

## **THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

**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 British Smaller Companies VCT plc, 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.

### **British Smaller Companies VCT plc**

(Registered in England and Wales with registered number 3134749)

#### **Recommended proposals relating to the authorities to allot Ordinary Shares, the amendment of the articles of association and the cancellation of the share premium account and capital redemption reserve**

Your attention is drawn to the letter from the chairman of the Company set out on pages 3 to 5 which contains a recommendation to vote in favour of the Resolutions to be proposed at the General Meeting.

You will find set out at the end of this document a notice of the General Meeting to be held on 18 December 2012 at 10:30 am (or as soon as practicable thereafter as the BSC2 general meeting has concluded or adjourned) to approve the Resolutions. The General Meeting will be held at Berkeley Square House, Berkeley Square, London W1J 6BD.

To be valid, the form of proxy accompanying this document for the meeting should be returned not less than 48 hours before the General Meeting, either by post or by hand to Capita Registrars Limited, PXS, 34 Beckenham Road, Beckenham BR3 4TU.

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# Part I: Chairman's Letter

## British Smaller Companies VCT plc

Saint Martins House  
210-212 Chapeltown Road  
Leeds  
West Yorkshire LS7 4HZ

16 November 2012

Dear Shareholder

### **Recommended proposals relating to the authorities to allot Ordinary Shares, the amendment of the articles of association and the cancellation of the share premium account and capital redemption reserve.**

#### **The Offers**

The Company and British Smaller Companies VCT2 plc are seeking to raise additional funds by way of linked offers of up to £15 million in aggregate to allow further expansion of their diverse investment portfolios.

The prevailing economic conditions of the last few years have been some of the most difficult faced by the UK economy in living memory. Valuations of unquoted companies have generally fallen over the past three years. At the same time, funding available for those companies seeking to expand organically or through acquisition has been significantly reduced. This means that well managed companies are facing an unusual combination of falling values and a shortage of capital. The Directors of both Companies believe the current economic climate will continue to create opportunities for those investors able to take a medium to long term view to invest in well run and managed UK businesses that need capital to expand but are facing a shortage of finance. History has shown us that cautious investments made in the low point of the economic cycle have resulted in the highest portfolio returns.

The additional funds raised under the Offers will enable the Companies to increase the pace of their investment activity and both the number and size of their investments in the future. By raising more capital the running costs per Share in the Companies will be reduced as the fixed costs are spread over a larger asset base. In addition the cost cap for the Companies will be reduced by 0.25% to 3.25% of the Companies' net asset value per annum.

The Companies will continue to invest predominantly in established unquoted companies. The investment policy of both Companies is to create a portfolio that blends a mix of businesses operating in traditional industries with those that offer opportunities in the application and development of innovation.

The Companies are currently invested in a diverse portfolio of unquoted and quoted shares, fixed income securities and cash. The Offers enable new and existing Shareholders to invest in a mature and diverse existing portfolio to be supplemented with new investments made in line with the Companies' proven investment strategy.

The Ordinary Shares issued under the Offers ("Offer Shares") will be issued on a fully paid up basis in registered form and evidence of title will be through possession of a share certificate in the Shareholder's name. Alternatively, the Offer Shares may be held in an account through the CREST system. Application has been made to the UK Listing Authority (UKLA) and the London Stock Exchange for the Offer Shares to be admitted to the premium segment of the Official List of the UKLA and to trading on the London Stock Exchange's main market for listed securities. It is expected that such admission will become effective and that dealings in the Offer Shares will commence within 5 business days of their allotment. The Company will apply for the Offer Shares to be admitted to CREST and it is expected that the Offer Shares will be so admitted, and accordingly enabled for settlement in CREST. Offer Shares will be allotted and issued on 31 December 2012 in respect of valid applications received on or before 28 December 2012, on 5 April 2013 for all other valid and eligible applications in respect of the 2012/2013 tax year, and in respect of the 2013/2014 tax year, on or prior to the closing of the Offers. At the Directors' discretion, they may make earlier allotments should it be deemed appropriate.

## Expected Timetable

<b>Offers open</b>	
Offers open	16 November 2012
First allotment	31 December 2012*
Dealings commence	within 5 business days of allotment
Share and Tax certificates issued	within 10 business days of allotment

  

<b>Offers close**</b>	
2012/2013 Offers	11.00 a.m. on 5 April 2013
2013/2014 Offers	11.00 a.m. on 30 April 2013***

\* In relation to applications received on or before 28 December 2012.

\*\* In the event that the maximum subscription is reached before either closing date, the Offers will be individually or jointly closed early.

\*\*\* The Directors reserve the right to extend the closing date of the 2013/2014 Offers (to a date not later than 15 November 2013).

The Directors reserve the right to increase the size of the Offers at their discretion to £20 million, in aggregate.

Shareholder approval is required under the Companies Act 2006 in respect of the Resolutions. The issue of Offer Shares by the Company under the Offers is conditional upon the passing of Resolutions 1 to 3 at the General Meeting.

### Ordinary Resolution

Resolution 1 will, if passed, give the Board authority to allot Shares in connection with the Offers up to an aggregate nominal amount of £1,500,000, a rights issue and an additional 10% of the issued Share capital of the Company immediately following the final closing of the Offers.

This authority will expire on the later of (i) the Company's next annual general meeting or (ii) 15 months from the passing of the Resolution.

### Special Resolutions

Resolution 2 will, if passed, give the Board authority to allot the Shares referred to in Resolution 1 whilst disapplying the statutory pre-emption rights. This authority will expire on the later of (i) the Company's next annual general meeting or (ii) 15 months from the passing of this Resolution.

Resolution 3 will, if passed, amend article 191 of the Company's articles of association which refers to the duration of the Company. This article provides that at the annual general meeting of the Company held in 2016 and, if the Company has not then been wound-up or reconstructed or re-organised, at each fifth annual general meeting thereafter, the Directors shall procure that an ordinary resolution will be proposed to the effect that the Company shall continue in being a venture capital trust.

In view of the five year VCT qualifying period for tax relief that will relate to the further Shares that will be issued under the Offers, Resolution 3 proposes that article 191 is amended so that the year 2018 replaces 2016.

Resolution 4 will, if passed, approve, subject to the sanction of the High Court, the cancellation of the amount standing to the credit of the share premium account of the Company immediately after the final closing date of the Offers.

Resolution 5 will, if passed, approve, subject to the sanction of the High Court, the cancellation of the amount standing to the credit of the capital redemption reserve of the Company immediately after the final closing date of the Offers.

With regards to Resolutions 4 and 5, the Directors consider it appropriate to obtain the approval of Shareholders at the General Meeting to cancel the share premium account and capital redemption reserve (subject to the sanction of the High Court) to create further distributable reserves to fund distributions to Shareholders and Share buy-backs, to set off or write off losses and for other corporate purposes of the Company. Application to court will be made if and when the Board feels this is appropriate. These authorities are being taken now to provide flexibility to the Board in the future without a further general meeting having to be convened.

## **Action to be Taken**

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

## **Recommendation**

The Board considers that the Resolutions are in the best interests of the Shareholders as a whole and unanimously recommends you to vote in favour of the Resolutions. The Directors intend voting in favour of the Resolutions in respect of their own beneficial shareholdings in the Company which, at the date of this Circular, total 56,460 Shares (representing approximately 0.14% of the issued Shares).

Yours sincerely



**Helen Sinclair**  
**Chairman**

# Part II: Additional Information

## 1. Responsibility and Registered Office

The Company, and the Directors whose names appear below, accept responsibility for the information contained in this document. To the best of the knowledge and belief of the Company and the 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.

Helen Sinclair (Chairman)  
Philip Cammerman  
Edward Buchan

The registered office of the Company is Saint Martins House, 210-212 Chapeltown Road, Leeds, West Yorkshire LS7 4HZ.

## 2. Authorised and Issued Share Capital

- 2.1 As at 30 September 2012 (being the end of the last financial period of the Company for which unaudited interim financial information has been published) there were 165,000,000 authorised and 39,473,151 issued Ordinary Shares, each ranking pari passu. All of the Ordinary Shares are listed on the Official List of the UK Listing Authority. The Company holds an additional 2,714,592 Shares in the treasury account.
- 2.2 Immediately following the close of the Offers, assuming full subscription and the maximum number of loyalty bonus Shares being allotted under the Offers, the issued share capital of the Company, fully paid or credited as fully paid, will be £5,267,368 divided into 52,673,677 Ordinary Shares (of which 2,714,592 Ordinary Shares will be held in treasury), and there will remain authorised but un-issued a minimum of £11,232,632 of share capital divided into 112,326,323 Ordinary Shares.

## 3. Directors' and Other Interests

- 3.1 The interests of the Directors, or persons connected with such Directors, (all of which are beneficial unless otherwise stated) in the issued share capital of the Company as at 15 November 2012 (being the latest practicable date before publication of this Circular) were:

Director	Ordinary Shares
Helen Sinclair	13,407
Philip Cammerman	41,017
Edward Buchan	2,036

- 3.2 The interests of the Directors, or persons connected with such Directors, (all of which are beneficial unless otherwise stated) in the issued share capital of the Company as at the close of the Offers (assuming the Offers are fully subscribed, that the Offer Price (as defined in the Prospectus) is 97.75p per Share and that no loyalty bonus Shares are issued under the Offers) will be:

Director	Ordinary Shares
Helen Sinclair	16,817
Philip Cammerman	44,427
Edward Buchan	5,446

- 3.3 Save as disclosed above, no Director nor (so far as is known to the relevant Director) any person connected with a Director has any interest in the share capital of the Company.

## 4. Significant Shareholdings

As at 15 November 2012 (being the latest practicable date prior to the publication of this Circular) the Directors were not aware of any holdings of 3% or more of the Company's issued share capital or of any person who, directly or indirectly, jointly or severally, exercises control over the Company.

## 5. Material Contracts

5.1 The Company has entered into the following material contracts (not being contracts entered into in the ordinary course of business) within the two years immediately preceding the date of this Circular or under which the Company has any obligation or entitlement which is material to it as at the date of this Circular:

5.1.1 An offer agreement dated 7 December 2010 ("the Offer Agreement") between the Companies (1), the Directors (2), Howard Kennedy ("HK") (3) and YFM Private Equity (4) under which HK agreed to act as sponsor to the Offers. As is usual in contracts of this type YFM Private Equity has agreed to indemnify the Companies against the costs of the Offers exceeding 5.5% of the aggregate value of accepted applications for Ordinary Shares received under the Offers and received a commission of 5.5% of the aggregate value of the gross proceeds received by the Companies under those Offers, less the upfront commission paid by the Company to recognised intermediaries in respect of accepted applications in the amounts referred to in the prospectus for those offers.

Under the Offer Agreement, which may be terminated by HK in certain circumstances of breach, YFM Private Equity, the Companies and the Directors have given certain warranties which are subject to certain limitations. The Companies have agreed to indemnify HK in respect of its role as sponsor and under the Offer Agreement. The Offer Agreement may also be terminated, *inter alia*, if any statement in the Prospectus is untrue, any material omission from the Prospectus arises or any breach of warranty occurs.

5.1.2 An offer agreement dated 16 November 2012 ("the 2012 Offer Agreement") between the Companies (1), the Directors (2) and YFM Private Equity (3) under which, as is usual in contracts of this type YFM Private Equity has, subject to the passing of resolution 3 at the General Meeting of BSC2 to be held on 18 December 2012, agreed to indemnify the Companies against the costs of the Offers exceeding the Offer Costs percentage and the Companies have agreed to pay YFM Private Equity a commission of such percentage of the value of the gross proceeds received from each applicant by the Companies under the Offers that is equal to the Offer Costs Percentage in respect of that applicant's subscription less the initial commission paid by the Company to recognised intermediaries in respect of accepted applications in the amounts referred to in the Prospectus.

Under the 2012 Offer Agreement, which may be terminated in certain circumstances of breach, YFM Private Equity, the Companies and the Directors have given certain warranties which are subject to certain limitations. Warranty claims against the Directors must be made no later than 60 days after the date of publication of the audited accounts of the Company for the year ending 31 March 2014. The 2012 Offer Agreement may also be terminated, *inter alia*, if any statement in the Prospectus is untrue, any material omission from the Prospectus arises or any breach of warranty occurs.

5.1.3 An administration and investment advisory agreement dated 28 February 1996 between the Company and YFM Private Equity (the "IAA"), as varied by an agreement dated 16 November 2012, under which YFM Private Equity agreed to provide administrative, company secretarial and investment advisory services to the Company in relation to the Company's qualifying portfolio. The IAA took effect on 4 April 1996 for an initial period of 3 years and thereafter is terminable by either party on not less than 12 months' notice or, *inter alia*, on the others' breach or insolvency.

Under the IAA, YFM Private Equity is entitled to receive an annual investment advisory fee of 2% of the gross assets of the Company (as determined on 31 March and 30 September each year), payable quarterly in advance on 1 January, 1 April, 1 July and 1 October in each year together with an annual secretarial fee of £35,000 per annum plus an annual adjustment to reflect movements in the Retail Prices Index. YFM Private Equity is also entitled to all arrangement, syndication and monitoring fees payable in respect of unquoted investments. The Company indemnifies YFM Private Equity against all things lawfully and properly done under the IAA.

Pursuant to the deed of variation dated 16 November 2012, YFM Private Equity agrees to indemnify the Company to the extent that its total annual running costs, including the investment advisory fee, exceeds 3.25% (excluding trail commission) of the gross assets of the Company.

5.1.4 An incentive agreement (the "Incentive Agreement") dated 7 July 2009 between the Company, the YFM Private Equity Carried Interest Trust (an employee benefit trust established for the benefit of employees of YFM Private Equity) and YFM Private Equity under which, with effect from 1 April 2009 ("Effective Date") YFM Private Equity is entitled to receive a fee, calculated by reference to each accounting period of the Company, equal to 20% of the amount by which dividends paid to Shareholders exceed 4 pence per Share per accounting period (as increased or decreased, as applicable, in each accounting period by the percentage increase or decrease (if any) in the retail prices index in the previous accounting period) ("Target Rate"), once cumulative dividends per Share of 10 pence or more have been paid to Shareholders. The Target Rate is further adjusted by reference to any cumulative shortfall in dividends paid per Share from any previous accounting period after the Effective Date. The payment is also conditional upon the net asset value per Share in the relevant accounting period being not less than 94 pence per Share. A compensatory payment is due if the Incentive Agreement is terminated without cause or if the Company is taken over. The compensatory payment is calculated as a percentage of the fee that would otherwise be payable under the

Incentive Agreement by reference to the accounting period following the Incentive Agreement being so terminated. 80% is payable in the first accounting period after such event, 55% in the second, 35% in the third, and nil thereafter. The maximum fee payable in any 12 month period cannot exceed an amount which would represent 25% or more of the net asset value or market capitalisation of the Company at such time.

5.1.5 Under the terms of a letter from Brewin Dolphin Securities Limited ("Brewin") to the Company dated 25 October 2004, Brewin agreed to act as investment manager to the Company in relation to its portfolio of short-term government securities and to produce monthly portfolio valuations. In return for such services, Brewin are entitled to receive a management fee based on an ad valorem charge of 0.2% per annum (plus VAT) of funds under management, payable quarterly, subject to a maximum annual fee of £25,000 plus VAT. This cost is borne by YFM Private Equity.

5.1.6 By a deed of novation dated 9 November 2012 (to the agreement dated 3 September 2004 as novated on 1 April 2009) between the Company and Nplus1 Singer Advisory LLP ("Singer"), Singer agreed to act as brokers to the Company, and, inter alia, to act as a market maker in the Shares and to carry out share purchases on the Company's behalf. Singer are entitled to receive an annual fee of £10,000, plus VAT if applicable, payable quarterly in arrears on 30 September, 31 December, 31 March and 30 June. Under the terms of the novated agreement the Company indemnifies Singer against losses arising out of Singer's appointment except where such losses arise from Singer's breach of agreement, negligence or wilful default.

## 6. Directors' Service Contracts and Remuneration

None of the Directors has a service contract with the Company and the services of the Directors are provided to the Company pursuant to letters of appointment, under which they are required to devote such time to the affairs of the Company as the Board reasonably requires consistent with their role as a non-executive director.

The Directors are each currently entitled to receive the following annual fees:

Director	£
Helen Sinclair	35,000
Philip Cammerman	20,000
Edward Buchan	20,000
	<b>75,000</b>

## 7. Significant Changes

Since 30 September 2012 (being the end of the last financial period of the Company for which unaudited interim financial information has been published), there has been no significant change in the financial or trading position of the Company.

## 8. Documents Available for Inspection

Copies of the following documents will be available for inspection from the date of this Circular until the conclusion of the General Meeting during normal business hours and on any weekday (Saturdays and public holidays excepted) at the registered office of the Company at Saint Martins House, 210-212 Chapeltown Road, Leeds, West Yorkshire LS7 4HZ:

- 8.1 the audited accounts of the Company for the years ended 31 March 2010, 2011 and 2012;
- 8.2 the unaudited interim financial statements for the 6 month period to 30 September 2012;
- 8.3 the Company's articles of association;
- 8.4 the Directors' letters of appointments referred to in paragraph 6 above; and
- 8.5 this Circular.

16 November 2012

# Part III: Definitions

<b>“2012/2013 Offers”</b>	the offers for subscription by the Companies of Ordinary Shares to a value not exceeding £15 million in respect of the tax year 2012/2013, details of which are set out on pages 3 and 4;
<b>“2013/2014 Offers”</b>	the offers for subscription by the Companies of Ordinary Shares to a value not exceeding £15 million in respect of the tax year 2013/2014, details of which are set out on pages 3 and 4;
<b>“Board” or “Directors”</b>	Helen Sinclair, Philip Cammerman and Edward Buchan;
<b>“BSC2”</b>	British Smaller Companies VCT2 plc, registered with the Registrar of Companies of England and Wales with registered number 4084003 and whose registered office is Saint Martins House, 210-212 Chapeltown Road, Leeds, West Yorkshire LS7 4HZ;
<b>“the Circular”</b>	this document;
<b>“the Company”</b>	British Smaller Companies VCT plc, registered with the Registrar of Companies of England and Wales with registered number 3134749 and whose registered office is Saint Martins House, 210-212 Chapeltown Road, Leeds, West Yorkshire LS7 4HZ;
<b>“the Companies”</b>	the Company and BSC2;
<b>“the Prospectus”</b>	the prospectus dated the date of this Circular relating to the Offers;
<b>“General Meeting”</b>	the general meeting of the Company to be held on 18 December 2012 (or any adjournment thereof);
<b>“Offers”</b>	the linked offers for subscription in the Company of up to 10,485,934 Shares and up to 7,374,101 ordinary shares in BSC2;
<b>“Offer Costs Percentage”</b>	(i) 5.5% of gross funds raised by the Companies in respect of applications received through execution brokers or intermediaries not offering financial advice and, provided such application is received on or before 28 December 2012, applications received through intermediaries offering financial advice or received directly from Applicants and (ii) 3.5% of gross funds raised by the Companies in respect of applications received from 28 December 2012 directly from Applicants and through intermediaries offering financial advice;
<b>“Resolutions”</b>	the resolutions to be proposed at the General Meeting;
<b>“Shareholders”</b>	holders of Shares;
<b>“Shares” or “Ordinary Shares”</b>	ordinary shares of 10p each in the capital of the Company;
<b>“VCT”</b>	a venture capital trust as defined in section 272 Income Taxes Act 2007;
<b>“YFM Private Equity”</b>	YFM Private Equity Limited, registered with the Registrar of Companies of England and Wales with registered number 4195617 and whose registered office is Saint Martins House, 210-212 Chapeltown Road, Leeds, West Yorkshire LS7 4HZ.

# Part IV: Notice of the General Meeting of British Smaller Companies VCT plc

(Incorporated in England and Wales with registered number 3134749)

NOTICE IS HEREBY GIVEN that a General Meeting of British Smaller Companies VCT plc will be held at Berkeley Square House, Berkeley Square, London W1J 6BD at 10:30 am on 18 December 2012 (or as soon as practicable thereafter as the BSC2 general meeting has concluded or adjourned) to consider and, if thought fit, pass the following Resolutions which will be proposed as an ordinary Resolution as to Resolution 1 and as special Resolutions as to Resolutions 2 to 5:

## Ordinary Resolution

(1) THAT the Directors 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 or to grant rights to subscribe for or to convert any security into shares in the Company in connection with:

- (i) the Offers up to an aggregate nominal amount of £1,500,000;
- (ii) an offer of securities by way of a rights issue;
- (iii) the allotment for cash (otherwise than pursuant to sub-paragraphs (i) to (ii) above) of equity securities up to an aggregate nominal amount of 10% of the issued Ordinary Share capital of the Company immediately following the final closing of the Offers,

during the period commencing on the passing of this Resolution and expiring on the later of 15 months from the date hereof or the next annual general meeting of the Company (unless previously revoked, varied or extended by the Company in 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 subscribe for or to convert any security into shares to be granted, after such expiry and that all previous authorities given to the Directors be and they are hereby revoked, provided that such revocation shall not have retrospective effect

## Special Resolutions

(2) THAT the Directors be and are hereby empowered in accordance with section 570(1) of the Act during the period commencing on the passing of this Resolution and expiring at the conclusion of the Company's next annual general meeting, or on the expiry of 15 months following the passing of the Resolution, whichever is the later, (unless previously revoked, varied or extended by the Company in general meeting), to allot equity securities (as defined in Section 560 of the Act) for cash pursuant to the general authority conferred upon the Directors in resolution (1) above as if section 561 of the Act did not apply to any such allotment provided that this power is limited to the allotment of equity securities in connection with:

- (i) the Offers;
- (ii) an offer of securities by way of rights;
- (iii) the allotment for cash (otherwise than pursuant to sub-paragraph (i) to (ii) above) of equity securities up to an aggregate nominal amount of 10% of the issued share capital of the Company immediately following the final closing of the Offers

but so that this authority shall allow the Company to make offers or agreements before the expiry and the Directors may allot equity securities in pursuance of such offers or agreements as if the powers conferred hereby had not so expired. This power applies in relation to a sale of shares which is an allotment of equity securities by virtue of Section 560(2) of the Act as if in the first paragraph of this Resolution the words "pursuant to the general authority conferred upon the Directors in Resolution (1) above" were omitted;

(3) THAT article 191 of the Company's articles of association be amended to delete the reference to "2016" in line 1 and substitute "2018" therefor;

(4) THAT, subject to the sanction of the High Court, the amount standing to the credit of the share premium account of the Company immediately after the final closing date of the Offers be cancelled;

(5) THAT, subject to the sanction of the High Court, the amount standing to the credit of the capital redemption reserve of the Company immediately after the final closing date of the Offers be cancelled.

## BY ORDER OF THE BOARD

KHM Secretarial Services Limited

Secretary

Registered Office:  
Saint Martins House  
210-212 Chapeltown Road  
Leeds

16 November 2012

**Notes**

- (a) Any member of the Company entitled to attend and vote at the General Meeting is also entitled to appoint one or more proxies to attend, speak and vote instead of that member. A member may appoint more than one proxy in relation to the General Meeting provided that each proxy is appointed to exercise the rights attached to a different Share or Shares held by that member. A proxy may demand, or join in demanding, a poll. A proxy need not be a member of the Company but must attend the General Meeting in order to represent his appointor. A member entitled to attend and vote at the General Meeting may appoint the Chairman or another person as his proxy although the Chairman will not speak for the member. A member who wishes his proxy to speak for him should appoint his own choice of proxy (not the Chairman) and give instructions directly to that person. If you are not a member of the Company but you have been nominated by a member of the Company to enjoy information rights, you do not have a right to appoint any proxies under the procedures set out in these Notes. Please read Note (h) below. Under section 319A of the Companies Act 2006, the Company must answer any question a member asks relating to the business being dealt with at the General Meeting unless:
  - answering the question would interfere unduly with the preparation for the General Meeting or involve the disclosure of confidential information;
  - the answer has already been given on a website in the form of an answer to a question; or
  - it is undesirable in the interests of the Company or the good order of the General Meeting that the question be answered.
- (b) To be valid, a Form of Proxy and the power of attorney or other written authority, if any, under which it is signed or an office or notarially certified copy or a copy certified in accordance with the Powers of Attorney Act 1971 of such power and written authority, must be delivered to Capita Registrars Limited, PXS, 34 Beckenham Road, Beckenham BR3 4TU not less than 48 hours (excluding weekends and public holidays) before the time appointed for holding the General Meeting or adjourned meeting at which the person named in the Form of Proxy proposes to vote.
- (c) In order to revoke a proxy instruction a member will need to inform the Company by sending a signed hard copy notice clearly stating the intention to revoke the proxy appointment to Capita Registrars Limited, PXS, 34 Beckenham Road, Beckenham BR3 4TU. In the case of a member which is a company, the revocation notice must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company. Any power of attorney or any other authority under which the revocation notice is signed (or a duly certified copy of such power or authority) must be included with the revocation notice. The revocation notice must be received by Capita Registrars Limited before the General Meeting or the holding of a poll subsequently thereto. If a member attempts to revoke his or her proxy appointment but the revocation is received after the time specified then, subject to Note (d) directly below, the proxy appointment will remain valid.
- (d) Completion and return of a Form of Proxy will not preclude a member of the Company from attending and voting in person. If a member appoints a proxy and that member attends the General Meeting in person, the proxy appointment will automatically be terminated.
- (e) Copies of the Directors' Letters of Appointment, the Register of Directors' interests in the Ordinary Shares of the Company kept, a copy of the amended Articles of Association (marked up to show the proposed changes) and a copy of the current Articles of Association will be available for inspection at the registered office of the Company during usual business hours on any weekday (Saturday and Public Holidays excluded) from the date of this notice, until the end of the General Meeting for at least 15 minutes prior to and during the meeting.
- (f) Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, the Company has specified that only those holders of the Company's shares registered on the Register of Members of the Company as at 10:30am on 16 December 2012 or, in the event that the General Meeting is adjourned, on the Register of Members 48 hours before the time of any adjourned meeting, shall be entitled to attend and vote at the said General Meeting in respect of such shares registered in their name at the relevant time. Changes to entries on the Register of Members after 10:30am on 16 December 2012 or, in the event that the General Meeting is adjourned, on the Register of Members less than 48 hours before the time of any adjourned meeting, shall be disregarded in determining the right of any person to attend and vote at the General Meeting.
- (g) As at 15 November 2012, the Company's issued share capital comprised 39,473,151 Ordinary Shares. The total number of voting rights in the Company as at 15 November 2012 is 39,473,151. The website referred to above will include information on the number of Ordinary Shares and voting rights.
- (h) If you are a person who has been nominated under section 146 of the Companies Act 2006 to enjoy information rights ("Nominated Person"):
  - You may have a right under an agreement between you and the member of the Company who has nominated you to have information rights ("Relevant Member") to be appointed or to have someone else appointed as a proxy for the General Meeting;
  - If you either do not have such a right or if you have such a right but do not wish to exercise it, you may have a right under an agreement between you and the Relevant Member to give instructions to the Relevant Member as to the exercise of voting rights;
  - Your main point of contact in terms of your investment in the Company remains the Relevant Member (or, perhaps your custodian or broker) and you should continue to contact them (and not the Company) regarding any changes or queries relating to your personal details and your interest in the Company (including any administrative matters). The only exception to this is where the Company expressly requests a response from you.
- (i) A corporation which is a member can appoint one or more corporate representatives who may exercise, on its behalf, all its powers as a member provided that no more than one corporate representative exercises powers over the same Share.
- (j) A vote withheld is not a vote in law, which means that the vote will not be counted in the calculation of votes for or against the resolution. If no voting indication is given, the proxy will vote or abstain from voting at his or her discretion. The proxy will vote (or abstain from voting) as he or she thinks fit in relation to any other matter which is put before the General Meeting.
- (k) Members may not use any electronic address provided either in this notice of General Meeting, or any related documents (including the Chairman's letter and proxy form), to communicate with the Company for any purposes other than those expressly stated.
- (l) 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. 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's specifications, and must contain the information required for such instruction, as described in the CREST Manual (available via [www.euroclear.com/CREST](http://www.euroclear.com/CREST)). 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) not less than 48 hours (excluding weekends and public holidays) before the time of the meeting. For this purpose, the time of receipt will be taken to be the time (as determined by the time stamp 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.

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