

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 (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.

British Smaller Companies VCT plc

(Registered in England and Wales with registered number 03134749)

Notice of General Meeting

Your attention is drawn to the letter from the Chairman of the Company set out on pages 3 to 4 which contains details 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 19 July 2013 at 12.30 pm (or as soon as practicable thereafter as the Annual General Meeting has concluded or adjourned) to approve the Resolutions. The General Meeting will be held at 33 St James Square, London, SW1Y 4JS.

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

Registered Office:
Saint Martins House
210-212 Chapeltown Road
Leeds
West Yorkshire
LS7 4HZ
18 June 2013

Dear Shareholder

General Meeting – Retrospective Approval of August 2011 Dividends

I am writing to you with details of a General Meeting (“GM”) to be held at 33 St James Square, London, SW1Y 4JS on 19 July 2013 following the Annual General Meeting at 12.30 pm. The formal notice of GM is set out on pages 8 to 10 of this document.

Background to the GM

This GM is being convened to address a technical issue that has arisen in respect of the special interim dividend of £6.429 million (18.00 pence per ordinary share) paid to the Company’s shareholders (“Shareholders”) on 22 August 2011 (the “Special Interim Dividend”) and in respect of the final dividend for the year ended 31 March 2011 of £1.072 million (3.0 pence per ordinary share) which was also paid to Shareholders on 22 August 2011 (the “Final Dividend”) (together the “Dividends”).

Under the Companies 2006 Act (the “Act”), any distribution made by a company to its shareholders must not exceed the amount of distributable reserves reported in the last annual accounts of the company circulated to shareholders (known for these purposes as the “relevant accounts”) or unaudited interim accounts (“Interim Accounts”), which in the case of a public company, need to have been properly prepared and filed with the Registrar of Companies before the dividend is declared or (in the case of an interim dividend) paid. Distributable reserves are broadly defined by the Act as being a company’s accumulated net realised profits.

The relevant accounts for the purposes of the Dividends were the Company’s audited accounts for the financial period ended 31 March 2011 (the “March 2011 Accounts”) which showed that the Company had distributable reserves of £6.033 million. Additional distributable reserves became available to the Company after 31 March 2011 year end from the partial realisation of its investment in GO Outdoors Limited in April 2011. However, these additional distributable reserves were not technically available to satisfy the payment of the Dividends until the Company had prepared, and filed with the Registrar of Companies, Interim Accounts. The defined distributable reserves available to pay dividends as at 22 August 2011 were, therefore, £1.468 million lower than the amount required to cover payment of the Dividends and a part of the Dividends was paid in contravention of the Act.

To reiterate, although the Company did, in reality, have sufficient distributable reserves to cover the whole of the Dividends when they were paid on 22 August 2011, the Company had not prepared and filed with the Registrar of Companies Interim Accounts before the Dividends were declared (in the case of the Final Dividend) or paid (in the case of the Special Interim Dividend).

The Company’s audited accounts for the financial period ended 31 March 2012 (the “March 2012 Accounts”) have been prepared by the Company and filed with the Registrar of Companies and these show distributable reserves sufficient to allow the appropriation of reserves necessary to rectify the payment of the Dividends (following the receipt by the Company of the proceeds of the partial realisation of its investment in GO Outdoors Limited). Accordingly, the payment of the Dividends by reference to the March 2011 Accounts, which was technically in breach of the Act, can now be remedied by the passing of the proposed Resolutions to approve the payment of the Dividends by reference to the March 2012 Accounts.

As a result of these breaches, the Company may have claims under the Act against present and past Shareholders who were recipients of the Dividends to recover from each of those Shareholders those parts of the Dividends paid to each such Shareholder as were technically paid in breach of the Act (being, in respect of all Shareholders, an aggregated amount of £1.468 million). However, the Company has been advised that any claims against Shareholders who received the dividend may be complicated by the need to show that the relevant Shareholders had knowledge of the lack of relevant accounts. The Company may also have claims against those Directors who participated at the board meetings at which the decisions were taken to pay the Dividends.

It is not the Company's intention to make any such claim against either the Shareholders or Directors. The Company has been advised by its external legal advisers that this matter can be remedied by the passing of the Resolutions, as set out in more detail below, to:

- appropriate the reserves shown in the Annual Report for the year ended 31 March 2012 to the Dividends and waive any rights of the Company against Shareholders who received the Dividends and approve the entering into by the Company of a deed of release in favour of such Shareholders ("**Shareholders' Deed of Release**"); and
- waive any rights of the Company against Directors who approved the payment of the Dividends and approve the entering into by the Company of deeds of release in favour of such Directors (the "**Directors' Deed of Release**").

As the Directors' Deed of Release is to be entered into by the Company in favour of the Directors who authorised payment of the Dividends, and the Shareholders' Deed of Release is to be entered into by the Company in favour of Shareholders who received the Dividends, each will constitute a "related party transaction" under the Listing Rules, the entering into of which by the Company require Shareholder approval.

The Resolutions

The Resolutions to be proposed at the GM, as a special resolution and an ordinary resolution respectively, are to:

1. sanction the appropriation of reserves shown in the March 2012 Accounts to the Dividends and waive any rights of the Company against Shareholders who received the Dividends and approve the entering into by the Company of the Shareholders' Deed of Release; and
2. conditional on the passing of Resolution 1, waive any rights of the Company against Directors who approved the payment of the Dividends and approve the entering into by the Company of the Directors' Deed of Release.

Action to be Taken

A Form of Proxy in relation to the GM accompanies this document. You are asked to complete, sign and date this Form in accordance with the instructions printed on it and as soon as possible and, in any event, so as to be received by the Company's registrar, Capita Registrars, by no later than 48 hours before the time of the GM. Alternatively, for shares held through CREST, you may register your proxy appointment and voting instructions through the CREST proxy voting system.

Completion and return of the Form of Proxy will not preclude you from attending the GM and voting in person if you wish to do so.

Quorum and Voting

The quorum for the GM is three Shareholders present in person or by proxy. Resolution 1 is proposed as a special resolution which is required to be passed by a majority of not less than 75 per cent of the votes cast and Resolution 2 is proposed as an ordinary resolution required to be passed by a majority of not less than 50 per cent of the votes cast.

Recommendation

The Board considers that the approval of Resolution 1 is in the best interests of the Shareholders as a whole and unanimously recommends you to vote in favour of Resolution 1, as they intend doing in respect of their own beneficial shareholdings in the Company which, at the date of this Circular, total 67,181 Ordinary Shares (representing approximately 0.1% of the issued Ordinary Shares).

The Directors will not be voting on Resolution 2 or providing a recommendation as to how Shareholders should vote on Resolution 2 in view of their interest in the subject matter of that resolution. However, the Board of the Company unanimously recommends that Shareholders exercise their right to vote on Resolution 2.

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. Issued Share Capital

As at 17 June 2013 (being the latest practicable date before publication of this Circular) there were 49,790,915 issued Ordinary Shares, each ranking pari passu. All of the Ordinary Shares are listed on the Official List of the UKLA. The Company holds an additional 3,215,658 Shares in the treasury account.

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 17 June 2013 (being the latest practicable date before publication of this Circular) were:

Director	Ordinary Shares
Helen Sinclair	17,004
Philip Cammerman	44,614
Edward Buchan	5,563

3.2 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 17 June 2013 (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 contracts under which it has any obligation or entitlement which is material to it as at the date of this Circular:

- 5.1.1 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, VAT and any payment of performance incentive fees) of the gross assets of the Company.

- 5.1.2 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.

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
	75,000

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 memorandum and articles of association; and

8.4 this Circular.

Date 17 June 2013

Part III – Definitions

“Annual General Meeting”	the annual general meeting of the Company which will be held at 33 St James Square, London, SW1Y 4JS at 12.00 noon on 19 July 2013;
“Board” or “Directors”	Helen Sinclair, Philip Cammerman and Edward Buchan;
the “Circular”	this document;
the “Company”	British Smaller Companies VCT plc, registered with the Registrar of Companies of England and Wales with registered number 03134749 and whose registered office is Saint Martins House, 210-212 Chapeltown Road, Leeds, West Yorkshire LS7 4HZ;
“Directors’ Deed of Release”	a deed of release to be entered into by the Company in favour of Directors who approved the payment of the Dividends;
“Dividends”	the Special Interim Dividend and the Final Dividend;
“Final Dividend”	the final dividend for the year ended 31 March 2011 of £1.072 million (3.0 pence per ordinary share) paid to the Shareholders on 22 August 2011;
“General Meeting” or “GM”	the general meeting of the Company to be held on 19 July 2013 (or any adjournment thereof);
“Interim Accounts”	unaudited interim accounts demonstrating sufficient distributable reserves prior to payment of such dividend;
“March 2011 Accounts”	the Company’s audited accounts for the financial period ended 31 March 2011;
“March 2012 Accounts”	the Company’s audited accounts for the financial period ended 31 March 2012;
“Listing Rules”	the listing rules of the UKLA;
“Resolutions”	the resolutions to be proposed at the General Meeting;
“Shareholders”	holders of Shares;
“Shareholders’ Deed of Release”	a deed of release to be entered into by the Company in favour of both past and present Shareholders who received the Dividends;
“Shares” or “Ordinary Shares”	ordinary shares of 10 pence each in the capital of the Company;
“Special Interim Dividend”	the special interim dividend of £6.429 million (18.0 pence per ordinary share) paid to the Shareholders on 22 August 2011;
“UKLA” or “UK Listing Authority”	the UK Listing Authority, being the Financial Conduct Authority acting in its capacity as the competent authority for the purpose of Part VI of the Financial Services and Markets Act 2000;
“VCT”	a venture capital trust as defined in section 272 Income Taxes Act 2007; and
“YFM Private Equity”	YFM Private Equity Limited, registered with the Registrar of Companies of England and Wales with registered number 04195617 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

British Smaller Companies VCT plc

NOTICE IS HEREBY GIVEN that a General Meeting of British Smaller Companies VCT plc (the “**Company**”) will be held at 33 St James Square, London, SW1Y 4JS at 12.30 pm on 19 July 2013 (or as soon as practicable thereafter as the Annual General Meeting has concluded or adjourned) to consider and, if thought fit, pass the following Resolutions which will be proposed as a special resolution as to Resolution 1 and as an ordinary resolution as to Resolution 2:

Special Resolution

(1) THAT

- (a) the Directors be and are hereby authorised to appropriate distributable reserves of the Company (as shown in the balance sheet in the annual reports of the Company made up to 31 March 2012) to the payment of the special interim dividend on the Company’s ordinary shares of 18.0 pence per share paid on 22 August 2011 to Shareholders on the register at the close of business on 22 July 2011 (the “**Special Interim Dividend**”);
- (b) the Directors be and are hereby authorised to appropriate distributable reserves of the Company (as shown in the balance sheet in the annual reports of the Company made up to 31 March 2012) to the payment of the final dividend on the Company’s ordinary shares for the year ended 31 March 2011 of 3.0 pence per share paid on 22 August 2011 to Shareholders on the register at the close of business on 22 July 2011 (the “**Final Dividend**”); and
- (c) any and all claims that the Company may have in respect of the payment of the Special Interim Dividend and the Final Dividend (the “**Dividends**”) against those shareholders who appeared on the register of members on the relevant record dates be released and a deed of release in favour of such shareholders be entered into by the Company in the form of the deed produced to this Meeting and signed by the Chairman for the purposes of identification.

Ordinary Resolution

- (2) THAT, conditional on the passing of Resolution 1 set out in the Notice of General Meeting convening this Meeting, any and all claims which the Company may have against its directors arising out of the payment of the Dividends be released and that a deed of release in favour of those directors be entered into by the Company in the form of the deed produced to this Meeting and signed by the Chairman for the purposes of identification.

For the purposes of this notice, words and expressions defined in the Circular shall have the same meanings in this notice, save where the context requires otherwise.

By order of the Board

KHM Secretarial Services Limited
Secretary

Registered Office:
Saint Martins House, 210-212 Chapeltown Road, Leeds, West Yorkshire LS7 4HZ

Information regarding the General Meeting, including the information required by section 311A of the Act, is available from www.yfmep.com

18 June 2013

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 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 and at the General Meeting venue itself 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 6.00 pm on 17 July 2013 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 6.00 pm on 17 July 2013 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 17 June 2013, the Company's issued share capital comprised 49,790,915 Ordinary Shares. The total number of voting rights in the Company as at 17 June 2013 is 49,790,915. 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). 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.

British Smaller Companies VCT plc

Form of Proxy

For use at the General Meeting of the above named Company
to be held at 33 St James Square, London, SW1Y 4JS on 19 July 2013 at 12.30pm
(or as soon as practicable thereafter as the Annual General Meeting has concluded or adjourned).

I/We*

(in BLOCK CAPITALS please)

of

being a member of the above named Company, hereby appoint the Chairman of the General Meeting (see note 2)

or

or

as my/our* proxy to vote for me/us* on my/our* behalf at the General Meeting of the Company to be held as detailed above or at any adjournment thereof.

Number of ordinary shares proxy is appointed over

Please tick here if you are appointing more than one proxy ☐

I/We* desire to vote on the Resolutions as indicated in the appropriate column below. Please indicate with an "X" how you wish your vote to be cast.

Details of the Resolutions are set out in the Notice of the General Meeting

	FOR	AGAINST	WITHHELD
SPECIAL RESOLUTION			
1. To rectify and ratify the payment of the Dividends, which were made in breach of the Act, and approve the release of the Shareholders from any claims arising out of the receipt of the Dividends.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
ORDINARY RESOLUTION			
2. To approve the release of the Directors from any claims arising out of the payment of the Dividends.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Dated this _____ day of _____ 2013*

Signature(s)

Notes:

- The Notice of the General Meeting is set out on pages 8 to 10 of the Circular.
- 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 wish to appoint a proxy of your own choice delete the words "the Chairman of the General Meeting" and insert the name and address of the person whom you wish to appoint in the space provided.
- Any alterations to the Form of Proxy should be initialled.
- 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.

* Delete as appropriate

6. 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 9 below, the proxy appointment will remain valid.
7. In the case of a corporation, this form must be executed under its common seal or signed on its behalf by its attorney or a duly authorised officer of the corporation.
8. In the case of joint Shareholders, any one of them may sign. The vote of the person whose name stands first in the register of members will be accepted to the exclusion of the votes of the other joint holders.
9. 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.
10. 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.
11. 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.

British Smaller Companies VCT plc

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

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