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**If you are in any doubt about the action to be taken, you should immediately consult your bank manager, stockbroker, solicitor, accountant or other independent financial adviser authorised pursuant to the Financial Services and Markets Act 2000.**

If you have sold or otherwise transferred all of your Shares in Unicorn AIM VCT plc (“the Company”), please send this document and accompanying documents, as soon as possible, to the purchaser or transferee or to the stockbroker, independent financial adviser or other person through whom the sale or transfer was effected for delivery to the purchaser or transferee.

Application has been made to the UKLA for the New Ordinary Shares to be listed on the Official List and will be made to the London Stock Exchange for such New Ordinary Shares to be admitted to trading on its market for listed securities. The New Ordinary Shares will rank *pari passu* with the existing issued Shares from the date of issue.

Martineau, which is regulated in the United Kingdom by the Solicitors Regulation Authority, is acting as legal adviser to the Company and Unicorn AIM VCT II plc and no-one else and will not be responsible to any other person for providing advice in connection with any matters referred to herein.

Howard Kennedy, which is authorised and regulated in the United Kingdom by the FSA, is acting as sponsor to the Company exclusively and no one else in relation to the advice described in this document and will not be responsible to any other person for providing the protections afforded to customers of Howard Kennedy (subject to the responsibilities and liabilities imposed by FSMA and the regulatory regime established thereunder) in providing advice or in relation to any matters referred to in this document.

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# UNICORN AIM VCT PLC

*(Registered in England and Wales with registered number 04266437)*

## Recommended Proposals to:

- **consolidate the Share capital of the Company;**
- **acquire the assets and liabilities of Unicorn AIM VCT II plc;**
- **approve revised management arrangements;**
- **renew the authority to issue and repurchase Shares;**
- **amend the articles of association; and**
- **cancel the share premium account.**

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Your attention is drawn to the letter from the chairman of the Company set out in Part III of this document which contains a recommendation to vote in favour of the resolutions to be proposed at the meetings referred to below. Your attention is also drawn to the risk factors set out in Part II of this document.

You will find set out at the end of this document notice of an Extraordinary General Meeting and separate Class Meetings of the holders of Ordinary Shares, S2 Shares and S3 Shares to be held at 3.30 pm, 3.40 pm, 3.45 pm and 3.50 pm respectively, on 25 February 2010 at One Vine Street, London W1J 0AH to approve resolutions to effect the proposals contained herein.

To be valid, the relevant forms of proxy attached to this document should be returned not less than 48 hours before the relevant meeting, either by post or by hand (during normal business hours only) to the Company’s registrar, Capita Registrars, PXS, 34 Beckenham Road, Beckenham, Kent BR3 4TU. For further information on any of the meetings or the completion and return of a form of proxy, please telephone Capita Registrars helpline between 8.30 am and 5.30 pm (GMT) Monday to Friday on telephone number 0871 664 0321 or, if telephoning from outside the UK, on +44 20 8639 3399. Calls to Capita Registrars helpline (0871 664 0321) are charged at 10p per minute (including VAT) plus your service provider’s network extras. Calls to the helpline from outside the UK will be charged at applicable international rates. Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. For legal reasons, Capita Registrars will be unable to give advice on the merits of the proposals or provide financial, legal, tax or investment advice.

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## EXPECTED TIMETABLES

### EXPECTED TIMETABLE FOR THE COMPANY

Dividend Record Date	8 January 2010
Dividend Payment Date	29 January 2010
Latest time for receipt of forms of proxy for the Annual General Meeting	3.00 pm on 23 February 2010
Latest time for receipt of forms of proxy for the Extraordinary General Meeting	3.30 pm on 23 February 2010
Latest time for receipt of forms of proxy for the Ordinary Share Class Meeting	3.40 pm on 23 February 2010
Latest time for receipt of forms of proxy for the S2 Share Class Meeting	3.45 pm on 23 February 2010
Latest time for receipt of forms of proxy for the S3 Share Class Meeting	3.50 pm on 23 February 2010
Annual General Meeting	3.00 pm on 25 February 2010
Extraordinary General Meeting	3.30 pm on 25 February 2010
Ordinary Shares Class Meeting	3.40 pm on 25 February 2010
S2 Shares Class Meeting	3.45 pm on 25 February 2010
S3 Shares Class Meeting	3.50 pm on 25 February 2010
Record Date for the Share Consolidation	8 March 2010
Calculation Date	after 5.00 pm on 8 March 2010
Effective Date for the Share Consolidation and the subsequent transfer of the assets and liabilities of VCT II to the Company and the issue of New Ordinary Shares pursuant to the Scheme*	9 March 2010
Announcement of the results of the Merger	9 March 2010
Admission of and dealings in the New Ordinary Shares to commence	10 March 2010
CREST accounts credited with New Ordinary Shares (in respect of the Share Consolidation and the Scheme)	11 March 2010
Certificates for the New Ordinary Shares dispatched (in respect of the Share Consolidation and Scheme)	15 March 2010

(\*this will, therefore, be the final expected date of trading of the Ordinary Shares and S2 Shares).

## EXPECTED TIMETABLE FOR VCT II

Date from which it is advised that dealings in VCT II Shares should only be for cash settlement and immediate delivery of documents of title	12 February 2010
Latest time for receipt of forms of proxy for the VCT II First Extraordinary General Meeting	4.00 pm 23 February 2010
Latest time for receipt of forms of proxy for the VCT II Ordinary Share Class Meeting	4.10 pm on 23 February 2010
Latest time for receipt of forms of proxy for the VCT II C Share Class Meeting	4.15 pm on 23 February 2010
VCT II First Extraordinary General Meeting	4.00 pm on 25 February 2010
VCT II Ordinary Share Class Meeting	4.10 pm on 25 February 2010
VCT II C Share Class Meeting	4.15 pm on 25 February 2010
Latest time for receipt of forms of proxy for the VCT II Second Extraordinary General Meeting	10.00 am on 7 March 2010
Record Date for VCT II shareholders' entitlements under the Scheme	8 March 2010
VCT II Register of Members closed	8 March 2010
VCT II Special Dividend Record Date	8 March 2010
Calculation Date	after 5.00 pm on 8 March 2010
Dealings in VCT II Shares suspended	after 7.30 am on 9 March 2010
VCT II Second Extraordinary General Meeting	10.00 am on 9 March 2010
Effective Date for the Share Consolidation and the subsequent transfer of the assets and liabilities of VCT II to the Company and the issue of New Ordinary Shares*	9 March 2010
Announcement of the results of the Scheme	9 March 2010
Cancellation of the VCT II Shares' listings	after 8.00 am on 10 March 2010
VCT II Special Dividend payment date	19 March 2010

(\*see further timetable for the Company on page 3 with regard to admission, CREST accounts being credited and certificates being dispatched).

## CORPORATE INFORMATION

### Directors

Peter Frederick Dicks (Chairman)  
James H Grossman  
Jocelin Montague St John Harris  
David John George Royds  
(all of the registered office)

### Registered Office

One Vine Street  
London  
W1J 0AH

Telephone: 020 3206 7000  
Email: [unicorn@matrixgroup.co.uk](mailto:unicorn@matrixgroup.co.uk)  
Website: [www.unicornaimvct.com](http://www.unicornaimvct.com)

### Company Number

04266437

### Investment Manager

Unicorn Asset Management Limited  
First Floor Office  
Preacher's Court  
The Charterhouse  
Charterhouse Square  
London  
EC1M 6AU

### Company Secretary and Administrator

Matrix-Securities Limited  
One Vine Street  
London  
W1J 0AH

### Solicitors

Martineau  
No. 1 Colmore Square  
Birmingham  
B4 6AA

### Sponsor

Howard Kennedy  
19 Cavendish Square  
London  
W1A 2AW

### Reporting Accountant

Scott-Moncrieff  
Exchange Place 3  
Semple Street  
Edinburgh  
EH3 8BL

### Auditors

PKF (UK) LLP  
Farringdon Place  
20 Farringdon Road  
London  
EC1M 3AP

### Registrars

Capita Registrars  
Northern House  
Woodsome Park  
Fenay Bridge  
Huddersfield  
HD8 0GA

### Bankers

National Westminster Bank plc  
City of London Office  
PO Box 12264  
1 Princes Street  
London  
EC2R 8PB

### Custodian

The Bank of New York Mellon  
One Canada Square  
London  
E14 5AL

### Stockbroker

Matrix Corporate Capital LLP  
One Vine Street  
London  
W1J 0AH

## PART I – DEFINITIONS

<b>“AIM”</b>	the Alternative Investment Market of the London Stock Exchange
<b>“Annual General Meeting”</b>	the annual general meeting of the Company to be held on 25 February 2010
<b>“Articles”</b>	the articles of association of the Company, as amended from time to time
<b>“Board” or “Directors”</b>	the board of directors of the Company
<b>“CA 1985”</b>	Companies Act 1985, as amended
<b>“CA 2006”</b>	Companies Act 2006, as amended
<b>“Calculation Date”</b>	the date on which (i) the unaudited NAVs for the Share Consolidation, (ii) Roll-Over Value, and (iii) the Merger Value will be calculated, this being after the close of business on 8 March 2010
<b>“Capita Registrars”</b>	a trading name for Capita Registrars Limited
<b>“Class Meetings”</b>	the Ordinary Share Class Meeting, the S2 Share Class Meeting and the S3 Share Class Meeting
<b>“Companies Acts”</b>	CA 1985 and CA 2006
<b>“Company” or “VCT I”</b>	Unicorn AIM VCT plc
<b>“Deferred Shares”</b>	the deferred shares of 1p each proposed to be created from the redesignation of Ordinary Shares and S2 Shares pursuant to the Share Consolidation
<b>“Dividends”</b>	the final interim dividends of the Company for the year ended 30 September 2009 of 3.5p per Ordinary Share and 2.5p per S2 Share
<b>“Dividend Payment Date”</b>	the payment date for the Dividends, this being 29 January 2010
<b>“Dividend Record Date”</b>	the record date for the Dividends, this being 8 January 2010
<b>“Effective Date”</b>	the date on which the Scheme will be completed, this is anticipated as being 9 March 2010
<b>“Enlarged Company”</b>	the Company, following implementation of the Merger
<b>“Extraordinary General Meeting”</b>	the extraordinary general meeting of the Company to be held on 25 February 2010
<b>“FSA”</b>	the Financial Services Authority
<b>“FSMA”</b>	the Financial Services and Markets Act 2000, as amended
<b>“HMRC”</b>	Her Majesty’s Revenue & Customs
<b>“IA 1986”</b>	Insolvency Act 1986, as amended
<b>“ICTA 1988”</b>	Income and Corporation Taxes Act 1988, as amended
<b>“ITA 2007”</b>	Income Tax Act 2007, as amended
<b>“Liquidators”</b>	William Duncan and Jonathan Paul Philmore of RSM Tenon Limited, Unit 1, Calder Close, Calder Park, Wakefield WF4 3BA being the proposed liquidators for VCT II
<b>“Listing Rules”</b>	the listing rules of the UKLA
<b>“London Stock Exchange”</b>	London Stock Exchange plc
<b>“Meetings”</b>	the Extraordinary General Meeting and Class Meetings of the Company to be held on 25 February 2010
<b>“Merger”</b>	the Share Consolidation and the Scheme

<b>“Merger Ratio”</b>	the Roll-Over Value divided by the Merger Value
<b>“Merger Regulations”</b>	Venture Capital Trusts (Winding-up and Mergers) (Tax) Regulations 2004
<b>“Merger Value”</b>	the value of a Share (this being a New Ordinary Share) calculated in accordance with paragraph 4 of Part IV of this document
<b>“NAV” or “net asset value”</b>	net asset value
<b>“New Ordinary Shares”</b>	the new Ordinary Shares arising from the Share Consolidation and/or to be issued by the Company to VCT II shareholders in accordance with the Scheme (and each a “New Ordinary Share”)
<b>“OEIC”</b>	an open ended investment company
<b>“Official List”</b>	the official list of the UKLA
<b>“Ordinary Share Class Meeting”</b>	the separate meeting of the holders of Ordinary Shares to be held on 25 February 2010
<b>“Ordinary Shares”</b>	ordinary shares of 1p each in the capital of the Company (and each an “Ordinary Share”)
<b>“Proposals”</b>	the proposals to effect the Share Consolidation, the merger by way of the Scheme and pass the resolutions to be proposed at the Meetings
<b>“Proposed Directors”</b>	Malcolm Diamond and Jeremy Hamer
<b>“Prospectus”</b>	the prospectus issued by the Company dated 29 January 2010
<b>“Record Date”</b>	the record date to which Shareholders’ entitlements will be allocated pursuant to the Share Consolidation and/or VCT II shareholders’ entitlements will be allocated pursuant to the Scheme (as the context permits), this being 8 March 2010
<b>“Revised Management Arrangements”</b>	the revised management arrangements proposed to be entered into between the Company and Unicorn AM, which constitute a related party transaction under the Listing Rules, as described on pages 13 and 14
<b>“Roll-Over Value”</b>	the value of an VCT II Share calculated in accordance with paragraph 4 of Part IV of this document
<b>“S2 Share Class Meeting”</b>	the separate meeting of the holders of S2 Shares to be held on 25 February 2010
<b>“S2 Shares”</b>	series 2 shares of 1p each in the capital of the Company (and each an “S2 Share”)
<b>“S3 Share Class Meeting”</b>	the separate meeting of the holders of S3 Shares to be held on 25 February 2010
<b>“S3 Shares”</b>	series 3 shares of 1p each in the capital of the Company (and each an “S3 Share”)
<b>“Scheme”</b>	the proposed merger of the Company with VCT II by means of placing VCT II into members’ voluntary liquidation pursuant to Section 110 of IA 1986 and the acquisition by the Company of all of VCT II’s assets and liabilities in consideration for New Ordinary Shares, further details of which are set out in Part IV of this document
<b>“Share Consolidation”</b>	the proposed consolidation of the Ordinary Shares, S2 Shares and S3 Shares as set out on pages 15 and 16
<b>“Shareholder”</b>	a holder of Shares
<b>“Shares”</b>	prior to the Share Consolidation, Ordinary Shares, S2 Shares and S3 Shares, and following the Share Consolidation, the New Ordinary

	Shares (as the context permits) (and each a “Share”)
“TCGA 1992”	Taxation of Chargeable Gains Act 1992, as amended
“Transfer Agreement”	the agreement between the Company and VCT II (acting through the Liquidators) for the transfer of all of the assets and liabilities of VCT II by the Liquidators to the Company pursuant to the Scheme
“UK”	the United Kingdom
“UKLA” or “UK Listing Authority”	the UK Listing Authority, being the Financial Services Authority acting in its capacity as the competent authority for the purposes of Part VI of the Financial Services and Market Act 2000
“Unicorn AM” or “Investment Manager”	Unicorn Asset Management Limited, the investment manager to the Company and VCT II, of First Floor Office, Preacher’s Court, The Chaterhouse, Charterhouse Square, London EC1M 6AU
“VCT” or “venture capital trust”	a company satisfying the requirements of Chapter 3 of Part 6 of ITA 2007 for venture capital trusts
“VCT II”	Unicorn AIM VCT II plc, registered in England and Wales under number 05239433, whose registered office is at One Vine Street, London W1J 0AH
“VCT II Board”	the board of directors of VCT II
“VCT II C Shares”	C ordinary shares of 1p each in the capital of VCT II (and each a “VCT II C Share”)
“VCT II Circular”	the circular to VCT II shareholders dated 29 January 2010
“VCT II Class Meetings”	the separate meetings of the holders of VCT II Ordinary Shares and VCT II C Shares to be held on 25 February 2010
“VCT II First Extraordinary General Meeting”	the first extraordinary general meeting of VCT II to be held on 25 February 2010
“VCT II Meetings”	the VCT II First Extraordinary General Meeting; the VCT II Class Meetings and the VCT II Second Extraordinary General Meeting
“VCT II Ordinary Shares”	ordinary shares of 1p each in the capital of VCT II (and each a “VCT II Ordinary Share”)
“VCT II Second Extraordinary General Meeting”	the second extraordinary general meeting of VCT II to be held on 9 March 2010
“VCT II Shares”	VCT II Ordinary Shares and/or VCT II C Shares (and each a “VCT II Share”)
“VCT II Special Dividend”	the special dividends to be paid by VCT II of 6p per VCT II Ordinary Share and 0.45p per VCT II C Share, conditional on the Merger becoming effective

## PART II – RISK FACTORS

**Shareholders and prospective Shareholders should consider carefully the following risk factors in addition to the other information presented in this document. If any of the risks described below were to occur, it could have a material effect on the Company's business, financial condition or results of operations. The risks and uncertainties described below are not the only ones the Company, the Board or Shareholders will face. Additional risks not currently known to the Company or the Board, or that the Company or the Board currently believe are not material, may also adversely affect the Company's business, financial condition or results of operations. The value of the Shares could decline due to any of the risk factors described below and Shareholders could lose part or all of their investment. Shareholders and prospective Shareholders should consult an independent financial adviser authorised under FSMA. References to the Company should be taken as including the Enlarged Company.**

Completion of the Proposals is dependent upon a number of conditions precedent being fulfilled, including the approval of Shareholders and the Scheme becoming effective. Whilst the Board has identified a number of potential benefits for the Enlarged Company, there is no certainty that these benefits will lead to improved prospects for the Enlarged Company.

The value of Shares can fluctuate and Shareholders may not get back the amount they invested. In addition, there is no certainty that the market price of Shares will fully reflect their underlying NAV or that any dividends will be paid, nor should Shareholders rely upon any Share buy-back policy to offer any certainty of selling their Shares at prices that reflect the underlying NAV.

Although the existing Shares have been (and it is anticipated that the New Ordinary Shares to be issued pursuant to the Scheme will be) admitted to the Official List and are (or will be) traded on the London Stock Exchange's market for listed securities, the secondary market for VCT shares is generally illiquid and, therefore, there may not be a liquid market (which may be partly attributable to the fact that initial tax reliefs are not available for VCT shares generally bought in the secondary market and because VCT shares usually trade at a discount to NAV) and Shareholders may find it difficult to realise their investment. An investment in the Company should, therefore, be considered as a long-term investment.

The past performance of the Company, VCT II and/or Unicorn AM is no indication of future performance. The return received by Shareholders will be dependent on the performance of the underlying investments. The value of such investments, and interest income and dividends therefrom, may rise or fall.

Although the Company may receive customary venture capital rights in connection with some of its unquoted investments, as a minority investor it may not be in a position to fully protect its interests.

The Company's investments may be difficult, and take time, to realise. There may also be constraints imposed on the realisation of investments in order to maintain the VCT tax status of the Company.

It can take a period of years for the underlying value or quality of the businesses of smaller companies, such as those in which the Company invests, to be fully reflected in their market values and their market values are often also materially affected by general market sentiment, which can be negative for prolonged periods.

Investment in AIM-traded, PLUS market-traded and unquoted companies, by its nature, involves a higher degree of risk than investment in companies listed on the Official List. In particular, small companies often have limited product lines, markets or financial resources and may be dependent for their management on a small number of key individuals and may be more susceptible to political, exchange rate, taxation and other regulatory changes. In addition, the market for securities in smaller companies is usually less liquid than that for securities in larger companies, bringing with it potential difficulties in acquiring, valuing and disposing of such securities. Proper information for determining their value or the risks to which they are exposed may also not be available. Investment returns will, therefore, be uncertain and involve a higher degree of risk than investment in a company listed on the Official List.

Whilst it is the intention of the Board that the Company will continue to be managed so as to qualify as a VCT, there can be no guarantee that such status will be maintained. Failure to continue to meet the qualifying requirements could result in Shareholders losing the tax reliefs available for VCT shares, resulting in adverse tax consequences including, if the holding has not been held for the relevant holding period, a requirement to repay the tax reliefs obtained. Furthermore, should the Company lose its VCT

status, dividends and gains arising on the disposal of Shares would become subject to tax and the Company would also lose its exemption from corporation tax on its capital gains.

If a Shareholder disposes of his or her Shares within five years of issue (three years if such Shares were issued on or between 6 April 2000 and 5 April 2006), he or she will be subject to clawback by HMRC of any income tax reliefs originally claimed. For these purposes, the date of issue of the New Ordinary Shares issued pursuant to the Scheme will be the original date of issue of the VCT II Shares in respect of which such New Ordinary Shares are issued.

If at any time VCT status is lost for the Company, dealings in its Shares will normally be suspended until such time as proposals to continue or to be wound-up have been announced.

The tax rules, or their interpretation, in relation to an investment in the Company and/or the rates of tax may change during the life of the Company and may apply retrospectively.

Any purchaser of existing Shares in the secondary market will not qualify for the then (if any) available tax reliefs afforded to subscribers of new VCT shares on the amount invested.

Changes in legislation, including those proposed in the Pre-Budget Report 2009, concerning VCTs in general and qualifying holdings and qualifying trades in particular, may limit the number of new qualifying investment opportunities and/or reduce the level of returns which would otherwise have been achievable.

Shareholders may be adversely affected by the performance of the investments, whether acquired from VCT II or made by the Company under its separately managed Share classes. The performance of the investments in VCT II as well as the investments of the Company, may restrict the ability of the Company following the Merger to distribute any capital and revenue gains achieved on the investments transferred from VCT II to the Company (as well as the investments of the Company). Any gains (or losses) made on the investments of the Company will, following the Merger, be shared amongst the holders of all Shares then in issue.

Shareholders may be adversely affected by a change in the VCT status of the Company if a number of the investments acquired from VCT II, or the investments of the Company, are or become unable to meet VCT requirements.

## PART III – LETTER FROM THE CHAIRMAN

### UNICORN AIM VCT PLC

(Registered in England and Wales with registered number 04266437)

**Directors:**

Peter Frederick Dicks  
James H Grossman  
Jocelin Montague St John Harris  
David John George Royds

**Registered Office:**

One Vine Street  
London  
W1J 0AH

29 January 2010

Dear Shareholder

**Recommended Proposals to consolidate the Share capital of the Company, acquire all of the assets and liabilities of VCT II, renew the authority to issue and repurchase Shares, amend the Articles, cancel the share premium account and approve the Revised Management Arrangements**

The Board announced on 4 December 2009 that agreement in principle had been reached with the VCT II Board for the merger of the companies and that we expected to be in a position to present a detailed proposal for consideration by Shareholders shortly.

I am pleased to advise Shareholders that discussions have concluded and the purpose of this letter is to set out for Shareholders the outcome of the discussions and put the Proposals to Shareholders for consideration. The Proposals will, if effected, result in the consolidation of the Share capital of the Company and the merger of VCT II with the Company, creating an Enlarged Company with one class of share having net assets of over £55 million and which is expected to deliver cost savings and strategic benefits.

**To effect the Proposals, the consent of Shareholders, pursuant to the Companies Acts, the Articles and the Listing Rules, is being sought at the Meetings to approve the Share Consolidation, approve the Merger pursuant to the Scheme, renew the authority to issue and repurchase Shares, amend the Articles, cancel the share premium account and approve the Revised Management Arrangements. A specific resolution to approve the acquisition of the assets and liabilities of VCT II pursuant to the Scheme is not required; however, in light of the nature of the Proposals the Board believes it appropriate to include this as part of Resolution 2 at the Extraordinary General Meeting.**

**Background**

The Company was launched in 2001 and raised £33.1 million (net of expenses) through offers for subscription of its Ordinary Shares, £14.9 million (net of expenses) through offers for subscription of its S2 Shares and £4.7 million (net of expenses) through offers of subscription of its S3 Shares.

The Company's objective is to provide Shareholders with an attractive return by investing predominantly in the shares of companies listed on AIM. Further, to ensure the safeguarding of the capital available for investment in the initial three year qualifying period, Unicorn AM, the Company's investment manager, maintained at least half of the funds raised in cash (50 per cent. in respect of the Ordinary Share fund and S3 Share fund and 55 per cent. in respect of the S2 Share fund). The balance of the funds were invested in existing Unicorn AM managed funds (OEICs) and in a portfolio of shares in quoted companies similar to those already invested in by Unicorn AM.

As at 31 December 2009, the Company had unaudited net assets of £32,325,134 (57.06p per Ordinary Share, 72.54p per S2 Share and 93.37p per S3 Share) and in aggregate investments in 59 companies with an unaudited valuation of £30,017,097. To date, dividends have been paid totalling 42p per Ordinary Share, 18.75p per S2 Share and 1p per S3 Share. Since launch the Company has bought back 4,781,722 Ordinary Shares and 1,131,193 S2 Shares with an aggregate value of £6,250,290.72 (no S3 Shares have been bought back by the Company).

It was decided to raise additional funds through separate Share classes on a basis that would be entirely neutral to changes in the net asset value of the then current portfolio which could occur during the

marketing period of the relevant Share offer. Each Share class has, to date, been managed separately, with the relevant class of Shareholders being entitled to the assets within the fund attributable to their Share class. The intention was to manage the funds raised as separate Share classes until, and if, the Board believed it appropriate to recommend to Shareholders that consolidation of the Share classes was appropriate.

VCTs are required to be listed on the Official List, which involves a significant level of cost in listing as well as related fees to ensure the VCT complies with all relevant legislation. As a VCT becomes fully invested, its net assets may start to decrease, primarily through dividends, buy backs and annual expenses. The running costs can become a proportionally greater burden which may have an adverse effect on a VCT's return for its shareholders. A larger VCT should therefore be better placed to spread such running costs and, as a result, may be able to pay a higher level of dividends to shareholders over its life.

In September 2004, the Merger Regulations were introduced allowing VCTs to be acquired by, or merge with, each other without prejudicing the VCT tax reliefs obtained by their shareholders. A number of VCTs have now taken advantage of these regulations to create larger VCTs where running costs can be spread over a substantially greater asset base.

In addition, continued management and administration of separate share classes within both the Company and VCT II has resulted in an additional expenses burden which, now the relevant funds in each company are largely invested, the boards of both companies feel is no longer desirable. A merger provides an opportunity to consolidate the share classes, creating simplicity and further annual cost savings.

With the above in mind, the Board entered into discussions with the VCT II Board to consider a merger of the companies to create a single, larger VCT with one class of share.

### **Merger with VCT II**

Following detailed consideration of the portfolio and financial position of VCT II, the Board has reached an agreement with the VCT II Board to merge (subject to the conditions set out in paragraph 8 of Part IV of this document).

The Company will firstly (subject to the Scheme becoming unconditional) complete the Share Consolidation by converting the Ordinary Shares and the S2 Shares into S3 Shares (to be renamed as New Ordinary Shares) on a relative NAV basis.

The Merger will be completed immediately following the Share Consolidation and effected by all of the assets and liabilities of VCT II being transferred to the Company in consideration for the issue of New Ordinary Shares to the holders of VCT II Ordinary Shares and VCT II C Shares pro rata to their respective net assets. The Merger with VCT II will also be completed on a relative net asset value basis and be subject to the Scheme becoming unconditional. If the conditions of the Scheme are not satisfied the Company will continue in its current form and the Board will continue to review all options available to it regarding the future of the Company.

The Merger will result in the creation of the Enlarged Company with one class of share and should result in significant cost savings and enhanced administrative efficiency. As both companies have the same investment manager, investment policies and common advisers, this is achievable without major additional cost or disruption to the portfolio of investments.

The Board considers that this Merger will bring benefits to both groups of shareholders through:

- a reduction in annual running costs for the Enlarged Company compared to the aggregate annual running costs of the separate companies and relevant separate share classes in both companies;
- creation of a single VCT of a more economically efficient size with a greater capital base over which to spread administration and management costs;
- creation of an Enlarged Company with a simplified capital structure;
- participation in a larger VCT with a more diversified portfolio thereby spreading risk across a broader range of investments;
- increased ability to maintain a buy-back programme due to the increased size and the reduced need to retain funds for annual expenses;

- the potential to pay dividends in the future due to the increased size and the reduced overall running costs;
- increased flexibility in continuing to meet the various requirements for qualifying VCT status; and
- the potential of greater liquidity in the secondary market.

The mechanism by which the Merger will be effected as follows:

- the Ordinary Shares, S2 and S3 Shares will be consolidated into one class of New Ordinary Shares; and
- VCT II will be placed into members' voluntary liquidation pursuant to a scheme of reconstruction under Section 110 IA 1986 and its assets and liabilities will be transferred to the Company in exchange for New Ordinary Shares.

The Board believes that the Proposals provide an efficient way of merging the companies with a lower level of costs compared with other merger routes. Although either of the companies could have acquired all of the assets and liabilities of the other, the Company was selected as the acquirer because of its marginally greater size (and, therefore, a lower stamp duty cost on the transfer of all of the assets and liabilities from VCT II). Shareholders should note that the Merger will be outside the provisions of the City Code on Takeovers and Mergers.

Annual running costs for the Company and VCT II are approximately £981,000 and £792,000 respectively. This represents 3.03 per cent. of the Company's unaudited net asset value and 3.06 per cent. of VCT II's unaudited net asset value, in each case as at 31 December 2009. The Board and the VCT II Board consider that this level of continued administrative annual running costs can be materially reduced through the Merger resulting in benefits to both groups of shareholders.

The aggregate anticipated cost of undertaking the Merger is approximately £410,000, including VAT, legal and professional fees, stamp duty and the costs of winding up VCT II. Unicorn AM has agreed to support the Merger by making a contribution of £100,000 to the costs, which reduces the anticipated costs of the Merger to £310,000. The costs of the Merger will be split proportionally between the Company and VCT II by reference to their respective Merger Value and Roll-Over Value (ignoring Merger costs and the Unicorn AM contribution). Following the Merger becoming effective the Unicorn AM contribution will be paid directly to the Enlarged Company in two instalments (the first once the merger becomes effective and the second twelve months thereafter) thus benefiting all shareholders.

Following completion of the Merger, annual cost savings for the Enlarged Company of at least £284,000 per annum (representing 0.51 per cent. per annum of the expected net assets of the Enlarged Company or 0.46p per New Ordinary Share of the Enlarged Company) are anticipated to be achieved. On the basis that no new funds are raised or investments realised to meet annual costs, and taking into account the Unicorn AM contribution, the Board believes that the costs of the Merger would, therefore, be recovered within 14 months.

### **Unicorn AM and the Revised Management Arrangements**

Unicorn AM will continue as the investment manager of the Enlarged Company on its existing annual management fee arrangements of an amount equivalent to 2 per cent. of the net assets of the Company per annum, save for investments made by the Company in other Unicorn AM managed funds when its fee is waived, which is also the same level of annual management fee paid in respect of VCT II. Subject to Shareholder approval, the Board proposes, however, in light of the Merger and in recognition of Unicorn AM's support of the Merger by contributing £100,000 to the costs, to provide for a new initial three year appointment term from the Effective Date of the Merger, subject to a 12 months' notice period which may be given by either party after the second year.

Unicorn AM is currently entitled to performance incentive fees in relation to the performance of the various separate share classes within both the Company and VCT II. Amalgamation of these varying performance incentive arrangements to the single class of Share in the Enlarged Company would be complicated and cause an additional administrative burden. In addition, Matrix-Securities Limited, which is also entitled to performance incentive fees in respect of the Ordinary Shares fund and the S2 Shares fund, has agreed to waive its rights to such fees. The Board, therefore, proposes to terminate the existing arrangements and enter into a revised performance incentive with the Enlarged Company, which will apply for accounting periods after 30 September 2010 (Unicorn AM having agreed to forego any incentive fee for the current year).

The proposed revised performance incentive will be similar to the arrangements currently in place for the S3 Shares. The revised arrangements will entitle Unicorn AM to 20 per cent. of subsequent cash distributions made to Shareholders (whether by dividend or otherwise) over and above the Target Return in any accounting period. The Target Return for these purposes will be 6p per New Ordinary Share in any accounting period (or, if the relevant accounting period is less than or greater than 12 months, an amount equal to a pro rata reduction or increase to 6p per New Ordinary Share for that accounting period). Such payment will continue to be subject to a NAV maintenance 'high-watermark test' but, in light of the Merger and the contribution Unicorn AM has agreed to make to the costs of the Merger, this will be rebased to the closing average NAV per New Ordinary Share in the relevant period equal to the NAV of a New Ordinary Share as at 30 September 2010 (i.e. the date from which the revised performance incentive fee will apply).

This revised performance incentive arrangement will achieve a simplified arrangement for the Enlarged Company and will also better align the interests of Unicorn AM and the Shareholders of the Company by moving to a distribution based performance incentive with a NAV maintenance hurdle. The Board further believes that these arrangements more closely reflect current market practice.

As the new fixed management term and the revised performance incentive arrangements (together the Revised Management Arrangements) described above are being entered into with Unicorn AM, which is a 'related party' of the Company under the Listing Rules, they will constitute a related party transaction requiring the approval of Shareholders. In addition, the Revised Management Arrangements will only be entered into if the Merger becomes unconditional.

Further details relating to Unicorn AM are set out in Part III of the Prospectus.

#### **Revised secretarial and accountancy fee**

Subject to the Merger becoming effective, Matrix-Securities Limited's appointment, in respect of the secretarial and accountancy services it provides to the Company, will be extended to a new initial three year appointment term from the Effective Date of the Merger, subject to a 12 months' notice period which may be given by either party after the second year. The annual fee for providing both secretarial and accountancy services will be amended to £144,500 (plus VAT) to the third anniversary of the date on which the Merger becomes effective and thereafter £137,500 plus VAT (the latter to be increased on the fourth anniversary of the Merger becoming effective and every anniversary of the Merger becoming effective thereafter, by the annual percentage increase in the Retail Price Index for the preceding 12 months). The new fee of £144,500 (plus VAT) represents a reduction of £25,212.50 (including VAT) for the Company alone and a reduction of £144,695 (including VAT) of fees across both companies.

#### **VCT II**

VCT II was launched in 2005 raising £21.8 million (net of expenses) through offers for subscription of VCT II Ordinary Shares. VCT II raised a further £11.8 million (net of expenses) through offers for subscription of its VCT II C Shares. As with the Company, the objective of VCT II is to provide shareholders with an attractive return by investing predominantly in the shares of companies listed on AIM. In addition, to ensure the safeguarding of the capital available for investment in the initial three year qualifying period, Unicorn AM placed 50 per cent of the net funds raised in money-market funds. The balance of the funds was invested into four existing Unicorn AM sub-funds with the objective of providing short term returns without any additional management charges.

As at 31 December 2009, VCT II had unaudited net assets of £25,888,482 (80.89p per VCT II Ordinary Share and 68.04p per VCT II C Share). It had, in aggregate, investments in 51 companies with an unaudited valuation of £22,626,115. Since the launch of VCT II, total dividends of 7.0p have been paid to holders of VCT II Ordinary Shares and 2.0p to holders of VCT II C Shares, whilst 1,742,270 VCT II Ordinary Share and 240,237 VCT II C Shares have been bought back for an aggregate of £1,279,728.

## Details of the Merger

The Merger will be effected, firstly, by the Company undertaking the Share Consolidation and then the merger with VCT II being completed through the Scheme.

The Share Consolidation will be effected as follows:

- such number of Ordinary Shares held by a Shareholder on the Record Date will be redesignated as S3 Shares as reflects the relevant proportionate number by reference to the NAVs of each Share class as at the Calculation Date, the balance being redesignated as Deferred Shares having no economic value;
- such number of S2 Shares held by a Shareholder on the Record Date will be redesignated as S3 Shares as reflects the relevant proportionate number by reference to the NAVs of each Share class as at the Calculation Date, the balance being redesignated as Deferred Shares having no economic value;
- the Deferred Shares will be bought back by the Company for an aggregate amount of 1p, such shares to be cancelled as issued and redesignated as New Ordinary Shares; and
- the S3 Shares (existing and those created in the above redesignations) will be redesignated as New Ordinary Shares.

This Share Consolidation will result in the Company having one class of New Ordinary Shares immediately prior to the merger with VCT II. Shareholders who hold their Shares in certificated form will receive replacement Share certificates in respect of the New Ordinary Shares arising from the Share Consolidation and existing Share certificates will no longer be valid. Shareholders who hold their Shares in CREST will have their CREST accounts credited with their new holding of New Ordinary Shares.

Immediately following the Share Consolidation, the Scheme will then be completed by VCT II being put into members' voluntary liquidation and all of its assets and liabilities being transferred to the Company in consideration for New Ordinary Shares issued directly to its shareholders. The New Ordinary Shares to be issued to VCT II shareholders will be split between the holders of VCT II Ordinary Shares and VCT II C Shares in proportion to the respective net assets of each class of VCT II Share as at the Calculation Date and then pro-rata to shareholdings within each class of VCT II Share. For these purposes any VCT II Shares held by dissenting VCT II shareholders will be disregarded from the calculation.

This will result in the VCT II Ordinary Shares and the VCT II C Shares being merged into the New Ordinary Shares class of the Company by reference to the Merger Value. Following the transfer, the listing of the VCT II Shares will be cancelled and VCT II will be wound up.

The Merger is conditional upon the approval by the shareholders of the Company and VCT II of resolutions to be proposed at the Meetings and the VCT II Meetings and the other conditions set out in paragraph 8 of Part IV of this document.

### **Example:**

As at 31 December 2009, the unaudited NAVs of the Company's Shares (taken from the management accounts of the Company to 31 December 2009) were 57.06p per Ordinary Share, 72.54p per S2 Share and 93.37p per S3 Share. Had the Share Consolidation been completed at that date the conversion ratio into New Ordinary Shares would have been as follows:

	<b>Ordinary Shares</b>	<b>S2 Shares</b>	<b>S3 Shares</b>
NAV per share (A)	57.06p	72.54p	93.37p
NAV per S3 Share (B)	93.37p	93.37p	93.37p
Conversion ratio (A/B)	0.61	0.78	1

The merger with VCT II would then have been completed by reference to the Merger Value of a consolidated New Ordinary Share and the Roll-Over Value of a VCT II Share (as if the VCT II Ordinary Shares and VCT II C Shares were consolidated).

The opening unaudited NAV of the New Ordinary Shares in aggregate would have been £32,325,134 as at 31 December 2009. The Merger Value per New Ordinary Share (this being the unaudited NAV of the Company, after adjustments in relation to the Scheme and anticipated Merger costs, divided by the

number of New Ordinary Shares in issue following the Share Consolidation) would have been 88.75p had the Scheme been implemented on that date.

As at 31 December 2009, the unaudited NAV of the VCT II Shares in aggregate (taken from the unaudited management accounts of VCT II to 31 December 2009) was £25,888,482. The Roll-Over Value (this being the unaudited NAV of VCT II as at 31 December 2009, after adjustments in relation to the Scheme and anticipated Merger costs, divided by the number of VCT II Shares in issue) would have been 71.80p (assuming no dissenting VCT II shareholders) had the Scheme been implemented on that date.

The number of New Ordinary Shares to be issued to the VCT II shareholders would then have been calculated by multiplying the number of VCT II Shares in issue by the Merger Ratio, this being the VCT II Roll-Over Value divided by the Company's Merger Value. The New Ordinary shares would then have been split between the holders of VCT II Ordinary Shares and VCT II C Shares by reference to their unaudited NAVs as at 31 December 2009 (assuming no dissenting VCT II shareholders) and issued to each class of VCT II shareholders pro-rata to shareholdings on that date. This would effectively have given 0.84 New Ordinary Shares for every VCT II Ordinary Share held and 0.76 New Ordinary Share for every VCT II C Shareholder (assuming no dissenting VCT II shareholders) had the Merger been completed on 31 December 2009.

Further information regarding the terms of the Scheme is set out in Part IV of this document.

### **Dividends**

The Board declared interim capital dividends for the year ended 30 September 2009 of 3.5p per Ordinary Share and 2.5p per S2 Share, paid on the Dividend Payment Date to those holders of such Shares on the Company's register on the Dividend Record Date (i.e. prior to the Merger being effected). The Board declared the Dividends as interim dividends to allow for their early payment in light of the delay to the date of the Annual General Meeting to coincide with the Meetings. VCT II has also declared the VCT II Special Dividends of 6p per VCT II Ordinary Share and 0.45p per VCT II C Share, conditional on the Merger becoming effective. These VCT II Special Dividends will allow cash available within VCT II to be distributed to the holders of VCT II Shares on the register prior to the Merger becoming effective. The VCT II dividends (as these will be unpaid) will be taken into account as an adjustment in the calculation of the VCT II Roll-Over Value.

### **Board Changes**

The current board of each company comprises four non-executive directors. Both boards have discussed the size and future composition of the Enlarged Company's Board and it has been concluded that, subject to the Merger becoming effective, David Royds will resign as a Director of the Board and Malcolm Diamond and Jeremy Hamer (directors of VCT II) will be appointed as Directors of the Company. If the Merger is effected, although the number of Directors will increase to ensure continuity in board representation from both companies, the total of the directors' fees across both the Company and VCT II will reduce by £50,000 per annum. The Board will review the Board constitution and performance of the Board members following the passing of 12 months from the Merger.

On the assumption that the Merger is approved by Shareholders, I would like to take this opportunity to thank David Royds for the experience he has brought and the commitment he has shown to the Company over the nine years he has been on the Board.

### **Amendments to the Articles**

The Board proposes to adopt new Articles to reflect the Share Consolidation and Merger, as well as take the opportunity to update the Articles to reflect the new provisions introduced by the Companies Act 2006 which have come into force over the last two years.

A more detailed explanation of the material changes from the existing Articles is set out in Part V of this document.

### **Share Issue and Buy-Back Authorities**

In order to implement the Merger, the Company will need to authorise the Board to issue New Ordinary Shares pursuant to the Merger.

The Company will also take this opportunity to renew its authorities to issue up to 10 per cent. of its enlarged issued New Ordinary Share capital (having disapplied pre-emption rights) and buy-back up to 10,493,000 New Ordinary Shares.

### **Cancellation of the Share Premium Account**

One of the main principles of company law is that the capital of a company should be maintained and, therefore, a company with share capital must obtain proper consideration for the shares that it issues and must not return funds which have been subscribed for shares except in certain prescribed ways. The principle of maintenance of capital underlies various provisions of CA 2006 – for example, a company may only make distributions to its members out of distributable profits and a company may only buy-back its own shares in limited circumstances.

A company can, however, reduce its share capital in circumstances where creditors will not be adversely affected, provided that the company complies with certain procedural requirements. CA 2006 provides that a company may reduce its capital by special resolution if its articles of association contain the power to do so and subject to confirmation by the court. A special reserve will then be created from the sums set free from such a cancellation which can be regarded as a distributable reserve.

The Company has completed cancellations of its share premium accounts from each respective issue of Shares as at the date of such cancellation, and the special reserve created by these cancellations has assisted the Company in making distributions and buying back Shares. Additional share premium has, however, been created through new Share issues. The Merger will also create new share premium from the issue of New Ordinary Shares and the Board considers it appropriate to obtain Shareholder authority to cancel additional share premium to create (subject to court sanction) further distributable reserves.

A special resolution is, therefore, being proposed at the Extraordinary General Meeting to cancel the further amount standing to the credit of the Company's share premium account at the time of cancellation. The special reserve to be created following court sanction may be used to fund distributions to Shareholders and buy-backs, to set off or write off losses to and for other corporate purposes of the Company. Whilst Shareholder authority is being requested now, court sanction will only be applied for if and when the Board feels it is appropriate.

### **Taxation**

The following paragraphs apply to the Company and to persons holding Shares as an investment in the Company who are the absolute beneficial owners of such Shares and are resident in the UK. They may not apply to certain classes of persons such as dealers in securities. The information is based on current UK law and practice, is subject to changes therein, is given by way of general summary and does not constitute legal or tax advice. If you are in any doubt about your position, or if you may be subject to tax in a jurisdiction other than the UK, you should consult your independent financial adviser.

The Share Consolidation, the associated redesignations into first S3 Shares and then New Ordinary Shares and the purchase of Deferred Shares, will not constitute disposals of the existing Shares held in the Company for the purposes of UK taxation. Instead, the resulting New Ordinary Shares will be treated as having been acquired at the same cost and on the same date as the full original holding from which they arise (but allocated pro-rata between such New Ordinary Shares). Any capital gains tax deferral obtained on subscription will not, therefore, be triggered.

No UK stamp duty will be payable as a result of the Share Consolidation.

Clearances to the above effect have been obtained from HMRC under section 701 ITA 2007 and Section 138 TCGA 1992 as well as pursuant to VCT provisions.

The implementation of the Scheme should not affect the status of the Company as a VCT or the reliefs obtained by Shareholders on subscription for existing Shares. It is the intention of the Board to continue to comply with the requirements of ITA 2007 following implementation of the Merger so as to continue to qualify as a VCT.

### **Extraordinary General Meeting**

Notice of the Extraordinary General Meeting is set out at the end of this document. The Extraordinary General Meeting will be held at 3.30 pm on 25 February 2010 (or immediately following the Annual General Meeting convened for 3.00 pm on that date) at One Vine Street, London W1J 0AH to approve resolutions to implement the Proposals.

An explanation of the resolutions to be proposed at the Extraordinary General Meeting is set out below:

**Resolution 1** is a composite resolution to effect the Share Consolidation and adopt new Articles, subject to the Scheme becoming unconditional prior to it being effected.

Paragraph 1.1 of Resolution 1 will redesignate the relevant proportions of Ordinary Shares into S3 Shares and Deferred Shares by reference to the relative NAVs of the two classes.

Paragraph 1.2 of Resolution 1 will redesignate the relevant proportions of S2 Shares into S3 Shares and Deferred Shares by reference to the relative NAVs of the two classes.

Paragraph 1.3 of Resolution 1 will approve the amendment to the existing Articles and the subsequent adoption of new Articles to reflect the Merger and CA 2006. An explanation of the material changes from the existing Articles is set out in Part V.

Paragraph 1.4 will authorise the Company to re-purchase the Deferred Shares in accordance with the provisions of the new Articles adopted pursuant to paragraph 1.3.

Paragraph 1.5 will redesignate all S3 Shares into New Ordinary Shares.

**Resolution 2** is a composite resolution to approve the acquisition of all of the assets and liabilities of VCT II under the Scheme and issue New Ordinary Shares in connection with the Scheme.

Paragraph 2.1 of Resolution 2 will seek the approval of Shareholders for the purchase by the Company of all of the assets and liabilities of VCT II pursuant to the Scheme.

Paragraph 2.2 of Resolution 2 will authorise the Directors pursuant to Section 551 CA 2006 to allot New Ordinary Shares in the Company up to an aggregate nominal value of £300,000 (representing 60.5 per cent. of the issued Share capital of the Company as at 28 January 2010, this being the latest practicable date prior to publication of this document) in connection with the Scheme. The authority conferred by paragraph 2.2 of Resolution 2 will expire on the fifth anniversary of the date of the passing of this resolution unless renewed, varied or revoked by the Company in general meeting and will be in addition to existing authorities.

**Resolution 3** is a composite resolution to renew allotment and repurchase authorities.

Paragraph 3.1 of Resolution 3 will authorise the Directors pursuant to Section 551 CA 2006 to allot Shares in the Company up to an aggregate nominal value of £70,000 (representing 14.1 per cent. of the issued Share capital of the Company as at 28 January 2010, this being the latest practicable date prior to publication of this document) for the purpose set out in paragraph 3.2 of Resolution 3. The authority conferred by paragraph 3.1 of Resolution 3 will expire on the conclusion of the annual general meeting of the Company to be held in 2011 and will be in addition to existing authorities. At the date of this document the Board has no current intention to utilise this authority, but may do so if it believes it appropriate to raise a small amount of funds pursuant to top-up offers in the next 12 months.

Paragraph 3.2 of Resolution 3 will disapply pre-emption rights in respect of the allotment of up to an aggregate of 10 per cent. of the issued Share capital as at close of business on 10 March 2010, the proceeds of which may be used, in part or whole, to purchase the Company's own Shares in the market. The authority conferred by paragraph 3.2 of Resolution 3 will expire on the conclusion of the annual general meeting of the Company to be held in 2011 and will be in addition to existing authorities.

Paragraph 3.3 of Resolution 3 will authorise the Company to make market purchases of up to 10,493,000 Shares. Any Shares bought back under this authority will be at such price determined by the Board, but in accordance with the Listing Rules, and may be cancelled or held in treasury as may be determined by the Board. The authority conferred by paragraph 3.3 of Resolution 3 will expire on the conclusion of the annual general meeting of the Company to be held in 2011 and will be in addition to existing authorities. The Board intends to use this authority to implement its continuing buy-back policy.

**Resolution 4** will approve the Revised Management Arrangements with Unicorn AM though they will only be entered into if the Merger becomes effective.

**Resolution 5** will authorise the cancellation of the Share premium account of the Company at the date an order is made confirming such cancellation by the court.

The resolutions will be proposed as special resolutions requiring the approval of 75 per cent. of the votes cast at the Meeting.

### **Class Meetings**

Notices of an Ordinary Share Class Meeting, S2 Share Class Meeting and S3 Share Class Meeting are set out at the end of this document. These Class Meetings will be held at 3.40 pm, 3.45 pm and 3.50 pm on 25 February 2010 (or as soon thereafter as the Extraordinary General Meeting and the relevant previous meeting has been concluded) at One Vine Street, London W1J 0AH. The resolutions to be proposed at each Class Meeting will approve Resolutions 1 and 2 being proposed at the Extraordinary General Meeting and any variations to class rights resulting therefrom.

The resolutions at these Class Meetings will be proposed as extraordinary resolutions requiring the approval of 75 per cent. of the votes cast at the Class Meeting.

### **Action to be taken**

**Before taking any action, you are recommended to read the further information set out in this document.**

Shareholders will find attached at the end of this document the forms of proxy for use at the Meetings. Whether or not you propose to attend the Meetings, you are requested to complete and return the relevant forms of proxy attached so as to be received not less than 48 hours before the time appointed for holding of the relevant Meeting. Completion and return of forms of proxy will not prevent you from attending and voting in person at the Meetings should you wish to do so.

### **Recommendation**

The Board believes that the Proposals and all resolutions to be proposed at the Meetings are in the best interests of the Shareholders as a whole and unanimously recommends you to vote in favour of the resolutions to be proposed at the Meetings as they intend to do in respect of their own holdings of 80,000 Ordinary Shares, 51,187 S2 Shares and 72,100 S3 Shares representing approximately 0.26 per cent. of the issued Ordinary Share capital, 0.36 per cent. of the issued S2 Share capital, 1.45 per cent. of the issued S3 Share capital and 0.41 per cent. of the entire issued Share capital of the Company.

The Board, which has been so advised by Howard Kennedy, considers the Revised Management Arrangements with Unicorn AM to be fair and reasonable so far as the Shareholders of the Company are concerned. In providing its advice, Howard Kennedy has taken into account the Board's commercial assessment of the Revised Management Arrangements.

Unicorn AM is a related party of the Company under the Listing Rules and is interested in the Revised Management Arrangements. Unicorn AM does not hold any Shares and will not, therefore, be voting at the Meetings and has also undertaken to take all reasonable steps to ensure that any associates do not vote on Resolution 4 to be proposed at the Extraordinary General Meeting

Yours faithfully



**Peter Dicks**  
**Chairman**

## PART IV – THE SCHEME

### 1. Definitions and Interpretation

The definitions set out in Part I of this document shall have the same meanings when used in the context of this Part IV.

On or immediately prior to the Effective Date, Matrix-Securities Limited (on the instruction of the Liquidators) shall calculate the Merger Value and the Roll-Over Value in accordance with paragraph 4 below.

### 2. Provision of Information

On the Effective Date, the Liquidators shall receive all the cash, undertakings and other assets and liabilities of VCT II and shall deliver to the Company:

- particulars of all of the assets and liabilities of VCT II;
- a list certified by the registrars of the names and addresses of, and the number of shares and class held by, each of the shareholders of VCT II on the register at 5.30 pm on the Record Date;
- an estimate of the winding-up costs of VCT II which will form part of the costs of the Scheme; and
- the amount estimated to be required to purchase the holdings of any dissenting shareholders in VCT II.

### 3. Transfer Agreement

On the Effective Date, the Company and the Liquidators (on behalf of VCT II) will enter into the Transfer Agreement (subject to such modifications as may be agreed between the parties thereto) pursuant to which the Liquidators will procure the transfer of all of the assets and liabilities of VCT II to the Company in exchange for the issue of New Ordinary Shares (fully paid) to the shareholders of VCT II on the basis set out in paragraph 4 below.

In further consideration of such transfer of assets and liabilities of VCT II to the Company, the Company will, pursuant to the Transfer Agreement, undertake to pay all liabilities incurred by the Liquidators including but not limited to the implementation of the Scheme, the winding up of VCT II and the purchase for cash of any holdings of dissenting shareholders in VCT II.

### 4. Calculation of the Merger Value, the Roll-Over Value and the Number of New Ordinary Shares to be Issued

Except as otherwise provided for in the Scheme terms, for the purposes of calculating the Merger Value, the Roll-Over Value and the number of New Ordinary Shares to be issued, the following provisions will apply:

#### **VCT II**

The Roll-Over Value will be calculated as:

$$\frac{(A + B) - (C + D)}{E}$$

where:

- A = the unaudited net asset value of VCT II as at close of business on the Calculation Date, calculated in accordance with VCT II's normal accounting policies;
- B = any adjustment that both the Board and the VCT II Board (acting jointly) consider appropriate to reflect any other actual or contingent benefit or liability of VCT II (including the VCT II Special Dividends to be paid);
- C = VCT II's *pro rata* proportion (by reference to the Roll-Over Value and Merger Value, but ignoring Merger costs) of the costs of the Merger plus £10,000 (representing an amount of contingency to cover any unforeseen additional costs attributable to VCT II incurred by the

Company, which will indemnify the Liquidators in respect of all costs of VCT II following the transfer on the Effective Date);

D = the amount estimated to be required to purchase the holdings of VCT II Shares from dissenting VCT II shareholders; and

E = the number of VCT II Shares in issue following close of business on the Record Date (save for any VCT II Shares held by dissenting VCT II shareholders).

**The Company**

The Merger Value will be calculated as follows:

$$\frac{(F + G) - H}{I}$$

where:

F = the unaudited net asset value of the Company as at close of business on the Calculation Date, calculated in accordance with the Company's normal accounting policies;

G = any adjustment that both the Board and the VCT II Board (acting jointly) consider appropriate to reflect any other actual or contingent benefit or liability of the Company;

H = the Company's *pro rata* proportion (by reference to the relative Roll-Over Value and Merger Value, but ignoring merger costs) of the costs of the Merger; and

I = the number of the New Ordinary Shares in issue immediately following the Share Consolidation.

**New Ordinary Shares to be issued to VCT II shareholders**

The number of New Ordinary Shares to be issued to VCT II shareholders (save for any dissenting VCT II shareholders) will be calculated as follows:

Where:

$$\left( \frac{J}{K} \right) \times E$$

J = the Roll-Over Value;

K = the Merger Value; and

E = the number of VCT II Shares in issue as at close of business on the Record Date (save for any VCT II Shares held by dissenting VCT II shareholders).

The number of New Ordinary Shares to be allocated to the holders of VCT II Ordinary Shares shall be calculated as follows:

$$\left( \frac{A}{J} \right) \times L$$

where:

A = the unaudited net asset value of the VCT II Ordinary Shares in aggregate as at close of business on the Calculation Date, calculated in accordance with VCT II's normal accounting policies, less the amount estimated to be required to repurchase the holdings of VCT II Ordinary Shares from dissenting VCT II shareholders;

J = the unaudited net asset value of VCT II as at close of business on the Calculation Date, calculated in accordance with VCT II's normal accounting policies, less the amount estimated to be required to repurchase the holdings of VCT II Shares from dissenting VCT II shareholders; and;

L = the aggregate number of New Ordinary Shares to be issued to VCT II shareholders.

The number of New Ordinary Shares to be allocated to the holders of VCT II C Shares shall be calculated as follows:

$$L - M$$

where:

L = the aggregate number of New Ordinary Shares to be issued to VCT II shareholders; and

M = the number of New Ordinary Shares to be issued to the holders of VCT II Ordinary Shares.

The New Ordinary Shares allocated for issue to the holders within each class of share in VCT II shall be issued directly to such holders on the instruction of the Liquidators pro-rata to their holdings within such class (disregarding VCT II Shares held by dissenting VCT II shareholders).

Entitlements will be rounded down to the nearest whole number and any fractional entitlements (which will not exceed £5) will be sold in the market and the proceeds retained for the benefit of the Enlarged Company.

Where a VCT II shareholder holds their VCT II Shares in certificated form, they will receive a new certificate for the New Ordinary Shares issued and existing certificates will no longer be valid. VCT II shareholders who hold their VCT II Shares in CREST will have their CREST accounts credited with their new holding of New Ordinary Shares. Dividend payment mandates provided for VCT II Shares will, unless holders of VCT II Shares advise otherwise, be transferred to the Company.

Application has been made to the UKLA for the New Ordinary Shares to be listed on the Official List and will be made to the London Stock Exchange for such New Ordinary Shares to be admitted to trading on its market for listed securities. The New Ordinary Shares will rank *pari passu* with the existing issued New Ordinary Shares from the date of issue.

## **5. Modifications**

The provisions of the Scheme shall have effect subject to such non-material modifications or additions as the parties to the Transfer Agreement may from time to time approve in writing.

## **6. Reliance on Information**

The Liquidators and the Company shall be entitled to act and rely, without enquiry, on any information furnished or made available to them or any of them, as the case may be, in connection with the Scheme and the Transfer Agreement including, for the avoidance of doubt, any certificate, opinion, advice, valuation, evidence or other information furnished or made available to them by the Company, VCT II, the Board or the VCT II Board (or any individual director of the Company and VCT II), Unicorn AM, the registrar or the bankers of the Company and VCT II or its or their other professional advisers and the Liquidators shall not be liable or responsible for any loss suffered as a result thereof.

## **7. Liquidators' Liability**

Nothing in the Scheme or in any document executed under or in connection with the Scheme shall impose any personal liability on the Liquidators or either of them save for any liability arising out of any negligence, breach of duty or willful default by the Liquidators in the performance of their duties and this shall, for the avoidance of doubt, exclude any such liability for any action taken by the Liquidators in accordance with the Scheme or the Transfer Agreement.

## **8. Conditions**

The Scheme is conditional upon:

- the passing of Resolutions 1 and 2 to be proposed at the Extraordinary General Meeting;
- the passing of the resolutions to be proposed at the Class Meetings;
- notice of dissent not having been received from VCT II shareholders holding more than 10 per cent. in nominal value of its issued share capital under Section 111 IA 1986 (this condition may be waived by the Board and the VCT II Board); and

- the passing of the resolutions to be proposed at the VCT II Meetings.

Subject to the above, the Scheme shall become effective immediately after the passing of the special resolution for the winding up of VCT II to be proposed at the VCT II Second Extraordinary General Meeting. If it becomes effective, the Scheme shall be binding on all Shareholders and all persons claiming through or under them.

If the conditions set out above have not been satisfied by 30 April 2010, the Scheme shall not become effective and the Company will continue in its current form. The Board will continue to review all options available to it regarding the future of the Company.

#### **9. Dissenting VCT II Shareholders**

The Liquidators will offer to purchase the holdings of dissenting VCT II shareholders at the break value price of the relevant class of share, this being an estimate of the amount a holder of such shares would receive in an ordinary winding-up of VCT II if all of the assets of VCT II had to be realised. The break value of both an VCT II Ordinary Share and an VCT II C Share is expected to be significantly below the unaudited net asset values of such shares.

#### **10. Governing Law**

The Scheme shall, in all respects, be governed by and construed in accordance with the laws of England and Wales.

## **PART V – AMENDMENTS TO THE ARTICLES**

### **1. General**

The proposed amendments to the current Articles (for the purposes of this Part V, the “Current Articles”) reflect changes in the law under the CA 2006 that came into force between 2007 and 2009 as amended by the Companies (Shareholders’ Rights) Regulations 2009 (the “Shareholders’ Rights Regulations”) and to make certain clarifying and conforming changes.

### **2. The Company’s Objects**

The provisions regulating the operations of the Company are currently set out in the Current Articles and the Memorandum. The Company’s Memorandum contains the objects clause which sets out the scope of the activities the Company is authorised to undertake. This clause is drafted to give a wide scope.

Under the CA 2006, the objects clause and all other provisions which are currently contained in a company’s Memorandum, are from 1 October 2009, deemed to be contained in a company’s articles and can be removed by special resolution.

The CA 2006 further states that unless a company’s articles provide otherwise, a company’s objects are unrestricted. This abolishes the need for companies to have objects clauses. For this reason the Company is proposing to remove its objects clause, together with all other provisions of its Memorandum which, by virtue of the CA 2006, are to be treated as forming part of the Company’s Articles as of 1 October 2009. The limited liability of members will be preserved in the articles to be adopted pursuant to Resolution 1.3 (for the purposes of this Part V, the “New Articles”). Resolution 1.3 confirms the removal of these provisions for the Company.

### **3. Change of Name**

Currently, a company can only change its name by special resolution. The CA 2006 additionally allows directors to resolve to change a company’s name, provided they are so authorised by that company’s articles. The New Articles will give the Directors this power.

### **4. Authorised Share Capital**

The CA 2006 abolishes the requirement for a company to have an authorised share capital and the Current Articles are being amended to reflect this. The Directors will still be limited as to the number of shares they can at any time allot because allotment authority continues to be required under the CA 2006.

### **5. Redeemable Shares**

At present if a company wishes to issue redeemable shares, it must include in its articles the terms and manner of redemption. The CA 2006 enables directors to determine such matters instead, provided they are so authorised by the articles. The New Articles will contain such an authorisation. The Company has no plans to issue redeemable shares but if it did so the Directors would seek shareholders’ authority to issue new shares in the usual way.

### **6. Deferred Shares and the Authority to Purchase own Shares etc**

Pursuant to the Share Consolidation Deferred Shares will be created which will have the following rights and restrictions:

- (a) Dividends – the Deferred Shares will have the right to receive a fixed cumulative preferential dividend from the revenue profits of the Company which are available for distribution and which the Directors determine to distribute by way of dividend in priority to any dividend payable on the Ordinary Share capital at the rate of 1p per annum in aggregate to be paid amongst the holder of Deferred Shares as a class. The Deferred Shares will carry no further right to a dividend.
- (b) Voting – the Deferred Shares will not have any rights to receive notice of, attend or vote at a general meetings.
- (c) Return of Capital – the Deferred Shares will have on a winding-up, a preferential right to be paid out of the assets available for distribution an amount equal to 1p for all the Deferred

Shares prior to the surplus being distributed to the holders of Ordinary Shares. The Deferred Shares shall have no further rights to participate in any surplus assets of the Company.

- (d) Purchase by the Company – the Deferred Shares shall be capable of being purchased by the Company at any time for an aggregate consideration of 1p (and for such purpose the Directors may authorise any person to execute on behalf of and as attorney for the holders of the Deferred Shares an appropriate contract and may deliver it for them on their behalf) and each Deferred Share so purchased or then unissued shall thereafter be cancelled and redesignated as an Ordinary Share without any further resolution or consent.
- (e) General – the Company shall not be obliged to (i) issue share certificates in respect of the Deferred Shares, (ii) give any prior notice to the holders of Deferred Shares that such shares are to be purchased in accordance with the Articles or (iii) account to any holder of Deferred Shares for the purchase money in respect of the purchase of such shares.

Under the CA 1985, a company required specific enabling provisions in its articles to purchase its own shares, to consolidate or sub-divide its shares and to reduce its share capital or other undistributable reserves as well as shareholder authority to undertake the relevant action. The Current Articles include these enabling provisions. Under the CA 2006 a company will only require shareholder authority to do any of these things and it will no longer be necessary for articles to contain enabling provisions. Accordingly the relevant enabling provisions have been removed in the New Articles.

#### **7. Uncertificated Securities**

The Current Articles are being updated to permit and deal with the holding of shares in the Company in uncertificated form, such as through CREST, in line with market practice.

#### **8. Suspension of Registration of Share Transfers**

The Current Articles permit the Directors to suspend the registration of transfers. Under the CA 2006, share transfers must be registered as soon as practicable. The power in the Current Articles to suspend the registration of transfers is inconsistent with this requirement and therefore is being removed.

#### **9. Convening Extraordinary and Annual General Meetings**

The New Articles remove provisions in the Current Articles dealing with notice of general meetings on the basis that this is dealt with in the CA 2006. Annual general meetings must be held on 21 clear days' notice. The Shareholders' Rights Regulations amend the CA 2006 to require a company to give 21 clear days' notice of general meetings (other than annual general meetings) unless that company offers members an electronic voting facility and a special resolution reducing the period of notice to not less than 14 days has been passed.

#### **10. General Meetings**

The New Articles will also provide the Directors and the chairman of any general meeting with the power to make arrangements for good order at general meetings and to ensure the safety and security of attendees. The New Articles also permit general meetings to be held at several locations and to allow participation in general meetings by electronic means.

#### **11. Adjournments for Lack of Quorum**

Under the CA 2006 as amended by the Shareholders' Rights Regulations, general meetings adjourned for lack of quorum must be held at least 10 clear days after the original meeting. The New Articles reflect this requirement.

#### **12. Votes of Members**

Under the CA 2006 proxies are entitled to vote on a show of hands whereas under the Current Articles proxies are only entitled to vote on a poll. The time limits for the appointment or termination of a proxy appointment have been altered by the CA 2006 so that the articles cannot provide that they should be received more than 48 hours before the meeting or in the case of a poll taken more than 48 hours after the meeting, more than 24 hours before the time for the taking of a poll, with weekends and bank holidays being permitted to be excluded for this purpose. Multiple proxies may be appointed by a shareholder provided that each proxy is appointed to exercise the rights

attached to a different share held by the shareholder. The New Articles reflect all of these new provisions. The New Articles also deal with persons who hold more than one proxy.

**13. Chairman's Casting Vote**

The New Articles remove the provision giving a chairman of a general meeting a casting vote in the event of an equality of votes as this is no longer permitted under the CA 2006.

**14. Voting Record Date**

Under the CA 2006 as amended by the Shareholders' Rights Regulations a company must determine the right of members to vote at a general meeting by reference to the register not more than 48 hours before the time for the holding of the meeting, not taking account of days which are not working days. The Current Articles have been amended to reflect this requirement.

**15. Corporate Representatives**

The Shareholders' Rights Regulations have amended the CA 2006 in order to enable multiple representatives appointed by the same corporate member to vote in different ways on a show of hands and a poll. The New Articles contain provisions which reflect these amendments.

**16. Appointment and Retirement of Directors**

The Current Articles contain a provision imposing an age limit on directors. Such provision could now fall foul of the Employment Equality (Age) Regulations 2006 and so has been removed from the New Articles.

**17. Board Meetings**

Directors who are absent from the United Kingdom will now be entitled to notice of board meetings. The New Articles also expand the ability of the Board to hold meetings electronically.

**18. Directors' Interests**

Article 124 of the Current Articles is being amended so that a director may vote and be counted in the quorum in relation to contracts and arrangements with a company in which he and his connected persons hold less than one per cent of the share capital.

**19. Use of Seals**

Under the CA 1985, a company required authority in its articles to have an official seal for use abroad. Under the CA 2006, such authority will no longer be required. Accordingly, the relevant authorisation has been removed in the New Articles.

The New Articles provide an alternative option for execution of documents (other than share certificates). Under the New Articles, when the seal is affixed to a document it may be signed by one authorised person in the presence of a witness, whereas previously the requirement was for signature by either a director and the secretary or two directors or such other person or persons as the directors may approve.

**20. Electronic and Web Communications**

Provisions of the CA 2006 which came into force in January 2007 enable companies to communicate with members by electronic and/or website communications. The New Articles will permit communications to members in electronic form and, in addition, they will also permit the Company to take advantage of the new provisions relating to website communications. Before the Company can communicate with a member by means of electronic or website communications, the relevant member must be asked individually by the Company to agree that the Company may send or supply documents or information to him by those means. In the case of website communication, the Company must either have received a positive response or have received no response within the period of 28 days beginning with the date on which the request was sent. The Company will notify the member (either in writing, or by other permitted means) when a relevant document or information is placed on the website and a member can always request a hard copy version of the document or information.

**21. Indemnity, Insurance and Defence Expenditure**

The CA 2006 has in some areas widened the scope of the powers of a company to indemnify directors and to fund expenditure incurred in connection with certain actions against directors. The New Articles reflect these new provisions.

**22. Other**

Generally the opportunity has been taken to bring clearer language into the New Articles; to update the language used in the Current Articles, to take account of other legislative changes which do not have a material impact and in some areas to conform the language of the New Articles with that used in the model articles for public companies produced by the Department for Business, Innovation and Skills.

## PART VI – ADDITIONAL INFORMATION

### 1. Responsibility

The Directors and the Proposed Directors, whose names appear in paragraph 3 below, accept responsibility for the information contained in this document. To the best of the knowledge and belief of the Directors and the Proposed Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

### 2. Share Capital

2.1 As at 28 January 2010 (this being the latest practicable date prior to the publication of this document), the authorised and issued share capital of the Company was as follows:

	Authorised		Issued and fully paid	
	No. of Shares	£	No. of Shares	£
Ordinary Shares (1p each)	40,000,000	400,000	30,218,014	302,180.14
S2 Shares (1p each)	25,000,000	250,000	14,412,121	144,121.21
S3 Shares (1p each)	30,000,000	300,000	4,958,036	49,580.36

2.2 As at 28 January 2010 (this being the latest practicable date prior to the publication of this document), no share or loan capital of the Company was under option or had been agreed, conditionally or unconditionally, to be put under option, nor did the Company hold any share capital in treasury.

### 3. Directors and their Interests

3.1 The names and business addresses of the Directors, all of whom are non-executive, are as follows:

- Peter Dicks (Chairman)
- James Grossman
- David Royds
- Jocelin Harris

all of One Vine Street, London W1J 0AH (the registered office of the Company).

The Proposed Directors are

- Malcolm Diamond
- Jeremy Hamer

both of whom will also be non-executive.

3.2 As at 28 January 2010 (this being the latest practicable date prior to publication of this document), the interests of the Directors and the Proposed Directors (and their immediate families) in the issued share capital of the Company and VCT II were as follows:

	Company				% of Share Capital
	Ordinary Shares	S2 Shares	S3 Shares	Total Shares	
Peter Dicks	50,000	25,625	25,750	101,375	0.20
James Grossman	–	–	–	–	–
David Royds	20,000	25,562	25,750	71,312	0.14
Jocelin Harris	10,000	–	20,600	30,600	0.06
Malcolm Diamond	–	–	–	–	–
Jeremy Hamer	–	–	–	–	–

	VCT II			% of VCT II
	Ordinary Shares	C Shares	Total Shares	Share Capital
Peter Dicks	–	–	–	–
James Grossman	–	–	–	–
David Royds	–	–	–	–
Jocelin Harris	–	–	–	–
Malcolm Diamond	10,550	10,300	20,850	0.06
Jeremy Hamer	15,412	10,300	25,712	0.08

3.3 None of the Directors has a service agreement with the Company, nor are any such contracts proposed. The Directors were appointed under letters of appointment dated 1 October 2001 in respect of Peter Dicks and David Royds, 25 April 2006 in respect of Jocelin Harris and 15 January 2009 in respect of James Grossman. All appointments may be terminated on three months' notice. No arrangements have been entered into by the Company, entitling the Directors to compensation for loss of office. David Royds and James Grossman are entitled to annual fees of £15,000, whilst Jocelin Harris (as the senior independent director as the current audit committee chairman) is entitled to £17,500 and Peter Dicks (as chairman) is entitled to £20,000. The Proposed Directors will be appointed on the same terms as the existing Directors on an annual fee of £17,500 for Jeremy Hamer and £15,000 for Malcolm Diamond (save that £12,500 of Jeremy Hamer's fee and £10,000 of Malcolm Diamond's fee will be paid to them via their consultancy companies). Subject to the Merger becoming effective, Jocelin Harris will step down as chairman of the Audit Committee (though he will retain his appointment as senior independent director) and will be replaced by Jeremy Hamer. Fees paid to the Directors in respect of the year ended 30 September 2009 were £63,164. If the Merger did not take place aggregate emoluments for the current year are expected to be £67,500. If the Merger is effected, emoluments per annum are expected to be £85,000, which, whilst it is an increase, will be a reduction on the aggregate emoluments across both the Company and VCT II of £50,000. No amounts have been put aside to provide pensions, retirement or similar benefits to any Directors.

3.4 David Royds is a director of Matrix-Securities Limited, the Company's secretary and administrator, and is interested in the contracts referred to at paragraphs 5.1.4, 5.1.5, 5.1.7 and 5.1.8 below. Matrix-Securities Limited has also on occasion acted as promoter to the Company in respect of fundraisings since 1 October 2006. David Royds is a director and shareholder of Matrix Group Limited which (i) holds a controlling stake in Matrix Corporate Capital LLP, which acts as broker to the Company; and (ii) is the parent company of the wholly owned subsidiary Matrix-Securities Limited.

3.5 The Directors are shareholders in the following companies in which the Company has invested:

Director	Investee company
Peter Dicks	Keycom plc Supporta plc Mears Group plc
Jocelin Harris	Keycom plc Mears Group plc
James H Grossman	Abcam plc Mears Group

3.6 Save as set out in paragraph 3.4 and 3.5 above, there are no potential conflicts of interest between the duties of any Director or Unicorn AM and their private interests and/or duties.

3.7 Other than disclosed in this paragraph 3, no Director is or has been interested in any transaction which is or was unusual in its nature or conditions or significant to the business of the Company and which was effected by the Company in the years ended 30 September 2007, 2008 and 2009 or in the current financial year or which was effected in an earlier financial year and remains in any respect outstanding or unperformed.

#### 4. Substantial Shareholders

As at 28 January 2010 (this being the latest practicable date prior to publication of this document), the Company is not aware of any person who, immediately following the issue of the New Ordinary Shares pursuant to the Scheme, directly or indirectly, has or will have an interest in the Company's capital or voting rights which is notifiable under UK law (under which, pursuant to CA 2006 and the Listing Rules and the Disclosure & Transparency Rules of the FSA, a holding of 3 per cent. or more must be notified to the Company).

#### 5. Material Contracts

5.1 Save as disclosed in this paragraph 5.1, the Company has not entered, other than in the ordinary course of business, into any contract which is or may be material to the Company within the two years immediately preceding the publication of this document or into any contract containing provisions under which the Company has any obligation or entitlement which is material to the Company as at the date of this document:

5.1.1 A management agreement dated 1 October 2001 between the Company (1) and Unicorn AM (2) pursuant to which Unicorn AM provides certain management services to the Fund for a fee payable quarterly in advance at a rate of 2 per cent. per annum of the NAV of the Company calculated in accordance with the Company's normal accounting policies. The agreement is terminable by either party on 12 months' notice subject to earlier termination by either party in the event of, *inter alia*, a party having a receiver, administrator or liquidator appointed or committing a material breach of the agreement or by the Company if it fails to become, or ceases to be, a VCT for tax purposes or where Unicorn AM ceases to be authorised by the Financial Services Authority or if there is a change in control of Unicorn AM. The agreement contains provisions indemnifying Unicorn AM against any liability not due to its default, gross negligence, fraud or breach of the Financial Services and Markets Act 2000.

5.1.2 A supplemental management agreement dated 20 January 2004 was entered into between the parties in relation to the S2 Share fund on the same terms and conditions as the original management agreement.

5.1.3 A second supplemental management agreement dated 22 February 2007 was entered into between the parties in relation to the S3 Share fund on the same terms and conditions as the original management agreement.

5.1.4 A performance incentive agreement dated 1 October 2001 between the Company (1), Unicorn AM (2) and Matrix-Securities Limited (3) pursuant to which Unicorn AM and Matrix-Securities Limited (the "Recipients") are entitled to receive performance related incentive fees subject to the Ordinary Share fund achieving certain defined targets.

No incentive fee is payable until the Ordinary Share fund has provided a return to investors of 80p over the initial net asset value per Ordinary Share of which 60p per Ordinary Share must have been returned to investors by way of dividend.

The incentive fee is calculated as 20 per cent. of the amount by which the growth in net asset value exceeds an agreed benchmark. The agreed benchmark is the net asset value of 94.5p per Ordinary Share as increased in line with the base rate of National Westminster Bank plc averaged over a financial period plus 2 per cent per annum on a compound basis for each financial year.

The net asset value referred to above will be adjusted to reflect any change in capital structure.

The incentive fee is subject to a maximum payment in any year of 5 per cent. of the Company's net asset value attributable to the Ordinary Shares unless otherwise agreed by the Board's independent directors. Any balance unpaid will be carried forward and paid at the end of the following year or years. Interest will be added to any deferred payments calculated at the prevailing bank rate.

If a performance fee is paid in any year, the net asset value at the start of the following year will be rebased to exclude the performance fee paid in the previous year.

The incentive fee will be allocated 85 per cent. to Unicorn AM and 15 per cent. to Matrix-Securities Limited.

The agreement will terminate automatically if the Company enters into liquidation or if a receiver or manager is appointed or if a resolution is passed that the Company is voluntarily wound up in

accordance with the Articles or the management agreement referred to at paragraph 5.1.1 is terminated.

5.1.5 A supplemental performance incentive agreement dated 20 January 2004 was entered into between the parties in relation to the S2 Share fund on the same basis as the original performance incentive agreement referred to in paragraph 6.5 above.

5.1.6 A second supplemental performance incentive agreement dated 19 February 2007 was entered into between the parties pursuant to which Unicorn AM is entitled to receive performance incentive fees in relation for the S3 Shares fund.

Unicorn AM will receive performance incentive fees of 20 per cent of any excess above 6p per S3 Share of the annual dividends paid to S3 Shareholders subject to the Company achieving a NAV per S3 Share of 100 pence or more as calculated in the annual report and accounts for the year relating to payment. Any cumulative shortfalls below the 6p per annum dividend hurdle after the financial period ending on 30 September 2010 will have to be made up in later years.

The second supplemental performance incentive agreement will terminate automatically if the Company enters into liquidation or if a receiver or manager is appointed or if a resolution is passed that the Company is voluntarily wound up in accordance with the Articles.

5.1.7 An agreement dated 1 October 2001 (as amended to take account of the S2 Shares and S3 Shares) between the Company (1) and Matrix-Securities Limited (2) pursuant to which Matrix-Securities Limited agreed to provide secretarial services to Company for an initial period of 3 years and which is terminable by either party at any time thereafter by 12 months' notice subject to earlier termination by the Company in the event of Matrix-Securities Limited having a receiver, administrator or liquidator appointed or ceasing to or threatening to cease carrying on its business or have committed a serious breach of its obligations under this agreement and not remedying the breach within 90 days of being given notice by the Company. Under this agreement Matrix-Securities Limited will be entitled to an annual fee of 0.075 per cent. (plus VAT) of the aggregate amount raised by the Company pursuant to the issue of Shares (subject to a minimum annual fee of £10,500 plus VAT).

A deed of variation has been entered into between the parties in respect of the secretarial and accountancy services which provides (subject to the Merger becoming effective) to the Company (as set out above and at paragraph 5.1.8 below). This deed will provide for a new initial three year appointment term from the Effective Date of the Merger, subject to 12 months' notice which may be given by either party after the second year. The annual fee for providing both secretarial and accountancy services will be amended to £144,500 (plus VAT) in respect of the period to the third anniversary of the date on which the Merger becomes effective and thereafter £137,500 plus VAT (the latter to be increased in the fourth anniversary of the Merger becoming effective, and every anniversary of the Merger becoming effective thereafter, by the annual percentage increase in the Retail Price Index for the preceding 12 months. This deed will only become effective if the Merger becomes effective.

5.1.8 An agreement dated 1 October 2001 (as amended to take account of the S2 Shares and S3 Shares) between the Company (1) and Matrix-Securities Limited (2) pursuant to which Matrix-Securities Limited has agreed to provide accounting services to the Company for an initial period of 3 years and which is terminable by either party at any time thereafter by 12 months' notice subject to earlier termination by the Company in the event of Matrix-Securities Limited having a receiver, administrator or liquidator appointed or ceasing to or threatening to cease carrying on its business or have committed a serious breach of its obligations under this agreement and it has not remedied the breach within 90 days of being given notice by the Company. Under this agreement Matrix-Securities Limited is entitled to annual fee of 0.175 per cent. of the aggregate amount raised by Company pursuant to the issue of Shares (subject to a minimum annual fee of £24,500 plus VAT).

As set out in paragraph 5.1.7 above this agreement has been varied by a deed of variation, subject to the Merger becoming effective.

5.1.9 An agreement dated 28 January 2010 between the Company, the Directors, Unicorn AM and Howard Kennedy pursuant to which Howard Kennedy will act as sponsor to the Company. Under the agreement, which may be terminated by Howard Kennedy in certain circumstances, certain warranties have been given by the Company, the Directors and Unicorn AM to Howard Kennedy. The Company has also agreed to indemnify Howard Kennedy in respect of its role as sponsor. The

warranties and indemnity are in usual form for a contract of this type. The agreement may be terminated if any statement in the Prospectus is untrue, any material omission from the Prospectus arises or any breach of warranty occurs

5.2 The following contracts will be entered into, subject, *inter alia*, to the Scheme becoming unconditional:

5.2.1 A transfer agreement between the Company and VCT II (acting through the Liquidators) pursuant to which all of the assets and liabilities of VCT II will be transferred to the Company (subject only to the consent required to transfer such assets and liabilities) in consideration for New Ordinary Shares in accordance with Part IV of this document. The Liquidators will further agree under this agreement that all sale proceeds and/or dividends received in respect of the underlying assets of VCT II will be transferred on receipt to the Company as part of the Scheme. This agreement will be entered into as part of the Scheme.

5.2.2 An indemnity from the Company to the Liquidators pursuant to which the Company will indemnify the Liquidators for expenses and costs incurred by them in connection with the Scheme. A liquidation fee has been agreed (including an amount representing contingency) and taken into account in the merger calculations. This agreement will be entered into as part of the Scheme.

5.3 The following contracts will be entered into, subject to the approval by Shareholders of Resolution 3 to be proposed at the Extraordinary General Meeting and the Merger becoming effective:

5.3.1 A deed of variation between the Company (1) and Unicorn AM (2) to the management agreement referred to at paragraphs 5.1.1 to 5.1.3 above pursuant to which Unicorn AM's appointment will be subject to a new initial three year appointment term from the Effective Date of the Merger, subject to 12 months' notice which may be given by either party after the second year.

5.3.2 A deed of termination between the Company (1), Unicorn AM (2) and Matrix-Securities Limited (3) terminating the performance incentive agreements referred to at paragraphs 5.1.2. to 5.1.6.

5.3.3 A new performance incentive agreement between the Company (1) and Unicorn AM (2) whereby Unicorn AM will receive performance incentive fees in relation to the Enlarged Company effective from the accounting periods after 30 September 2010 (Unicorn AM having agreed to forego any incentive fee for the current year.

Unicorn AM will receive performance incentive fees of 20 per cent. of any excess of annual distributions above 6p per New Ordinary Share paid to Shareholders subject to the Company achieving a NAV per New Ordinary Share equal to or more than the opening NAV per New Ordinary Share immediately following the Merger, as calculated in the annual report and accounts for the year relating to payment. Any cumulative shortfalls below the 6p per annum dividend hurdle will have to be made up in later years. Such payment will continue to be subject to a NAV maintenance 'high-watermark test' but, in light of the Merger and the contribution Unicorn AM has agreed to make to the costs of the Merger, this will be rebased to the closing average NAV per New Ordinary Share equal to the NAV of a New Ordinary Share as at 30 September 2010 (i.e. the date from which the revised performance incentive fee will apply).

The agreement will terminate automatically if the Company enters into liquidation or if a receiver or manager is appointed or if a resolution is passed that the Company is voluntarily wound up in accordance with the Articles.

## **6. Trail Commission**

6.1 At the time of launch, each of the share classes within both companies undertook to pay trail commission up to cumulative maximum limits ranging from 2.25% to 4.5% of the original offer price of each share class when launched. None of the share classes has as yet reached their maximum percentage. All five classes of shares across both companies are at different stages of reaching their particular maximum. The merger of all five share classes means that it will no longer be possible to measure attainment of the particular maximum attributable to an individual share class.

6.2 The Board is mindful of the need to be fair to all intermediaries whose clients still hold shares since their original issue. Accordingly, the Board has agreed that the administrator will obtain the latest number of shares in each class that still rank for trail commission, prior to the Merger. The weighted average of the maximum limit for each share class, and the weighted average of the percentage of attaining each share class's maximum limit, will be calculated, to produce one revised maximum

limit and one value for the percentage of this maximum limit that has been achieved to date. A new single register will be created, to record the new number of shares that still rank as eligible for trail commission, and trail commission will then be paid to the intermediary representing those shares in the normal manner, up to the revised weighted average limits calculated just before the Merger. It is expected that this revised arrangement will apply for the year ending 30 September 2010.

- 6.3 For the Company, trail commission for the year ended 30 September 2009 will be paid once the accounts have been approved. For VCT II, trail commission will be similarly paid, based upon the unaudited net asset value at 31 December 2009.

## **7. General**

- 7.1 The Company was incorporated and registered in England and Wales under CA 1985 as a public company with limited liability on 7 August 2001 with registered number 04266437. The principal legislation under which the Company operates is the Companies Acts (and regulations made thereunder). The legal and commercial name of the Company is Unicorn AIM VCT plc. The Company is domiciled in England.
- 7.2 Statutory accounts of the Company for the years ended 30 September 2007 and 2008 in respect of which the Company's auditors, PKF (UK) LLP, have made unqualified reports under Section 235 CA 1985, have been delivered to the Registrar of Companies and such reports did not contain any statements under Sections 237(2) or (3) CA 1985. Statutory accounts of the Company for the year ended 30 September 2009 in respect of which the Company's auditors, PKF (UK) LLP, have made unqualified reports under Section 495 CA 2006, will be delivered to the Registrar of Companies following the Annual General Meeting and such reports do not contain any statements under Section 495 to Section 497A CA 2006.
- 7.3 Save for the fees paid to the investment manager under the arrangements set out at paragraphs 5.1.1 to 5.1.6, the fees paid to Matrix-Securities Limited as secretary and administrator to the Company set out at paragraphs 5.1.4 to 5.1.8, fees paid to Matrix Corporate Capital LLP of £0, £0, £8,000 and £3,450 in the years ended 30 September 2007, 2008 and 2009 and to date in the current financial year respectively and the fees paid to the Directors as detailed in paragraph 3.4 above, there were no related party transactions or fees paid during the years ended 30 September 2007, 2008 and 2009 or to date in the current financial year.
- 7.4 The Company is not and has not been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Company is aware) since incorporation which may have, or have had in the recent past, significant effects on the Company and/or its financial position or profitability.
- 7.5 The Company has no employees or subsidiaries.
- 7.6 There has been no significant change in the financial or trading position of the Company since 30 September 2009, the date to which the last audited financial statements of the Company have been published.
- 7.7 Howard Kennedy has given and not withdrawn its written consent to the issue of this document and the inclusion of its name and the references to it in this document in the form and context in which they appear.

## **8. Information Incorporated by Reference**

Details relating to Unicorn AM set out in Part III of the Prospectus are incorporated into Part III (page 30 under Unicorn AM and the Revised Management Arrangements) of this document.

## **9. Documents Available for Inspection**

Copies of the following documents will be available for inspection during normal business hours on any day (Saturdays, Sundays and public holidays excepted) from the date of this document until the Effective Date at the offices of Martineau at 35 New Bridge Street, London EC4V 6BW and also at the registered office of the Company:

- 9.1 the memorandum and existing articles of association of the Company and the articles proposed to be adopted at the Extraordinary General Meeting;

- 9.2 the audited report and accounts of the Company for the financial years ended 30 September 2007, 2008 and 2009;
- 9.3 the audited report and accounts of VCT II for the financial years ended 31 December 2006, 2007 and 2008 and the unaudited half-yearly report of VCT II for the six month period ended 30 June 2009;
- 9.4 the material contracts referred to in paragraph 5 above;
- 9.5 the consent referred to at paragraph 7.7 above;
- 9.6 the VCT II Circular dated 29 January 2010;
- 9.7 the Prospectus dated 29 January 2010; and
- 9.8 this document.

29 January 2010

# UNICORN AIM VCT PLC

(Registered in England and Wales with registered number 04266437)

## NOTICE OF EXTRAORDINARY GENERAL MEETING

Notice is hereby given that an extraordinary general meeting of Unicorn AIM VCT plc (“the Company”) will be held at 3.30 pm on 25 February 2010 (or as soon thereafter as the annual general meeting of the Company convened for 3.00 pm on that day has concluded) at One Vine Street, London W1J 0AH for the purposes of considering and, if thought fit, passing the following resolutions, which will be proposed as special resolutions:

### Special Resolutions

1. That, subject to the Scheme, as defined in the circular to shareholders of the Company dated 29 January 2010 (“Circular”) becoming unconditional:
  - 1.1 in respect of each holder of ordinary shares of 1p each in the capital of the Company (“Ordinary Shares”), such number of Ordinary Shares as is represented by X (rounded down to nearest whole number) in the following formula be and hereby are redesignated as series 3 ordinary shares of 1p each in the capital of the Company (“S3 Shares”), the balance to be redesignated as deferred shares in the capital of the Company (“Deferred Shares”) having the rights and restrictions set out in the articles of association to be adopted pursuant to paragraph 1.3 below:

$$X=S \times \left( \frac{O \text{ NAV}}{S_3 \text{ NAV}} \right)$$

where:

S = the number of Ordinary Shares held as at close of business on 8 March 2010;

O NAV = the unaudited NAV of an Ordinary Share as at close of business on 8 March 2010; and

S<sub>3</sub> NAV = the unaudited NAV of a S3 Share as at close of business on 8 March 2010.

- 1.2 in respect of each holder of series 2 ordinary shares of 1p each in the capital of the Company (“S2 Shares”), such number of S2 Shares as is represented by X (rounded down to nearest whole number) in the following formula be and hereby are redesignated as S3 Shares, the balance to be redesignated as Deferred Shares having the rights and restrictions set out in the articles of association to be adopted pursuant to paragraph 1.3 below:

$$X=S \times \left( \frac{S_2 \text{ NAV}}{S_3 \text{ NAV}} \right)$$

where:

S = the number of S2 Shares held as at close of business on 8 March 2010;

S<sub>2</sub> NAV = the unaudited NAV of a S2 Share as at close of business on 8 March 2010; and

S<sub>3</sub> NAV = the unaudited NAV of a S3 Share as at close of business on 8 March 2010.

- 1.3 the existing articles of association of the Company:
  - 1.3.1 be amended by deleting all the provisions of the Company’s memorandum of association which, by virtue of section 28 of the Companies Act 2006, are to be treated as provisions of the articles of association; and
  - 1.3.2 be substituted by the articles of association produced to the meeting and initialled by the chairman for identification and such articles of association hereby are adopted as the articles of association (“Articles”) in place of the existing articles of association of the Company;
- 1.4 the Company, acting by its Directors, be and hereby is authorised to enter into a contract to purchase all the issued Deferred shares following the redesignations referred to in paragraphs 1.1 and 1.2 above in accordance with the Articles to be adopted pursuant to paragraph 1.3 above (in the form tabled at the meeting and initialled by the chairman for the purposes of identification and which as at the date of the meeting has been on display at the Company’s registered office and

available for inspection by members for not less than 15 days), such authority to expire 18 months' from the date of the passing of this resolution; and

1.5 that all of the issued and unissued S3 Shares including (for the avoidance of doubt) those arising from the redesignations pursuant to paragraphs 1.1 and 1.2 above be and hereby are redesignated as ordinary shares of 1p each in the capital of the Company.

2. That, subject to the Scheme becoming unconditional:

2.1 the acquisition of the assets and liabilities of Unicorn AIM VCT II plc on the terms set out in the Circular be and hereby is approved; and

2.2 in substitution for all subsisting authorities to the extent unused the directors of the Company be and are hereby generally and unconditionally authorised in accordance with section 551 of the Companies Act 2006 ("the Act") to exercise all the powers of the Company to allot shares in the Company and to grant rights to subscribe for or to convert any security into shares in the Company ("Rights") up to an aggregate nominal amount of £300,000 in connection with the Scheme (as defined in the Circular), provided that the authority conferred by this paragraph 2.2 shall expire on the fifth anniversary of the date of the passing of this resolution unless renewed, varied or revoked by the Company in a general meeting.

3. That:

3.1 in substitution for all subsisting authorities to the extent unused the directors of the Company be and are hereby generally and unconditionally authorised in accordance with section 551 of the 'the Act to exercise all the powers of the Company to allot shares in the Company and to grant rights to subscribe for or to convert any security into shares in the Company ("Rights") up to an aggregate nominal amount of £70,000 during the period commencing on the passing of this resolution and expiring on the fifth anniversary of the date of the passing of this resolution (unless renewed, varied or revoked by the Company in a general meeting) but so that this authority shall allow the Company to make before the expiry of this authority offers or agreements which would or might require shares to be allotted or Rights to be granted after such expiry.

3.2 in addition to existing authorities, the directors be and hereby are empowered pursuant to sections 570 and 573 of the Act to allot or make offers or agreements to allot equity securities (which expression shall have the meaning ascribed to it in section 560(1) of the Act) for cash pursuant to the authority given pursuant to paragraph 3.1 of this resolution or by way of a sale of treasury shares, as if section 561(1) of the Act did not apply to such allotment, provided that the power provided by this paragraph 3.2 shall expire on the conclusion of the annual general meeting of the Company to be held in 2011 and provided further that this power shall be limited to the allotment and issue of equity securities up to an aggregate nominal value representing 10 per cent. of the issued share capital as at 10 March 2010, where the proceeds may in whole or part be used to purchase shares; and

3.3 in addition to existing authorities, the Company be and hereby is empowered to make one or more market purchases within the meaning of section 693(4) of the Act of its own shares (either for cancellation or for the retention as treasury shares for future re-issue or transfer) provided that:

- (i) the aggregate number of shares which may be purchased shall not exceed 10,493,000;
- (ii) the minimum price which may be paid per share is 1p, the nominal value thereof;
- (iii) the maximum price which may be paid per share is an amount equal to the higher of (i) 105 per cent. of the average of the middle market quotation per share taken from the London Stock Exchange daily official list for the five business days immediately preceding the day on which such Share is to be purchased; and (ii) the amount stipulated by Article 5(1) of the Buy Back and Stabilisation Regulation 2003
- (iv) the authority conferred by this paragraph 3.3 shall expire on the conclusion of the annual general meeting of the Company to be held in 2011 unless such authority is renewed prior to such time; and
- (v) the Company may make a contract to purchase Shares under the authority conferred by this resolution prior to the expiry of such authority which will or may be executed wholly or partly after the expiration of such authority and may make a purchase of such Shares.

4. That, subject to the Scheme becoming effective, the Revised Management Arrangements (as defined in the Circular) with Unicorn Asset Management Limited be and hereby are approved.
5. That, subject to the Scheme becoming effective, the amount standing to the credit of the share premium account of the Company, at the date an order is made confirming such cancellation by the court, be and hereby is cancelled.

Dated 29 January 2010

**By order of the Board**

Matrix-Securities Limited  
Secretary

**Registered Office:**

One Vine Street  
London  
W1J 0AH

**Notes:**

1. Each director has an appointment letter with the Company, a copy of which will be available for inspection at the meeting. The Articles to be adopted pursuant to paragraph (iii) of Resolution 1 and the contract to purchase Deferred Shares referred to in paragraph (iv) of Resolution 1 will be on display at the Company's registered office and at the meeting and will be available for inspection from the date of this notice through to the close of the meeting.
2. To be entitled to attend and vote at the meeting (and for the purposes of the determination by the Company of the votes they may cast in accordance with Regulation 41 of the Uncertified Securities Regulation 2001), members must be registered in the register of members of the Company at 5.00 pm on 23 February 2010 (or, in the event of any adjournment, 5.00 pm on the date which is two days before the date of the adjourned meeting). Changes to the register of members of the Company after the relevant deadline shall be disregarded in determining the rights of any person to attend and vote at the meeting.
3. A member entitled to attend and vote at the meeting is entitled to appoint a proxy or proxies to attend, speak and vote on his or her behalf. A proxy need not also be a member but must attend the meeting to represent the member. Details of how to appoint the chairman of the meeting or another person as a proxy using the form of proxy are set out in the notes on the form of proxy. If a member wishes a proxy to speak on the member's behalf at the meeting the member will need to appoint their own choice of proxy (not the chairman) and give their instructions directly to them.
4. A member may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares. A member may not appoint more than one proxy to exercise rights attached to any one share. To appoint more than one proxy, (an) additional form(s) of proxy should be obtained by contacting the Company's registrar, Capita Registrars between 8.30 am and 5.30 pm (GMT) Monday to Friday on telephone number 0871 664 0321 or, if telephoning from outside the UK, on +44 20 8639 3399. Calls to Capita Registrars helpline (0871 664 0321) are charged at 10p per minute (including VAT) plus your service provider's network extras. Calls to the helpline from outside the UK will be charged at applicable international rates. Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. For legal reasons, Capita Registrars will be unable to give advice on the merits of the proposals or provide financial, legal, tax or investment advice. A member should indicate in the box next to the proxy holder's name the number of shares in relation to which the proxy is authorised to act as the member's proxy. A member should also indicate by ticking the box provided if the proxy instruction is one of multiple instructions being given.
5. A reply paid form of proxy is attached to this document. To be valid, it should be lodged with the Company's registrar, Capita Registrars Limited, PXS, 34 Beckenham Road, Beckenham, Kent BR3 4TU so as to be received not later than 3.30 pm on 23 February 2010 or 48 hours before the time appointed for any adjourned meeting or, in the case of a poll taken subsequent to the date of the meeting or adjourned meeting, so as to be received no later than 24 hours before the time appointed for taking the poll. A member may return a proxy form in their own envelope with the address FREEPOST RSBH-UXKS-LRBC, PXS, 34 Beckenham Road, Beckenham BR3 4TU.
6. As at 28 January 2010 (being the last business day prior to the publication of this notice), the Company's issued voting share capital was 30,218,014 Ordinary Shares, 14,412,121 S2 Shares and 4,958,036 S3 Shares each carrying one vote each. Therefore, the total voting rights in the Company as at 28 January 2010 was 49,588,171.
7. In accordance with section 325 of the Companies Act 2006, the right to appoint proxies does not apply to persons nominated to receive information rights under section 146 of the Companies Act 2006.  

Any 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, in accordance with section 149(2) of the Companies Act 2006 and under an agreement between him/her and the member by whom he/she was nominated, have a right to be appointed (or to have someone else appointed) as a proxy for the 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.
8. The statement of the rights of members in relation to the appointment of proxies in paragraphs 3 to 5 above does not apply to Nominated Persons. The rights described in these paragraphs can only be exercised by members of the Company.
9. If a corporate shareholder has appointed a corporate representative, the corporate representative will have the same powers as the corporation could exercise if it were an individual member of the Company. If more than one corporate representative has been appointed, on a vote on a show of hands on a resolution, each representative will have the same voting rights as the corporation would be entitled to. If more than one authorised person seeks to exercise a power in respect of the same shares, if they purport to exercise the power in the same way, the power is treated as exercised; if they do not purport to exercise the power in the same way, the power is treated as not exercised.
10. Crest members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so by using the procedures described in the CREST Manual. CREST Personal Members or other CREST sponsored members, and those CREST members who have appointed a 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.

11. In order for a proxy appointment or instruction made using the CREST service 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 instruction, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or is an amendment to the instruction given to a previously appointed proxy must in order to be valid, be transmitted so as to be received by the issuer's agent (ID RA10) by 3.30 pm on 23 February 2010. 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 Application Host) from which the issuer'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.
12. 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 message. 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, 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 system providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.
13. Appointment of a proxy will not preclude a member from subsequently attending and voting at the meeting should the member subsequently decide to do so. A member can only appoint a proxy using the procedures set out in these notes and the notes to the form of proxy.
14. Further information regarding the meeting is available on the Company's website, [www.unicornaimvct.com](http://www.unicornaimvct.com).

# UNICORN AIM VCT PLC

(Registered in England and Wales with registered number 04266437)

## NOTICE OF ORDINARY SHARE CLASS MEETING

Notice is hereby given that a meeting of the holders of ordinary shares of 1p each ("Ordinary Shares") in the capital of Unicorn AIM VCT plc ("the Company") will be held at 3.40 pm on 25 February 2010 (or as soon thereafter as the extraordinary general meeting of the Company convened for 3.30 pm on that day has concluded) at One Vine Street, London W1J 0AH for the purposes of considering and, if thought fit, passing the following resolution, which will be proposed as an extraordinary resolution:

### Extraordinary Resolution

That the holders of Ordinary Shares hereby sanction, approve and consent to:

- (a) the passing and carrying into effect as special resolutions of the Company of Resolutions 1 and 2 set out in the notice of extraordinary general meeting of the Company convened for 3.30 pm on 25 February 2010 (a copy of which is produced to the meeting signed by the chairman for the purposes of identification); and
- (b) any effect on, variation, abrogation, dealing with and/or deemed variation or abrogation of the rights and privileges attached to the Ordinary Shares which will, or may, result from the passing and carrying into effect of such resolutions notwithstanding that such resolutions may affect the right and privileges attached to such Ordinary Shares.

Dated 29 January 2010

### By order of the Board

Matrix-Securities Limited  
Secretary

### Registered Office:

One Vine Street  
London  
W1J 0AH

**Notes:**

1. Each director has an appointment letter with the Company, a copy of which will be available for inspection at the meeting.
2. To be entitled to attend and vote at the meeting (and for the purposes of the determination by the Company of the votes they may cast in accordance with Regulation 41 of the Uncertified Securities Regulation 2001), members must be registered in the register of members of the Company at 5.00 pm on 23 February 2010 (or, in the event of any adjournment, 5.00 pm on the date which is two days before the date of the adjourned meeting). Changes to the register of members of the Company after the relevant deadline shall be disregarded in determining the rights of any person to attend and vote at the meeting.
3. A member entitled to attend and vote at the meeting is entitled to appoint a proxy or proxies to attend, speak and vote on his or her behalf. A proxy need not also be a member but must attend the meeting to represent the member. Details of how to appoint the chairman of the meeting or another person as a proxy using the form of proxy are set out in the notes on the form of proxy. If a member wishes a proxy to speak on the member's behalf at the meeting the member will need to appoint their own choice of proxy (not the chairman) and give their instructions directly to them.
4. A member may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares. A member may not appoint more than one proxy to exercise rights attached to any one share. To appoint more than one proxy, (an) additional form(s) of proxy should be obtained by contacting the Company's registrar, Capita Registrars between 8.30 am and 5.30 pm (GMT) Monday to Friday on telephone number 0871 664 0321 or, if telephoning from outside the UK, on +44 20 8639 3399. Calls to Capita Registrars helpline (0871 664 0321) are charged at 10p per minute (including VAT) plus your service provider's network extras. Calls to the helpline from outside the UK will be charged at applicable international rates. Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. For legal reasons, Capita Registrars will be unable to give advice on the merits of the proposals or provide financial, legal, tax or investment advice. A member should indicate in the box next to the proxy holder's name the number of shares in relation to which the proxy is authorised to act as the member's proxy. A member should also indicate by ticking the box provided if the proxy instruction is one of multiple instructions being given.
5. A reply paid form of proxy is attached to this document. To be valid, it should be lodged with the Company's registrar, Capita Registrars Limited, PXS, 34 Beckenham Road, Beckenham, Kent BR3 4TU so as to be received not later than 3.40 pm on 23 February 2010 or 48 hours before the time appointed for any adjourned meeting or, in the case of a poll taken subsequent to the date of the meeting or adjourned meeting, so as to be received no later than 24 hours before the time appointed for taking the poll. A member may return a proxy form in their own envelope with the address FREEPOST RSBH-UXKS-LRBC, PXS, 34 Beckenham Road, Beckenham BR3 4TU.
6. As at 28 January 2010 (being the last business day prior to the publication of this notice), the Company had 30,218,014 Ordinary Shares in issue carrying one vote each. Therefore, the total Ordinary Share voting rights in the Company as at 28 January 2010 was 30,218,014.
7. In accordance with section 325 of the Companies Act 2006, the right to appoint proxies does not apply to persons nominated to receive information rights under section 146 of the Companies Act 2006.

Any 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, in accordance with section 149(2) of the Companies Act 2006 and under an agreement between him/her and the member by whom he/she was nominated, have a right to be appointed (or to have someone else appointed) as a proxy for the 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.
8. The statement of the rights of members in relation to the appointment of proxies in paragraphs 3 to 5 above does not apply to Nominated Persons. The rights described in these paragraphs can only be exercised by members of the Company.
9. If a corporate shareholder has appointed a corporate representative, the corporate representative will have the same powers as the corporation could exercise if it were an individual member of the Company. If more than one corporate representative has been appointed, on a vote on a show of hands on a resolution, each representative will have the same voting rights as the corporation would be entitled to. If more than one authorised person seeks to exercise a power in respect of the same shares, if they purport to exercise the power in the same way, the power is treated as exercised; if they do not purport to exercise the power in the same way, the power is treated as not exercised.
10. Appointment of a proxy will not preclude a member from subsequently attending and voting at the meeting should the member subsequently decide to do so. A member can only appoint a proxy using the procedures set out in these notes and the notes to the form of proxy.
11. Notice is hereby further given that the necessary quorum for the above meeting shall be the holders of Ordinary Shares present in person or by proxy holding not less than one-third of the paid up Ordinary Share capital and that if within half an hour from the time appointed for the above meeting a quorum is not present it shall be adjourned to 11.00 am on 26 February 2010 and at such adjourned meeting the holders of Ordinary Shares present in person or by proxy shall be a quorum regardless of the number of Ordinary Shares held.

12. The directors reserve the right to withdraw the resolution to be proposed at the meeting if resolution 1 and 2 to be proposed at the extraordinary general meeting of the Company to be held at 3.30 pm on 25 February 2010 is not passed.
13. Further information regarding the meeting is available on the Company's website, [www.unicornaimvct.com](http://www.unicornaimvct.com).

# UNICORN AIM VCT PLC

(Registered in England and Wales with registered number 04266437)

## NOTICE OF SERIES 2 SHARE CLASS MEETING

Notice is hereby given that a meeting of the holders of series 2 shares of 1p each ("S2 Shares") in the capital of Unicorn AIM VCT plc ("the Company") will be held at 3.45 pm on 25 February 2010 (or as soon thereafter as the separate meeting of holders of ordinary shares of 1p each in the capital of the Company convened for 3.40 pm on that day has concluded) at One Vine Street, London W1J 0AH for the purposes of considering and, if thought fit, passing the following resolution, which will be proposed as an extraordinary resolution:

### Extraordinary Resolution

That the holders of S2 Shares hereby sanction, approve and consent to:

- (a) the passing and carrying into effect as special resolutions of the Company of Resolutions 1 and 2 set out in the notice of extraordinary general meeting of the Company convened for 3.30 pm on 25 February 2010 (a copy of which is produced to the meeting signed by the chairman for the purposes of identification); and
- (b) any effect on, variation, abrogation, dealing with and/or deemed variation or abrogation of the rights and privileges attached to the S2 Shares which will, or may, result from the passing and carrying into effect of such resolutions notwithstanding that such resolutions may affect the right and privileges attached to such S2 Shares.

Dated 29 January 2010

### By order of the Board

Matrix-Securities Limited  
Secretary

### Registered Office:

One Vine Street  
London  
W1J 0AH

**Notes:**

1. Each director has an appointment letter with the Company, a copy of which will be available for inspection at the meeting.
2. To be entitled to attend and vote at the meeting (and for the purposes of the determination by the Company of the votes they may cast in accordance with Regulation 41 of the Uncertified Securities Regulation 2001), members must be registered in the register of members of the Company at 5.00 pm on 23 February 2010 (or, in the event of any adjournment, 5.00 pm on the date which is two days before the date of the adjourned meeting). Changes to the register of members of the Company after the relevant deadline shall be disregarded in determining the rights of any person to attend and vote at the meeting.
3. A member entitled to attend and vote at the meeting is entitled to appoint a proxy or proxies to attend, speak and vote on his or her behalf. A proxy need not also be a member but must attend the meeting to represent the member. Details of how to appoint the chairman of the meeting or another person as a proxy using the form of proxy are set out in the notes on the form of proxy. If a member wishes a proxy to speak on the member's behalf at the meeting the member will need to appoint their own choice of proxy (not the chairman) and give their instructions directly to them.
4. A member may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares. A member may not appoint more than one proxy to exercise rights attached to any one share. To appoint more than one proxy, (an) additional form(s) of proxy should be obtained by contacting the Company's registrar, Capita Registrars between 8.30 am and 5.30 pm (GMT) Monday to Friday on telephone number 0871 664 0321 or, if telephoning from outside the UK, on +44 20 8639 3399. Calls to Capita Registrars helpline (0871 664 0321) are charged at 10p per minute (including VAT) plus your service provider's network extras. Calls to the helpline from outside the UK will be charged at applicable international rates. Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. For legal reasons, Capita Registrars will be unable to give advice on the merits of the proposals or provide financial, legal, tax or investment advice. A member should indicate in the box next to the proxy holder's name the number of shares in relation to which the proxy is authorised to act as the member's proxy. A member should also indicate by ticking the box provided if the proxy instruction is one of multiple instructions being given.
5. A reply paid form of proxy is attached to this document. To be valid, it should be lodged with the Company's registrar, Capita Registrars Limited, PXS, 34 Beckenham Road, Beckenham, Kent BR3 4TU so as to be received not later than 3.45 pm on 23 February 2010 or 48 hours before the time appointed for any adjourned meeting or, in the case of a poll taken subsequent to the date of the meeting or adjourned meeting, so as to be received no later than 24 hours before the time appointed for taking the poll. A member may return a proxy form in their own envelope with the address FREEPOST RSBH-UXKS-LRBC, PXS, 34 Beckenham Road, Beckenham BR3 4TU.
6. As at 28 January 2010 (being the last business day prior to the publication of this notice), the Company had 14,412,121 S2 Shares in issue carrying one vote each. Therefore, the total S2 Share voting rights in the Company as at 28 January 2010 was 14,412,121.
7. In accordance with section 325 of the Companies Act 2006, the right to appoint proxies does not apply to persons nominated to receive information rights under section 146 of the Companies Act 2006.

Any 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, in accordance with section 149(2) of the Companies Act 2006 and under an agreement between him/her and the member by whom he/she was nominated, have a right to be appointed (or to have someone else appointed) as a proxy for the 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.
8. The statement of the rights of members in relation to the appointment of proxies in paragraphs 3 to 5 above does not apply to Nominated Persons. The rights described in these paragraphs can only be exercised by members of the Company.
9. If a corporate shareholder has appointed a corporate representative, the corporate representative will have the same powers as the corporation could exercise if it were an individual member of the Company. If more than one corporate representative has been appointed, on a vote on a show of hands on a resolution, each representative will have the same voting rights as the corporation would be entitled to. If more than one authorised person seeks to exercise a power in respect of the same shares, if they purport to exercise the power in the same way, the power is treated as exercised; if they do not purport to exercise the power in the same way, the power is treated as not exercised.
10. Appointment of a proxy will not preclude a member from subsequently attending and voting at the meeting should the member subsequently decide to do so. A member can only appoint a proxy using the procedures set out in these notes and the notes to the form of proxy.
11. Notice is hereby further given that the necessary quorum for the above meeting shall be the holders of S2 Shares present in person or by proxy holding not less than one-third of the paid up S2 Share capital and that if within half an hour from the time appointed for the above meeting a quorum is not present it shall be adjourned to 11.05 am on 26 February 2010 and at such adjourned meeting the holders of S2 Shares present in person or by proxy shall be a quorum regardless of the number of S2 Shares held.

12. The directors reserve the right to withdraw the resolution to be proposed at the meeting if resolution 1 and 2 to be proposed at the extraordinary general meeting of the Company and/or the resolution to be proposed at the separate meeting of the holders of ordinary shares of 1p each in the capital of the Company to be held at 3.30 pm and 3.35 pm respectively on 25 February 2010 are not passed.
13. Further information regarding the meeting is available on the Company's website, [www.unicornaimvct.com](http://www.unicornaimvct.com).

# UNICORN AIM VCT PLC

(Registered in England and Wales with registered number 04266437)

## NOTICE OF SERIES 3 SHARE CLASS MEETING

Notice is hereby given that a meeting of the holders of series 3 shares of 1p each ("S3 Shares") in the capital of Unicorn AIM VCT plc ("the Company") will be held at 3.50 pm on 25 February 2010 (or as soon thereafter as the separate meeting of holders of series 2 shares of 1p each in the capital of the Company convened for 3.45 pm on that day has concluded) at One Vine Street, London W1J 0AH for the purposes of considering and, if thought fit, passing the following resolution, which will be proposed as an extraordinary resolution:

### Extraordinary Resolution

That the holders of S3 Shares hereby sanction, approve and consent to:

- (a) the passing and carrying into effect as special resolutions of the Company of Resolutions 1 and 2 set out in the notice of extraordinary general meeting of the Company convened for 3.30 pm on 25 February 2010 (a copy of which is produced to the meeting signed by the chairman for the purposes of identification); and
- (b) any effect on, variation, abrogation, dealing with and/or deemed variation or abrogation of the rights and privileges attached to the S3 Shares which will, or may, result from the passing and carrying into effect of such resolutions notwithstanding that such resolutions may affect the right and privileges attached to such S3 Shares.

Dated 29 January 2010

### By order of the Board

Matrix-Securities Limited  
Secretary

### Registered Office:

One Vine Street  
London  
W1J 0AH

**Notes:**

1. Each director has an appointment letter with the Company, a copy of which will be available for inspection at the meeting.
2. To be entitled to attend and vote at the meeting (and for the purposes of the determination by the Company of the votes they may cast in accordance with Regulation 41 of the Uncertified Securities Regulation 2001), members must be registered in the register of members of the Company at 5.00 pm on 23 February 2010 (or, in the event of any adjournment, 5.00 pm on the date which is two days before the date of the adjourned meeting). Changes to the register of members of the Company after the relevant deadline shall be disregarded in determining the rights of any person to attend and vote at the meeting.
3. A member entitled to attend and vote at the meeting is entitled to appoint a proxy or proxies to attend, speak and vote on his or her behalf. A proxy need not also be a member but must attend the meeting to represent the member. Details of how to appoint the chairman of the meeting or another person as a proxy using the form of proxy are set out in the notes on the form of proxy. If a member wishes a proxy to speak on the member's behalf at the meeting the member will need to appoint their own choice of proxy (not the chairman) and give their instructions directly to them.
4. A member may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares. A member may not appoint more than one proxy to exercise rights attached to any one share. To appoint more than one proxy, (an) additional form(s) of proxy should be obtained by contacting the Company's registrar, Capita Registrars between 8.30 am and 5.30 pm (GMT) Monday to Friday on telephone number 0871 664 0321 or, if telephoning from outside the UK, on +44 20 8639 3399. Calls to Capita Registrars helpline (0871 664 0321) are charged at 10p per minute (including VAT) plus your service provider's network extras. Calls to the helpline from outside the UK will be charged at applicable international rates. Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. For legal reasons, Capita Registrars will be unable to give advice on the merits of the proposals or provide financial, legal, tax or investment advice. A member should indicate in the box next to the proxy holder's name the number of shares in relation to which the proxy is authorised to act as the member's proxy. A member should also indicate by ticking the box provided if the proxy instruction is one of multiple instructions being given.
5. A reply paid form of proxy is attached to this document. To be valid, it should be lodged with the Company's registrar, Capita Registrars Limited, PXS, 34 Beckenham Road, Beckenham, Kent BR3 4TU so as to be received not later than 3.50 pm on 23 February 2010 or 48 hours before the time appointed for any adjourned meeting or, in the case of a poll taken subsequent to the date of the meeting or adjourned meeting, so as to be received no later than 24 hours before the time appointed for taking the poll. A member may return a proxy form in their own envelope with the address FREEPOST RSBH-UXKS-LRBC, PXS, 34 Beckenham Road, Beckenham BR3 4TU.
6. As at 28 January 2010 (being the last business day prior to the publication of this notice), the Company had 4,958,036 S3 Shares in issue carrying one vote each. Therefore, the total S3 Share voting rights in the Company as at 28 January 2010 was 4,958,036.
7. In accordance with section 325 of the Companies Act 2006, the right to appoint proxies does not apply to persons nominated to receive information rights under section 146 of the Companies Act 2006.  
Any 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, in accordance with section 149(2) of the Companies Act 2006 and under an agreement between him/her and the member by whom he/she was nominated, have a right to be appointed (or to have someone else appointed) as a proxy for the 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.
8. The statement of the rights of members in relation to the appointment of proxies in paragraphs 3 to 5 above does not apply to Nominated Persons. The rights described in these paragraphs can only be exercised by members of the Company.
9. If a corporate shareholder has appointed a corporate representative, the corporate representative will have the same powers as the corporation could exercise if it were an individual member of the Company. If more than one corporate representative has been appointed, on a vote on a show of hands on a resolution, each representative will have the same voting rights as the corporation would be entitled to. If more than one authorised person seeks to exercise a power in respect of the same shares, if they purport to exercise the power in the same way, the power is treated as exercised; if they do not purport to exercise the power in the same way, the power is treated as not exercised.
10. Appointment of a proxy will not preclude a member from subsequently attending and voting at the meeting should the member subsequently decide to do so. A member can only appoint a proxy using the procedures set out in these notes and the notes to the form of proxy.
11. Notice is hereby further given that the necessary quorum for the above meeting shall be the holders of S3 Shares present in person or by proxy holding not less than one-third of the paid up S3 Share capital and that if within half an hour from the time appointed for the above meeting a quorum is not present it shall be adjourned to 11.10 am on 26 February 2010 and at such adjourned meeting the holders of S3 Shares present in person or by proxy shall be a quorum regardless of the number of S3 Shares held.
12. The directors reserve the right to withdraw the resolution to be proposed at the meeting if resolution 1 and 2 to be proposed at the extraordinary general meeting of the Company and/or the resolution to be proposed at the

separate meetings of the holders of ordinary shares of 1p each and series 2 shares of 1p each in the capital of the Company to be held at 3.30 pm, 3.40 pm and 3.45 pm respectively on 25 February 2010 are not passed.

13. Further information regarding the meeting is available on the Company's website, [www.unicornaimvct.com](http://www.unicornaimvct.com).

## FORM OF PROXY – EXTRAORDINARY GENERAL MEETING

For use at the Extraordinary General Meeting of Unicorn AIM VCT plc (“the Company”) to be held at One Vine Street, London W1J 0AH at 3.30 pm on 25 February 2010.

I/We .....  
 (Block Capitals Please)

of.....  
 being a shareholder(s) of the above-name Company, appoint the chairman of the meeting or

for the following number of shares

to act as my/our proxy to vote for me/us and on my/our behalf at the Extraordinary General Meeting of the Company to be held at One Vine Street, London W1J 0AH at 3.30 pm on 25 February 2010 (see note 1 below) and at every adjournment thereof and to vote for me/us on my/our behalf as directed below.

Please indicate with an ‘X’ if this is one of multiple proxy instructions being given

Please indicate with an ‘X’ in the space below how you wish your vote to be cast. If no indication is given your proxy will vote for or against the resolution or abstain from voting as he thinks fit.

The proxy is directed to vote as follows:

	Special Resolutions	For	Against	Vote Withheld
1.	Composite resolution for the approval of the consolidation of the Company’s share capital, the repurchase of deferred shares from such consolidation and the adoption of new articles of association.			
2.	Composite resolution for the approval of the acquisition of the assets and liabilities of Unicorn AIM VCT II plc pursuant to a scheme of reconstruction and issue new shares in connection with the scheme.			
3.	Composite resolution to renew share allotment and buy-back authorities.			
4.	Composite resolution to approve the Revised Management Arrangements with Unicorn Asset Management Limited			
5.	Cancellation of the share premium account.			

Signature ..... Dated .....2010

**Notes:**

- The notice of the meeting is set out in the circular to shareholders of the Company dated 29 January 2010. Definitions used in the circular apply herein.
- If any other proxy is preferred, strike out the words “chairman of the meeting” and add the name and address of the proxy you wish to appoint and initial the alteration. The proxy need not be a member.
- You may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares. You may not appoint more than one proxy to exercise rights attached to any one share. To appoint more than one proxy, (an) additional form(s) of proxy should be obtained by contacting the Company’s registrar, Capita Registrars between 8.30 am and 5.30 pm (GMT) Monday to Friday on telephone number 0871 664 0321 or, if telephoning from outside the UK, on +44 20 8639 3399. Calls to Capita Registrars helpline (0871 664 0321) are charged at 10p per minute (including VAT) plus your service provider’s network extras. Calls to the Capita Registrars helpline from outside of the UK will be charged at applicable international rates. Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. For legal reasons, Capita Registrars will be unable to give advice on the merits of the proposals or provide financial, legal, tax or investment advice. Please indicate in the box next to the proxy holder’s name the number of shares in relation to which they are authorised to act as your proxy. Please also indicate by ticking the box provided if the proxy instruction is one of multiple instructions being given.
- Any alterations to the form should be initialled.
- If the appointer is a corporation, this form must be completed under its common seal or under the hand of an officer or attorney duly authorised in writing.
- The signature of any one of joint holders will be sufficient, but the names of all the joint holders should be stated.
- To be valid, this form and the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of such power, must reach the registrars of the Company at Capita Registrars Limited, PXS, 34 Beckenham Road, Beckenham, Kent BR3 4TU or if using your own envelope to FREEPOST RSBH-UXKS-LRBC, PXS, 34 Beckenham Road, Beckenham BR3 4TU, not less than 48 hours before the time appointed for holding the meeting or adjournment as the case may be.
- The completion of this form will not preclude you from attending the meeting and voting in person.



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**Business Reply  
Licence Number  
RSBH-UXKS-LRBC**



**PXS  
34 Beckenham Road  
BECKENHAM  
BR3 4TU**

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## FORM OF PROXY – ORDINARY SHARE CLASS MEETING

For use at the separate meeting (“Ordinary Share Class Meeting”) of the holders of ordinary shares of 1p each (“Ordinary Shares”) in the capital of Unicorn AIM VCT plc (“the Company”) to be held at One Vine Street, London W1J 0AH at 3.40 pm on 25 February 2010.

I/We .....  
(Block Capitals Please)

of.....  
 being a shareholder(s) of the above-name Company, appoint the chairman of the meeting or

for the following number of shares

to act as my/our proxy to vote for me/us and on my/our behalf at the Ordinary Share Class Meeting to be held at One Vine Street, London W1J 0AH at 3.40 pm on 25 February 2010 (see note 1 below) and at every adjournment thereof and to vote for me/us on my/our behalf as directed below.

Please indicate with an ‘X’ if this is one of multiple proxy instructions being given

Please indicate with an ‘X’ in the space below how you wish your vote to be cast. If no indication is given your proxy will vote for or against the resolution or abstain from voting as he thinks fit.

The proxy is directed to vote as follows:

Extraordinary Resolution	For	Against	Vote Withheld
Approval of Resolutions 1 and 2 to be proposed at the extraordinary general meeting of the Company to be held on 25 February 2010 and variation of class rights resulting therefrom			

Signature ..... Dated .....2010

**Notes:**

- The notice of the meeting is set out in the circular to shareholders of the Company dated 29 January 2010. Definitions used in the circular apply herein.
- If any other proxy is preferred, strike out the words “chairman of the meeting” and add the name and address of the proxy you wish to appoint and initial the alteration. The proxy need not be a member.
- You may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares. You may not appoint more than one proxy to exercise rights attached to any one share. To appoint more than one proxy, (an) additional form(s) of proxy should be obtained by contacting the Company’s registrar, Capita Registrars between 8.30 am and 5.30 pm (GMT) Monday to Friday on telephone number 0871 664 0321 or, if telephoning from outside the UK, on +44 20 8639 3399. Calls to Capita Registrars helpline (0871 664 0321) are charged at 10p per minute (including VAT) plus your service provider’s network extras. Calls to the Capita Registrars helpline from outside of the UK will be charged at applicable international rates. Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. For legal reasons, Capita Registrars will be unable to give advice on the merits of the proposals or provide financial, legal, tax or investment advice. Please indicate in the box next to the proxy holder’s name the number of shares in relation to which they are authorised to act as your proxy. Please also indicate by ticking the box provided if the proxy instruction is one of multiple instructions being given.
- Any alterations to the form should be initialled.
- If the appointer is a corporation, this form must be completed under its common seal or under the hand of an officer or attorney duly authorised in writing.
- The signature of any one of joint holders will be sufficient, but the names of all the joint holders should be stated.
- To be valid, this form and the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of such power, must reach the registrars of the Company at Capita Registrars Limited, PXS, 34 Beckenham Road, Beckenham, Kent BR3 4TU or if using your own envelope to FREEPOST RSBH-UXKS-LRBC, PXS, 34 Beckenham Road, Beckenham BR3 4TU, not less than 48 hours before the time appointed for holding the meeting or adjournment as the case may be.
- The completion of this form will not preclude you from attending the meeting and voting in person.



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**PXS  
34 Beckenham Road  
BECKENHAM  
BR3 4TU**

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## FORM OF PROXY – S2 SHARE CLASS MEETING

For use at the separate meeting (“S2 Share Class Meeting”) of the holders of series 2 shares of 1p each (“S2 Shares”) in the capital of Unicorn AIM VCT plc (“the Company”) to be held at One Vine Street, London W1J 0AH at 3.45 pm on 25 February 2010.

I/We .....  
(Block Capitals Please)

of.....  
 being a shareholder(s) of the above-name Company, appoint the chairman of the meeting or

for the following number of shares

to act as my/our proxy to vote for me/us and on my/our behalf at the S2 Share Class Meeting to be held at One Vine Street, London W1J 0AH at 3.45 pm on 25 February 2010 (see note 1 below) and at every adjournment thereof and to vote for me/us on my/our behalf as directed below.

Please indicate with an ‘X’ if this is one of multiple proxy instructions being given

Please indicate with an ‘X’ in the space below how you wish your vote to be cast. If no indication is given your proxy will vote for or against the resolution or abstain from voting as he thinks fit.

The proxy is directed to vote as follows:

Extraordinary Resolution	For	Against	Vote Withheld
Approval of Resolutions 1 and 2 to be proposed at the extraordinary general meeting of the Company to be held on 25 February 2010 and variation of class rights resulting therefrom			

Signature ..... Dated .....2010

**Notes:**

- The notice of the meeting is set out in the circular to shareholders of the Company dated 29 January 2010. Definitions used in the circular apply herein.
- If any other proxy is preferred, strike out the words “chairman of the meeting” and add the name and address of the proxy you wish to appoint and initial the alteration. The proxy need not be a member.
- You may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares. You may not appoint more than one proxy to exercise rights attached to any one share. To appoint more than one proxy, (an) additional form(s) of proxy should be obtained by contacting the Company’s registrar, Capita Registrars between 8.30 am and 5.30 pm (GMT) Monday to Friday on telephone number 0871 664 0321 or, if telephoning from outside the UK, on +44 20 8639 3399. Calls to Capita Registrars helpline (0871 664 0321) are charged at 10p per minute (including VAT) plus your service provider’s network extras. Calls to the Capita Registrars helpline from outside of the UK will be charged at applicable international rates. Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. For legal reasons, Capita Registrars will be unable to give advice on the merits of the proposals or provide financial, legal, tax or investment advice. Please indicate in the box next to the proxy holder’s name the number of shares in relation to which they are authorised to act as your proxy. Please also indicate by ticking the box provided if the proxy instruction is one of multiple instructions being given.
- Any alterations to the form should be initialled.
- If the appointer is a corporation, this form must be completed under its common seal or under the hand of an officer or attorney duly authorised in writing.
- The signature of any one of joint holders will be sufficient, but the names of all the joint holders should be stated.
- To be valid, this form and the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of such power, must reach the registrars of the Company at Capita Registrars Limited, PXS, 34 Beckenham Road, Beckenham, Kent BR3 4TU or if using your own envelope to FREEPOST RSBH-UXKS-LRBC, PXS, 34 Beckenham Road, Beckenham BR3 4TU, not less than 48 hours before the time appointed for holding the meeting or adjournment as the case may be.
- The completion of this form will not preclude you from attending the meeting and voting in person.



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## FORM OF PROXY – S3 SHARE CLASS MEETING

For use at the separate meeting (“S3 Share Class Meeting”) of the holders of series 3 shares of 1p each (“S3 Shares”) in the capital of Unicorn AIM VCT plc (“the Company”) to be held at One Vine Street, London W1J 0AH at 3.50 pm on 25 February 2010.

I/We .....  
 (Block Capitals Please)

of.....  
 being a shareholder(s) of the above-name Company, appoint the chairman of the meeting or

for the following number of shares

to act as my/our proxy to vote for me/us and on my/our behalf at the S3 Share Class Meeting to be held at One Vine Street, London W1J 0AH at 3.50 pm on 25 February 2010 (see note 1 below) and at every adjournment thereof and to vote for me/us on my/our behalf as directed below.

Please indicate with an ‘X’ if this is one of multiple proxy instructions being given

Please indicate with an ‘X’ in the space below how you wish your vote to be cast. If no indication is given your proxy will vote for or against the resolution or abstain from voting as he thinks fit.

The proxy is directed to vote as follows:

Extraordinary Resolution	For	Against	Vote Withheld
Approval of Resolutions 1 and 2 to be proposed at the extraordinary general meeting of the Company to be held on 25 February 2010 and variation of class rights resulting therefrom			

Signature ..... Dated .....2010

**Notes:**

- The notice of the meeting is set out in the circular to shareholders of the Company dated 29 January 2010. Definitions used in the circular apply herein.
- If any other proxy is preferred, strike out the words “chairman of the meeting” and add the name and address of the proxy you wish to appoint and initial the alteration. The proxy need not be a member.
- You may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares. You may not appoint more than one proxy to exercise rights attached to any one share. To appoint more than one proxy, (an) additional form(s) of proxy should be obtained by contacting the Company’s registrar, Capita Registrars between 8.30 am and 5.30 pm (GMT) Monday to Friday on telephone number 0871 664 0321 or, if telephoning from outside the UK, on +44 20 8639 3399. Calls to Capita Registrars helpline (0871 664 0321) are charged at 10p per minute (including VAT) plus your service provider’s network extras. Calls to the Capita Registrars helpline from outside of the UK will be charged at applicable international rates. Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. For legal reasons, Capita Registrars will be unable to give advice on the merits of the proposals or provide financial, legal, tax or investment advice. Please indicate in the box next to the proxy holder’s name the number of shares in relation to which they are authorised to act as your proxy. Please also indicate by ticking the box provided if the proxy instruction is one of multiple instructions being given.
- Any alterations to the form should be initialled.
- If the appointer is a corporation, this form must be completed under its common seal or under the hand of an officer or attorney duly authorised in writing.
- The signature of any one of joint holders will be sufficient, but the names of all the joint holders should be stated.
- To be valid, this form and the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of such power, must reach the registrars of the Company at Capita Registrars Limited, PXS, 34 Beckenham Road, Beckenham, Kent BR3 4TU or if using your own envelope to FREEPOST RSBH-UXKS-LRBC, PXS, 34 Beckenham Road, Beckenham BR3 4TU not less than 48 hours before the time appointed for holding the meeting or adjournment as the case may be.
- The completion of this form will not preclude you from attending the meeting and voting in person.



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