission and disclosure standards of the London Stock Exchange.

"ZDP Articles" means the articles of association of PCGH ZDP, as amended and restated from time to time.

"ZDP Directors" means the board of directors of PCGH ZDP.

"ZDP Shareholder" means a holder of ZDP Shares.

"ZDP Shares" means zero dividend preference shares of 0.01 penny each in the capital of PCGH ZDP.

1.2 Construction and Third Party Rights

1.2.1 Unless a contrary indication appears, any reference in this Deed to:

- (A) a "**Clause**" is to a clause of this Deed;
- (B) the "**Company**" or "**PCGH ZDP**" shall be construed so as to include its successors in title, permitted assigns and permitted transferees;
- (C) "**assets**" includes present and future properties, revenues and rights of every description;
- (D) this Deed or any other agreement or instrument is a reference to this Deed or to that other agreement or instrument as amended or novated;
- (E) a "**person**" includes any person, firm, company, corporation, government, state or agency of a state or any association, trust or partnership (whether or not having separate legal personality) or two or more of the foregoing;
- (F) "**repay**" (or any derivative form thereof) shall, subject to any contrary indication, be construed to include "**prepay**" (or, as the case may be, the corresponding derivative form thereof);
- (G) a provision of law is a reference to that provision as amended or re-enacted;
- (H) a time of day is a reference to London time; and
- (I) the word "**including**" is without limitation.

1.2.2 Headings are for convenience of reference only and shall not affect the construction of this Deed.

1.2.3 The terms of this Deed may be enforced only by a party to it and the operation of the Contracts (Rights of Third Parties) Act 1999 is excluded.

2. **COMPANY UNDERTAKING**

2.1 In the event that PCGH ZDP notifies the Company that there is an Additional Funding Requirement, the Company shall:

2.1.1 subscribe for the Additional Shares; or

2.1.2 make a capital contribution for, gift of or otherwise pay an amount equal to or greater than (where rounding is required) the Additional Funding Requirement,

in each case two Business Days prior to the Final Repayment Date (or, if earlier, the date on which a Winding-Up Resolution is passed).

2.2 The Company covenants to PCGH ZDP (for its own benefit and as trustee for the holders of ZDP Shares) that as long as the capital entitlement of the ZDP Shares remains outstanding it will not, and will procure (so far as applicable) that neither the Company nor any other member of the group of companies of which the Company is the parent (including, for the avoidance of doubt, PCGH ZDP) will, without the previous sanction of a special resolution of the ZDP Shareholders passed at a separate meeting of such holders convened and held in accordance with the provisions of the ZDP Articles:

2.2.1 issue (or procure the issue of) any further PCGH Shares or Group Shares or rights to subscribe for further PCGH Shares or Group Shares or securities convertible into PCGH Shares or Group Shares or reclassify any issued share capital of the Company into shares of a particular class where, in each case, such shares rank, or would on issue, conversion or reclassification rank, as to capital, in priority to or pari passu with the Company's payment obligations under the

Loan Agreement or this Deed, save that the Company may, subject to the provisions of the Company Articles, issue (or procure the issue of) any such further PCGH Shares, Group Shares, rights or securities provided the Company Directors shall have calculated and the auditors of the Company shall have reported to the Company Directors on such calculations within 60 days prior to the proposed issue or reclassification that, were the further shares to be issued or the shares to be reclassified or rights of subscription or conversion to be issued immediately exercised at the date of the report, the ZDP Shares then in issue immediately thereafter would have a Cover of not less than 1.8 times. Further, this restriction shall not apply to the issuance of Ordinary Shares in connection with the establishment by the Company of any directly or indirectly owned subsidiary undertaking established for the purposes of holding investments made in accordance with the Company's investment policy.

- 2.2.2 except with the previous sanction of a special resolution of the ZDP Shareholders passed at a separate class meeting, or as required from time to time by the UKLA or any other relevant legal or regulatory requirement, from the date of the ZDP Admission, amend the Company's investment policy in such a manner that would, in the reasonable opinion of the ZDP Directors, be materially prejudicial to the interests of the ZDP Shareholders;
 - 2.2.3 incur Bank Borrowings if, following such borrowing, its aggregate Bank Borrowings would thereby result in the ZDP Shares then in issue having a cover of less than 1.8 times, provided that this restriction shall not apply to any Bank Borrowings incurred for the purposes of satisfying the Additional Funding Requirement;
 - 2.2.4 make any distribution of capital reserves, provided that any such distribution will be permitted where the ZDP Shares then in issue would have a Cover of not less than 1.8 times immediately after the distribution has been made;
 - 2.2.5 purchase any of its own shares out of capital reserves if such purchase would result in the ZDP Shares in then issue having a Cover of less than 1.8 times immediately after the purchase has been made; or
 - 2.2.6 implement any reduction of capital which would result in the ZDP Shares then in issue having a Cover of less than 1.8 times immediately after such reduction of capital;
- 2.3 The Company further covenants to PCGH ZDP (for its own benefit and as trustee for the holders of ZDP Shares) that, except with the previous sanction of an special resolution of the ZDP Shareholders passed at a separate class meeting, during the term of this Deed it will, and will procure (so far as applicable) that the Company or any other member of the group of companies of which the Company is the parent will:
- 2.3.1 remain the holder of all of the Ordinary Shares from time to time in issue;
 - 2.3.2 meet, or fund through the subscription of further Ordinary Shares, all establishment and ongoing operating costs and expenses of the ZDP Subsidiary which are properly and reasonably incurred;
 - 2.3.3 notify PCGH ZDP without delay if: (i) the Company becomes aware of any breach of the terms of the Loan Agreement or this Deed; or (ii) the Company reasonably considers that it will not (or there is a reasonable likelihood that the Company may not) on the Final Repayment Date be able to: (1) meet its repayment obligations under the Loan Agreement in full; or (2) subscribe for Additional Shares or otherwise satisfy the Additional Funding Requirement;

- 2.3.4 vote in favour of the Scheduled Winding-Up Resolution and any Early Winding-Up Resolution; and
- 2.3.5 calculate the Cover and announce such cover by way of an RIS as soon as practicable following the finalisation of the Group's monthly net asset valuations and, in any event, at least once at the end of each calendar month and shall notify the ZDP Directors without delay in the event that the ZDP Shares then in issue shall at any time have a Cover of less than 1.8 times.

3. **ZDP UNDERTAKING**

During the term of this Deed, PCGH ZDP shall, unless otherwise approved by a special resolution of the ZDP Shareholders passed at a separate class meeting, or as required from time to time by the UK Listing Authority or any other relevant legal or regulatory requirement, from the date of allotment and issue of the ZDP Shares, so far as it is able, ensure that the board of directors of PCGH ZDP as constituted from time to time comprises only individuals who are directors of the Company.

4. **CONDITION PRECEDENT**

Notwithstanding anything to the contrary the obligations of the Company under this Deed are conditional on the ZDP Admission occurring by 8.00 a.m. on 14 July 2017 (or such later time and date as may be determined by the Company (acting in consultation with Panmure Gordon (UK) Limited and the Polar Capital LLP) (the "**Condition Precedent**").

5. **SUBORDINATION**

The obligations of the Company under this Deed shall, in the event of a winding-up of the Company, be subordinated in point of payment to the claims of the other unsecured creditors of the Company and no amount in respect of this Deed shall be payable to PCGH ZDP until all of the claims of the other unsecured creditors have been paid in full. In such a winding-up, the Company shall make payment under this Deed only to the extent of the Company's assets following the payment in full of its other unsecured creditors.

6. **MISCELLANEOUS**

6.1 **Partial Invalidity**

If, at any time, any provision of this Deed is or becomes illegal, invalid or unenforceable in any respect under any law of any jurisdiction, neither the legality, validity or enforceability of the remaining provisions nor the legality, validity or enforceability of such provision under the law of any other jurisdiction will in any way be affected or impaired.

6.2 **Exercise of Rights and Remedies and Waivers Cumulative**

No failure to exercise, nor any delay in exercising, on the part of PCGH ZDP, any right or remedy under this Deed shall operate as a waiver, nor shall any single or partial exercise of any right or remedy prevent any further or other exercise or the exercise of any other right or remedy. The rights and remedies provided in this Deed are cumulative and not exclusive of any rights or remedies provided by law.

6.3 **Amendments and Waivers**

Any term of this Deed may be amended or waived only with the written consent of PCGH ZDP.

6.4 **Change of currency**

If a change in any currency of a country occurs, this Deed will, to the extent PCGH ZDP (acting reasonably and after consultation with the Company) specifies to be necessary, be amended to comply with any generally accepted conventions and market practice in the relevant market and otherwise to reflect the change in currency.

6.5 **Set Off**

6.5.1 PCGH ZDP may, but shall not be obliged to, set-off against any monies actually and/or contingently due and payable by the Company to PCGH ZDP under this Deed any monies due or payable to the Company from PCGH ZDP in any currency. PCGH ZDP may, at the cost of the Company, effect such currency exchanges as PCGH ZDP considers appropriate to implement such set-off.

6.5.2 The Company shall have no right to set-off against any monies actually and/or contingently due and payable by PCGH ZDP to the Company (if any) under this Deed any monies due or payable to PCGH ZDP from the Company in any currency.

6.6 **Assignment**

The rights under this Deed are personal to it and neither the Company nor PCGH ZDP may assign or transfer any of its rights or obligations hereunder without the written consent of the other.

6.7 **Costs**

All costs and expenses which may be incurred by PCGH ZDP in the preparation and execution of this Deed shall be payable on demand by the Company.

6.8 **Whole Agreement**

This Deed embodies the entire agreement of the parties hereto in relation to the subject matter hereof and this Deed shall supersede all other agreements and/or understandings whether written or oral in relation to the subject matter hereof.

7. **NOTICES**

All notices and communications under this Deed shall be by letter or facsimile transmission to the addresses which appear above or to such other address or fax numbers as previously notified by one party to the other. Any such notice will only be effective:

7.1.1 if sent by way of fax, when received in legible form; or

7.1.2 if sent by way of letter, when it has been left at the relevant address or 3 Business Days after being deposited in the post postage prepaid in an envelope addressed to it at that address.

8. **COUNTERPARTS**

This Deed may be executed in any number of counterparts, and this has the same effect as if the signatures on the counterparts were on a single copy of this Deed.

9. **GOVERNING LAW**

This Deed and any dispute or claim arising out of or in connection with it or its subject matter, existence, negotiation, validity, termination or enforceability (including any non-contractual disputes or claims) shall be governed by and construed in accordance with English law.

10. **ENFORCEMENT**

10.1 The courts of England have exclusive jurisdiction to settle any dispute or claim arising out of or in connection with this Deed or its subject matter, existence, negotiation, validity, termination or enforceability (including any non-contractual dispute or claim) (a "**Dispute**").

This Deed has been entered into on the date stated at the beginning of this Deed.

The Company

Executed as a Deed by

**POLAR CAPITAL GLOBAL HEALTHCARE
GROWTH AND INCOME TRUST PLC** acting by

.....

(Signature of director)

in the presence of:

.....

(Name of witness)

.....

.....

.....

(Address of witness)

.....

(Signature of witness)

PCGH ZDP

Executed as a Deed by

PCGH ZDP PCL acting by

.....

(Signature of director)

in the presence of:

.....

(Name of witness)

.....

.....

.....

(Address of witness)

.....

(Signature of witness)