

Amati VCT plc and Amati VCT 2 plc

PROSPECTUS AND NOTICE OF GENERAL MEETINGS

Offers for Subscription of New Ordinary Shares in Amati VCT plc to raise up to £15,000,000 (including subscriptions under the Enhanced Share Buyback and Re-investment Facility) and allocation of up to £2,000,000 of New Ordinary Shares to the Dividend Re-investment Scheme

and

New Ordinary Shares in Amati VCT 2 plc to raise up to £15,000,000 (including subscriptions under the Enhanced Share Buyback and Re-investment Facility) and allocation of up to £2,000,000 of New Ordinary Shares to the Dividend Re-investment Scheme

Amati
Global Investors

Finely crafted investments



THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

IF YOU ARE IN ANY DOUBT AS TO THE CONTENTS OF THIS DOCUMENT OR WHAT ACTION YOU SHOULD TAKE, YOU ARE RECOMMENDED TO SEEK YOUR OWN FINANCIAL ADVICE IMMEDIATELY FROM YOUR STOCKBROKER, BANK MANAGER, SOLICITOR OR ACCOUNTANT OR INDEPENDENT FINANCIAL INTERMEDIARY AUTHORISED UNDER FSMA.

If you sell or otherwise transfer or have sold or otherwise transferred all of your Shares in Amati VCT plc or Amati VCT 2 plc, please forward this document, together with the accompanying documents, at once to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for delivery to the purchaser or transferee. If you sell or otherwise transfer or have sold or otherwise transferred part only of your holding of Amati VCT plc or Amati VCT 2 plc Shares, please retain this document and the accompanying documents and consult the stockbroker, bank or other agent through whom the sale or transfer was effected as to the action you should take.

This document which constitutes a prospectus relating to Amati VCT plc and Amati VCT 2 plc has been prepared in accordance with the Listing Rules and the Prospectus Rules made under section 73A of FSMA and has been filed with the FSA in accordance with rule 3.2 of the Prospectus Rules. This document has been prepared for the purposes of complying with the rules of the UKLA. In subscribing for New Ordinary Shares you will be treated as subscribing solely on the basis of the Prospectus.

Further copies of the Prospectus can be obtained from Amati's website at <http://www.amatiglobal.com> or by contacting The City Partnership (UK) Limited on 0131 243 7210 or by emailing vct-enquiries@amatiglobal.com.

Amati VCT plc

(Incorporated in Scotland under the Companies Act 1985 with Registered Number SC278722)

and

Amati VCT 2 plc

(Incorporated in England and Wales under the Companies Act 1985 with Registered Number 04138683)

**Offers for Subscription of New Ordinary Shares
to raise up to £15,000,000 each (including Enhanced Share
Buyback and Re-Investment Facilities)**

and

**Allocation of up to £2,000,000 of New Ordinary Shares each to
the Dividend Re-investment Schemes**

and

Notice of a General Meeting of each Company

The Directors of Amati VCT plc and Amati VCT 2 plc, whose names appear under the heading "Directors, Manager and Advisers" on pages 128 and 129 of this document, and Amati VCT plc and Amati VCT 2 plc each accept responsibility for the information contained in the Prospectus in relation to Amati VCT plc and Amati VCT 2 plc. The Directors of Amati VCT plc and Amati VCT 2 plc, and Amati VCT plc and Amati VCT 2 plc, declare, having taken all reasonable care to ensure that such is the case, the information contained in the Prospectus in relation to Amati VCT plc and Amati VCT 2 plc, to the best of their knowledge, is in accordance with the facts and does not omit anything likely to affect the import of such information.

The minimum subscription in relation to each of the Offers is £3,000 and £2,500 each when investing in both VCTs. A Subscription Form and the procedure for completion of the Subscription Form are set out at the end of this document and the terms and conditions of subscription are set out in Part XI of this document.

Persons receiving this document should note that SPARK Advisory Partners Limited is acting for the Companies and no one else in connection with the Offers (which include the Enhanced Share Buyback and Re-investment Facilities) and the Dividend Re-Investment Schemes and will not be responsible (subject to the responsibilities and liabilities imposed by FSMA and the regulatory regime established thereunder) to any other person for providing the protections afforded to customers of SPARK Advisory Partners Limited or for providing advice in connection with the Offers (which include the Enhanced Share Buyback and Re-investment Facilities) and the Dividend Re-Investment Schemes. SPARK Advisory Partners Limited is authorised and regulated by the FSA.

Applications will be made to the UK Listing Authority for the New Ordinary Shares to be issued pursuant to the Offers, (including the Enhanced Share Buyback and Re-investment Facilities) and the Dividend Re-Investment Schemes to be admitted to the premium segment of the Official List of the UK Listing Authority 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 New Ordinary Shares will commence on the second business day following allotment. The first allotment related to the 2012/13 Offers is expected on or before 5 April 2013.

Your attention is drawn to pages 19 to 23 of this document which set out the risk factors associated with an investment in the Companies. None of the Ordinary Shares or New Ordinary Shares have been, nor will be, registered in the United States under the United States Securities Act of 1933, as amended, or under the securities laws of Canada, Australia, South Africa or Japan and they may not be offered or sold directly or indirectly in or into the United States, Canada, Australia, South Africa or Japan or to or for the account or benefit of US Persons or any national, citizen or resident of the United States, Canada, Australia, South Africa or Japan. This document does not constitute an offer to sell or issue, or the solicitation of an offer to buy or subscribe for, New Ordinary Shares in any jurisdiction in which such offer or solicitation is unlawful.

6 February 2013

CONTENTS

Summary	4
Risk Factors	19
Statistics of the Offers	24
Expected Timetable	25
Joint Letter from the Chairman of Amati VCT plc and the Chairman of Amati VCT 2 plc	26
Part I Amati VCT plc and Amati VCT 2 plc	32
Part II Financial information on Amati VCT plc and Amati VCT 2 plc	49
Part III The Offers	61
Part IV The Dividend Re-investment Schemes	65
Part V The Enhanced Share Buyback and Re-investment Facilities Frequently Asked Questions	66
Part VI Taxation Considerations	69
Part VII Why buy a VCT focussed on AIM?	74
Part VIII General Information	77
Part IX Notices of General Meetings	110
Part X Definitions	120
Part XI Terms and Conditions of Subscription	123
Directors, Manager and Advisers	128
Notes on how to complete the Subscription Form	130
Subscription Form	133

SUMMARY

Summaries are made up of disclosure requirements known as “Elements”. These Elements are numbered in Sections A to E. This summary contains all of the Elements required to be included in a summary for these types of securities and issuers. Because some Elements are not required to be addressed there may be gaps in the numbering sequence of the Elements. Even though an Element may be required to be inserted in this summary, because of the type of securities and issuers, it is possible that no relevant information can be given regarding the Element. In this case, a short description of the Element is included in the Summary, together with the mention of a ‘Not applicable’ statement.

Section A		Introduction and Warnings
A1	Introduction	This summary should be read as an introduction to the prospectus (the “ Prospectus ”). Any decision to invest in the securities of the Companies should be based on consideration of the Prospectus as a whole by the investor. Where a claim relating to the information contained in the Prospectus is brought before a court, the plaintiff investor might, under the national legislation of the Member States, have to bear the costs of translating the Prospectus before the legal proceedings are initiated. Civil liability attaches only to those persons who have tabled this summary, including any translation thereof, but only if this summary is misleading, inaccurate or inconsistent when read together with the other parts of the Prospectus or it does not provide, when read together with the other parts of the Prospectus, key information in order to aid investors when considering whether to invest in such securities.
A2	Consent for the use of the Prospectus by intermediaries	Each Company and their respective Directors consent to the use of the Prospectus, and accept responsibility for the content of the Prospectus, with respect to subsequent resale or final placement of Shares by financial intermediaries. The offer period within which subsequent resale or final placement of Shares by financial intermediaries can be made and for which consent to use the Prospectus is given is from the date of the Prospectus until 23 January 2014. There are no conditions attaching to this consent. The Prospectus can only be used within the United Kingdom. Financial intermediaries must give investors information on the terms and conditions of the Offer at the time the Offer is made to them by the financial intermediary.
Section B		Issuers
B1	Legal and commercial name	Amati VCT plc and Amati VCT 2 plc (the “ Companies ” and each a “ Company ”).
B2	Domicile / Legal form Legislation /Country of incorporation	Amati VCT was incorporated and registered in Scotland on 21 January 2005 with limited liability as a public limited company under the Companies Act 1985 with registered number SC278722. Amati VCT 2 was incorporated and registered in England and Wales on 10 January 2001 with limited liability as a public limited company under the Companies Act 1985 with registered number 04138683. The principal legislation under which each Company operates is the Companies Act 2006 (and regulations made thereunder) (the “ 2006 Act ”).
B3	Key factors relating to the nature of the issuer’s current operations/ principal activities	Not applicable – the Companies are investment companies not trading companies.
B4a	Significant recent trends affecting the issuer	Not applicable.

B5	Group description	Not applicable. No Company is part of a group.
B6	Interests in shares / voting rights / controllers	<p>Not applicable. Neither Company is aware of any person who, directly or indirectly, has or will have an interest in its share capital or voting rights which is notifiable under UK law (under which, pursuant to the 2006 Act and the Listing Rules and Disclosure and Transparency Rules of the FSA, a holding of 3% or more is required to be notified to it).</p> <p>All Shareholders have the same voting rights in respect of the existing share capital of each Company.</p> <p>No Company is aware of any person who directly or indirectly, jointly or severally, exercises or could exercise control over the Company.</p>
B7	Selected financial information and statement of any significant changes	<p>Certain selected historical information of each Company, which has been extracted without material adjustment from the audited and unaudited financial statements referenced in the following tables, is set out below:</p>

Amati VCT

	28 Feb 2010	28 Feb 2011	29 Feb 2012	31 Aug 2012
Profit/(loss) on ordinary activities before taxation (£'000)	8,196	8,228	(3,150)	(2,571)
Return per Share (p)	22.99	21.84	(7.50)	(5.74)
Dividend declared per Share (p)	4.0	5.0	5.0	2.0
Net assets (£'000)	25,769	33,997	33,063	30,905
NAV per share (p)	71.4	88.8	76.2	67.7

The figures in the columns headed 28 Feb 2010, 28 Feb 2011 and 29 Feb 2012 show audited figures to the financial year end. The figures in the column headed 31 August 2012 show unaudited figures from the half year accounts.

Amati VCT 2

Amati VCT 2 incorporates shareholders from the three Singer & Friedlander AIM VCTs which were launched between 1998 and 2001, and from Invesco Perpetual AiM VCT plc which was launched in 2004.

Amati Global Investors took over the management of ViCTory VCT PLC on 22 March 2010. ViCTory VCT PLC was originally called Singer & Friedlander AIM VCT 3 Plc, merged with Singer & Friedlander AIM VCT Plc and Singer & Friedlander AIM VCT 2 Plc in 2006 and changed its name to ViCTory VCT PLC in 2009. Amati Global Investors took over the management of Invesco Perpetual AiM VCT plc on 11 February 2011, and shortly afterwards it was renamed Amati VCT 2 Plc.

On 9 November 2011 (the "relaunch" date) ViCTory VCT PLC and Amati VCT 2 Plc undertook a merger (the "Merger"), through a scheme of reconstruction and a share consolidation, designed to mark a relaunch of the merged VCTs and the point at which the Manager felt confident that the portfolio rebalancing had been appropriately completed. The combined entity was renamed Amati VCT 2 plc.

	31 Jan 2010	31 Jan 2011	31 Jan 2012	31 Jul 2012
Profit/(loss) on ordinary activities before taxation (£'000)	(972)	2,362	(403)	334
Return per Share (p)	(2.23)	5.42	(1.06)	1.20
Dividend declared per Share (p)	0.0	4.7	5.5	2.5
Net assets (£'000)	18,330	20,692	28,680	28,390
NAV per share (p)	42.1	47.5	103.8	102.4

The figures in the columns headed 31 Jan 2010, 31 Jan 2011 and 31 Jan 2012 show audited figures to the financial year end. The figures shown in the column for 31 Jan 2010 for Return per Share and NAV per share are those figures as restated in the 31 Jan 2012 audited reports and accounts. The figures in the column headed 31 Jul 2012 show unaudited figures from the half year accounts.

Invesco Perpetual AiM VCT

	31 May 2011	31 May 2010
Profit on ordinary activities before tax (£000)	92	2,032
Net Assets (£000)	13,881	13,776

Not applicable. Other than the Merger there have been no significant changes in the financial condition and operating results of either of Amati VCT or Amati VCT 2 during or subsequent to the period covered by the historical information set out above.

B8	Key pro forma financial information	Not applicable. No pro forma financial information is included in the Prospectus.
B9	Profit forecast	Not applicable. There are no profit forecasts in the Prospectus.
B10	Qualifications in the audit reports	Not applicable. There were no qualifications in the audit reports for Amati VCT for the three years ended 29 February 2012. There were no qualifications in the audit reports for Amati VCT 2 for the three years ended 31 January 2012. There were no qualifications in the audit report of Invesco Perpetual AIM VCT for the 2 financial years ended 31 May 2011.
B11	Insufficient working capital	Not applicable. Each Company is of the opinion that its working capital is sufficient for its present requirements, that is for at least the twelve month period from the date of the Prospectus.
B34	Investment objective and policy, including investment restrictions	The existing investment policy of each of Amati VCT and Amati VCT 2 is as follows:

A. Investment Objective

The investment objective of the Companies is to generate tax-free capital gains and income on investors' funds through investment primarily in AIM-traded companies whilst mitigating risk appropriately within the framework of the structural requirements imposed on all VCTs.

B. Risk Diversification

Portfolio risk will be mitigated through appropriate diversification of holdings within each Ordinary Share portfolio. As at the date of this document, Amati VCT held investments in 56 companies, and Amati VCT 2 held investments in 66 companies.

The Manager may use exchange-traded or over-the-counter derivatives with a view to reducing overall market risk in the portfolio as a whole. The Manager shall only seek to hedge a limited amount of market risk and shall always be covered by the assets of the portfolio. The use of derivatives is on a strictly controlled basis only and is part of a total risk mitigation exercise, not a separate investment policy. The Companies' overriding investment principle in relation to the use of derivatives is to seek to reduce any potential capital loss in the equity portions of the Qualifying and Non-Qualifying Investment portfolios in a falling market.

C. Asset Allocation

The Manager intends that, following the three year VCT investment period for each pool of Ordinary Shares, the Companies will have invested between 70% and 85% in Qualifying Investments, 0% to 30% in Non-Qualifying Investments and 0% to 30% in cash deposits, cash equivalents including money market funds, government and investment grade bonds.

Qualifying Investments, whether equity or non-equity securities, will be in companies which are traded on AIM or ISDX, or likely to be so within 24 months, or companies that are likely to be the subject of a trade sale within 24 months.

Non-Qualifying Investments will be in small and mid-sized companies traded in London, or companies likely to be so within 24 months, or companies likely to be the subject of a trade sale within 24 months, or derivative instruments as described above.

In accordance with the conditions for eligibility as an investment company under the 2006 Act, any holdings by the Companies in shares or other securities in a company will not represent more than 15% by value of each Company's investments.

While Qualifying Investments are being sourced, the assets of the portfolio which are not in Qualifying Companies will be actively invested by the Manager in a combination of the above (always ensuring that no more than 15% of each Company's funds are invested in any one entity).

As described above, the Manager will also have the facility to seek to reduce market risk from the equity portfolio held by the Company through the use of derivatives. The derivatives used will either be traded on an over-the-counter market or be exchange-traded. The derivatives will relate to securities in liquid markets bearing a reasonable level of correlation to the FTSE AIM All-Share Total Return Index, with the aim that the value is normally transparent, and that positions may be closed rapidly when needed.

The Companies are also subject to statutory and regulatory investment restrictions under the Income Taxes Act 2007 and the Listing Rules of the UK Listing Authority.

D. Change in Investment Policy

A material change in the investment policy of either Company may only be effected with the approval of the Shareholders of the relevant Company in accordance with the Listing Rules.

B35	Borrowing limits	<p>Amati VCT and Amati VCT 2 may each, within the limits set out in their respective Articles, utilise borrowings to provide flexibility in their investment and dividend policies.</p> <p>The Articles of Amati VCT allow it to borrow up to an amount equal to 25% of its adjusted capital and reserves (as defined in its Articles). It may borrow more than that limit with the previous sanction of an ordinary resolution of Shareholders of Amati VCT.</p> <p>The Articles of Amati VCT 2 allow it to borrow up to an amount equal to its adjusted capital and reserves (as defined in its Articles). However, the Board of Amati VCT 2 has indicated that it will restrict the borrowings of Amati VCT 2 to an amount which will not, without the previous sanction of an ordinary resolution of Shareholders of Amati VCT 2, exceed an amount equal to 25% of its adjusted capital and reserves.</p> <p>Each Company's policy is to use borrowing for short term liquidity purposes only.</p>
B36	Regulatory status	<p>The Companies are not regulated by the Financial Services Authority or any other regulatory body.</p>
B37	Typical investor	<p>A typical investor in the Companies is an individual (not a corporate entity): who is aged 18 or over and pays UK income tax; who already owns a portfolio of non-VCT investments such as unit trusts/OEICs, investment trusts and shareholdings in listed companies; whose investment range is between £3,000 and £200,000; and who is looking for exposure principally to AIM-traded companies whilst receiving tax-free income from dividends. The individual should be willing to invest over the long term and be comfortable with higher risk investments, such as unquoted company shares. Such an individual is often classified as "retail" and may also be sophisticated. The investor should either have experience of such investments and/or seek advice from an appropriate financial adviser.</p>
B38	Investments of 20% or more in a single company	<p>Not applicable. Neither Company has any investments which represent more than 20% of its gross assets in a single company or group.</p>
B39	Investments of 40% or more in a single company	<p>Not applicable. Neither Company has any investments which represent more than 40% of its gross assets in a single company or group.</p>
B40	Service providers	<p>Amati VCT</p> <p>Amati Global Investors Limited was appointed as Manager under a novation agreement dated 3 April 2007. The Manager is paid a quarterly fee of 0.4375% of the net asset value of Amati VCT, payable in arrears (i.e. 1.75% per annum), together with a performance fee, if applicable.</p> <p>Amati Global Investors also provides certain portfolio management, secretarial and administration services (some of which it has delegated). A fee is payable for these services, subject to an annual increase in line with the retail prices index. The fee for the year ended 29 February 2012 was £60,991 for Amati VCT.</p> <p>Citibank, N.A. acts as custodian for Amati VCT's securities and cash deposits and, in that capacity, is responsible for ensuring safe custody and dealing with settlement arrangements.</p>

Amati VCT 2

Amati Global Investors Limited was appointed as Manager under an investment management agreement dated 22 March 2010. The Manager is paid a quarterly fee of 0.4375% of the net asset value of Amati VCT 2, payable in arrears, (i.e. 1.75% per annum), together with a performance fee, if applicable.

Amati Global Investors also provides certain portfolio management, secretarial and administration services (some of which it has delegated). A fee is payable for these services, subject to an annual increase in line with the retail prices index. The fee for the year ended 31 January 2012 was £68,384.

The Bank of New York Mellon SA/NV acts as custodian for Amati VCT 2's securities and cash deposits and, in that capacity, is responsible for ensuring safe custody and dealing with settlement arrangements.

B41	Regulatory status of the manager / custodian	Amati Global Investors acts as investment manager of each Company and is authorised and regulated by the Financial Services Authority. Citibank N.A acts as custodian for Amati VCT's assets. The Bank of New York Mellon SA/NV acts as custodian for Amati VCT 2's assets and both are authorised and regulated by the Financial Services Authority in this capacity.
B42	Calculation of net asset value	Each Company's net asset value is calculated and published on an appropriate regulatory information service, normally on a weekly basis but at least on a monthly basis. If for any reason valuations are suspended, Shareholders will be notified in a similar manner.
B43	Umbrella collective investment scheme	Not applicable. Neither Company is part of an umbrella collective investment scheme.
B44	Absence of financial statements	Not applicable. Each Company has commenced operations and published financial statements.
B45	Investment portfolio	Each Company invests in a diversified portfolio of around 50-70 companies. Over the last few years the Manager has made a particular feature of making some of the investments in AIM traded companies as convertible loans negotiated directly with the company concerned. A summary of each Company's portfolio as at 3 January 2013 is set out below:

Amati VCT	Cost	Market Value	% of NAV
Shares: London – Official List	£851,884	£882,725	3%
Shares: AIM	£18,742,629	£20,067,156	63%
Shares: ISDX	£136,603	£480,600	1%
Cash	-	£2,532,314	8%
Loans convertible into AIM traded shares	£3,898,285	£6,324,648	20%
Loans convertible into unquoted shares	£1,433,718	£1,323,237	4%
Investments in unquoted companies	£2,941,192	£465,990	1%

Amati VCT 2	Cost	Market Value	% of NAV
Shares: London – Official List	£736,735	£1,708,104	6%
Shares: AIM	£20,738,999	£22,679,303	80%
Shares: ISDX	£0	£0	0%
Cash	-	£724,843	3%
Loans convertible into AIM traded shares	£1,408,300	£1,357,900	5%
Loans convertible into unquoted shares	£1,393,389	£1,053,725	4%
Investments in unquoted companies	£2,922,416	£626,729	2%

The split between Qualifying Investments and Non-Qualifying Investments held by the Companies and valued as at 3 January 2013 is set out below (please note that for the key compliance tests within the VCT legislation these investments are measured as at their date of acquisition or valued in line with the last purchase made, rather than the market values given below, and in addition cash from the disposal of Qualifying Investments may be considered to be a Qualifying Investment for a period of six months after the sale, which is disregarded in these figures):

	Amati VCT Market Value	% of NAV	Amati VCT 2 Market Value	% of NAV
Qualifying Investments	£23,768,494	74.1%	£23,237,086	82.5%
Non-Qualifying Investments	£8,308,176	25.9%	£4,913,517	17.5%

B46	Most recent net asset value per Share	As at 24 January 2013 (the latest date in respect of which each Company has published its NAV per Share), the unaudited NAV per Share for Amati VCT was 70.56p, and for Amati VCT 2 was 106.76p.
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Section C		Securities						
C1	Description and class of securities	<p>The securities being offered pursuant to each Offer are new ordinary shares ("New Ordinary Shares") with the following denominations and ISIN codes:</p> <table> <tr> <td>Amati VCT</td><td>ordinary shares of 10p each</td><td>GB00B05N8X20</td></tr> <tr> <td>Amati VCT 2</td><td>ordinary shares of 5p each</td><td>GB00B641BB82</td></tr> </table>	Amati VCT	ordinary shares of 10p each	GB00B05N8X20	Amati VCT 2	ordinary shares of 5p each	GB00B641BB82
Amati VCT	ordinary shares of 10p each	GB00B05N8X20						
Amati VCT 2	ordinary shares of 5p each	GB00B641BB82						
C2	Currency	The issue will be in pounds sterling.						
C3	Shares in issue	<p>Amati VCT had 46,224,714 Ordinary Shares in issue at the date of this document all of which are ordinary shares of 10p each.</p> <p>Amati VCT 2 had 27,289,574 Ordinary Shares in issue at the date of this document all of which are ordinary shares of 5p each.</p> <p>All of the Ordinary Shares are fully paid.</p> <p>Neither Company holds any share in treasury.</p>						
C4	Description of the rights attaching to the securities	The New Ordinary Shares being offered by each of the Companies shall rank equally and <i>pari passu</i> with the Existing Ordinary Shares issued by that Company and shall have the following rights in relation to the Company which has issued them:						

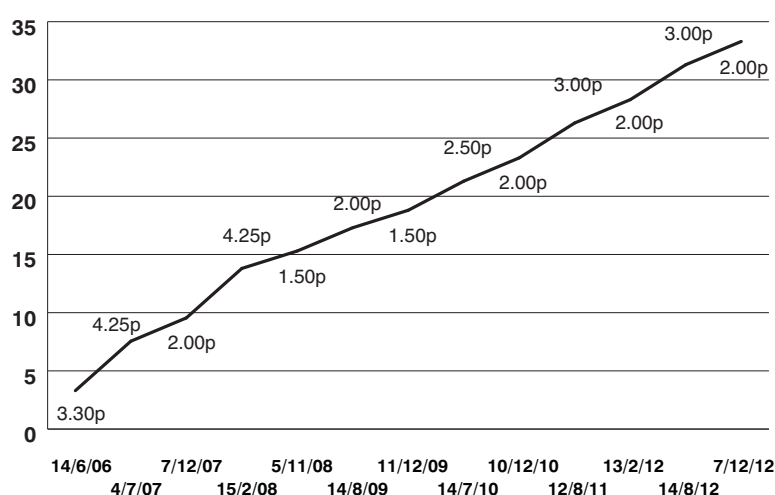
- (i) holders of the New Ordinary Shares shall be entitled to receive all dividends and other distributions made, paid or declared by the relevant Company *pari passu* and equally with each other and with the existing Shares;
- (ii) each New Ordinary Share carries the right to receive notice of and to attend or vote at any general meeting of the Company;
- (iii) on a winding-up, the holders of the New Ordinary Shares are entitled to receive back their nominal value and will participate in the distribution of any surplus assets of the relevant Company *pro rata* with all other Ordinary Shares in the capital of the Company;
- (iv) statutory pre-emption rights on any issue of further Ordinary Shares or the sale of any Existing Ordinary Shares from treasury for cash unless disapplied in accordance with the 2006 Act; and
- (v) New Ordinary Shares are not redeemable at the option of the relevant Company or the Shareholder.

C5	Restrictions on transfer	Not applicable. There are no restrictions on the free transferability of the New Ordinary Shares to be issued by either Company.
C6	Admission	Application will be made for the New Ordinary Shares to be issued by each Company to be admitted to trading on the London Stock Exchange's main market for listed securities, on which the Existing Ordinary Shares are traded.
C7	Dividend policy	Amati VCT

Since 2009 the dividend policy of Amati VCT has been to pay interim and final dividends totalling between 5-6% of year-end net asset value, subject to the availability of distributable reserves. Prior to 2009 the dividend policy, although not defined as such, was broadly similar. The dividend payment history of Amati VCT since inception is shown in the graph below, giving total dividends paid to date of 33.3p.

(Please see additional text below under "Applicable to both Companies".)

Amati VCT cumulative dividends

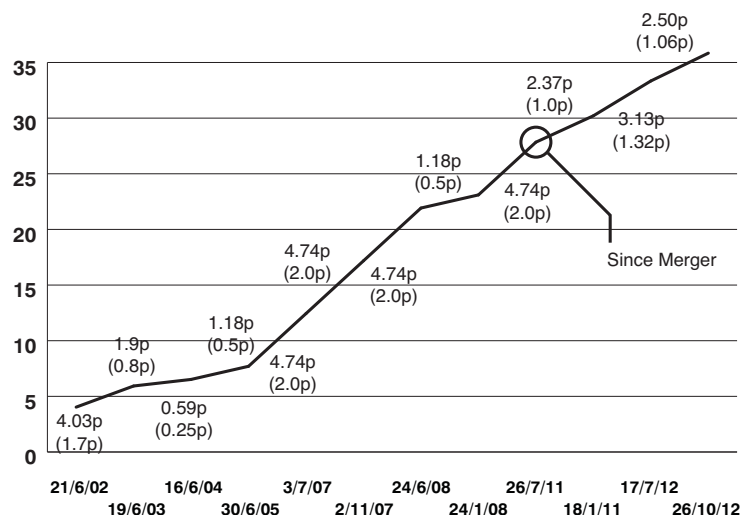


Amati VCT 2

Since November 2011, the dividend policy of Amati VCT 2 has been to pay interim and final dividends totalling between 5-6% of year-end net asset value, subject to the availability of sufficient distributable reserves. The dividend payment history of Amati VCT 2 since inception is shown in the graph below, giving total dividends paid to date, adjusting for the

share consolidation in November 2011, of 35.84p (15.13p per original share).

Amati VCT 2 cumulative dividends



Applicable to both Companies

Shareholders and potential investors should be aware that there will be variations in the amount of dividends paid year on year, the payment of dividends is subject to there being sufficient distributable reserves and sufficient realisations by the relevant Company to finance such dividend payments and there can be no guarantee that the target dividend payments will be made in part or at all. No profit forecast is to be inferred from or implied by this statement.

Section D	Risks
D2 Key information on the risks specific to the Companies	<p>(a) There can be no guarantee that the investment objectives of the Companies will be achieved or that suitable investment opportunities will be available. The success of each Company will depend on the Manager's ability to identify, acquire and realise investments in accordance with each Company's investment policy and there can be no assurance that the Manager will be able to do so.</p> <p>(b) Investment in AIM-traded, ISDX-traded and unquoted companies involves a higher degree of risk than investment in companies traded on the main market of the London Stock Exchange. Smaller companies often have limited product lines, markets or financial resources and may be dependent for their management on a smaller number of key individuals. In addition, the market for stock in smaller companies is often less liquid than that for stock in larger companies, bringing with it potential difficulties in acquiring, valuing and disposing of such stock. Full information for determining their value or the risks to which they are exposed may also not be available.</p> <p>(c) The Companies' investments may be difficult to realise. The fact that a share is traded on AIM or ISDX does not guarantee its liquidity. The spread between the buying and selling price of such shares may be wide and thus the price used for valuation may not be achievable. The valuation of a Company's portfolio and opportunities for realisation may also depend on stock market conditions.</p>

		(d)	Changes in legislation concerning VCTs may limit the number of qualifying investment opportunities, reduce the level of returns which would otherwise have been achievable or result in the Companies not being able to meet their investment objective.
D3	Key information on the risks specific to the securities	(a)	The value of an investment in Amati VCT or Amati VCT 2 may go down as well as up. Shareholders may get back less than the amount originally invested in each Company, even taking into account the available tax reliefs.
		(b)	The value of Ordinary Shares in Amati VCT or Amati VCT 2 depends on the performance of its underlying assets. The market price of the Ordinary Shares may not fully reflect their underlying net asset value. Without the Companies undertaking share buybacks, trading in their shares is not active, so the bid price of the shares (the price which sellers are likely to receive in the market) is likely to reflect the price at which the Companies will buy shares back for cancellation. The Companies will buy shares in the market according to their buyback policy at the time. Currently this means shares are bought back at between 10% and 12% discount to the prevailing NAV per Share. However, the Companies' ability to do this is dependent on the availability of their distributable reserves, and available cash assets. Moreover, the Companies' buyback policies may change.
		(c)	In the absence of the Companies undertaking share buybacks, it is likely that there will not be a liquid market in the New Ordinary Shares (which may be partly due to up front tax relief not being available for VCT shares bought in the market and VCT shares generally trading at a discount to net asset value) and Shareholders may have difficulty in selling their Shares as a result. Shareholders may only be able to realise their investment at a wide discount to NAV per share or may not be able to sell at all.

Section E		Offers
E1	Offers net proceeds and expenses	<p>The Offers as defined in the document total £15m per VCT which can be subscribed in the 2012/3 and 2013/4 Offers in total, and which includes any subscriptions made under an enhanced share buyback and re-investment facility ("ESBRF"). The ESBRF allows existing shareholders to sell existing shares to the Company, if the proceeds are re-invested in new shares in the Offers. A maximum of around 11,551,556 New Ordinary Shares for Amati VCT and 6,819,664 New Ordinary Shares for Amati VCT 2 (representing 24.99% of the current issued share capital of the respective VCT) may be subscribed in each ESBRF. Additionally, up to a further £2m of new shares will be offered/made available in relation to a dividend re-investment scheme ("DRIS") whereby shareholders can elect to receive future dividends in the form of New Ordinary Shares in lieu of cash.</p> <p>The expected total net proceeds and expected total expenses (including any rebates) of each Offer to the Companies, which include any applications under the ESBRF but not the DRISs (and assuming £15 million is subscribed in each offer with 3,000 applicants each in total) are set out below:</p>

	Total Gross Proceeds (£)	Total Costs (including commissions and rebates) (£)	Total Net Proceeds (£)
Amati VCT	£15,000,000	£580,813	£14,419,188
Amati VCT 2	£15,000,000	£580,813	£14,419,188

Assuming that 20% of subscriptions qualify for the early bird offer, all subscriptions qualify for a further rebate of 3% as set out in section E7 of the Summary, and none come through the ESBRFs.

The Companies and the Manager have entered into a costs agreement (the “Costs Agreement”) whereby they have agreed:

- (i) the costs of the Offers (which if fully subscribed and excluding any commissions and rebates are estimated at £115,696 each) will be shared and paid equally between the Companies;
- (ii) if at the close of the Offers one Company is showing a Deficit and the other one is showing a surplus, then the adjustment payment will be (1) the lesser of an amount which results in both Companies having the same Deficit (and the Manager pays half of the Deficit to each Company), or (2) an amount which reduces both Companies’ Deficit to zero;
- (iii) if at the close of the Offers both Companies show a Deficit, an adjustment payment will be made between the Companies such that (1) this Deficit is equalised, and (2) the Manager pays half of the Deficit to each Company.

E2a Reasons for the Offers and use of the proceeds

The funds raised by each Company pursuant to its Offer (including the ESBRF) and the DRIS will be added to the liquid resources available for investment. The Manager believes there will be opportunities to invest the new cash raised into Qualifying and Non-Qualifying Investments over the next few years, in accordance with the Companies’ investment policies for the benefit of the Companies over the next five years.

The Directors of each of the Companies believe that the Manager will be able to access attractive Qualifying Investment opportunities, mostly in companies traded on AIM, over the next few years. Raising further funds at this stage also affords the Companies more flexibility in the short term to invest in Non-Qualifying Companies. The Directors of each of the Companies also believe that the proposed Offers (including the ESBRF) and the Dividend Re-investment Schemes will both enhance the Companies’ long term prospects and further reduce the running costs of each of the Companies (on a per share basis) by spreading the fixed costs over a larger asset base.

Whilst the VCTs are managed by the Manager with similar mandates, for reasons of history there are differences in the compositions of the portfolios. The VCTs will continue to become more aligned over time as new investments are made in accordance with the agreed written co-investment policy, although some differences are likely to remain for an extended period, particularly in the qualifying portfolios. The ‘Style Analysis’ of the portfolios, set out on page 49, shows a categorisation of investments within each portfolio to enable easier comparison. For Shareholders wishing to make a further investment, there is no requirement to invest in the VCT already held in order to utilise the discounted application terms being offered to Shareholders.

The Directors believe that the Offers (including the ESBRF) represent an attractive investment proposition because:

- (a) The Companies each have wide-ranging, well diversified portfolios of investments, in more than 50 companies, with a strongly international dimension.
- (b) Each Company has an active approach to deploying cash in non-qualifying small and mid-sized quoted companies which creates a wider range of options for the Manager to produce investment returns.
- (c) The Companies have qualifying investment portfolios focussed on companies with an equity value in excess of £15 million, reflecting the Manager's view that returns generated from companies traded on AIM with lower valuations than this have generally been poor, and that above this level they start to have the appropriate level of scale to succeed as public companies. The Manager covers the UK market of publicly listed companies with market capitalisations of up to £2 billion, providing investors with access to the larger end of the UK small cap market and the mid cap FTSE 250 index. This has resulted in the weighted average market capitalisation of Qualifying Companies in the portfolio being approximately £53 million for Amati VCT and £97m for Amati VCT 2 as at 3 January 2013.
- (d) The Manager believes that the quality and pricing of VCT Qualifying Companies brought to AIM market over the past twelve months has generally been good, and that this environment is likely to persist. The average return since IPO of the 11 VCT Qualifying Companies brought to AIM and shown to the Manager in 2012 was 31% (to 31 December 2012).
- (e) The portfolios of convertible bonds in AIM traded companies held by Amati VCT and Amati VCT 2 have a lower risk profile than the equivalent equity investments, and serve to increase income, whilst retaining access to equity-type returns if the underlying share price exceeds the level at which the bonds can convert into equity. Holding significant portfolios of such convertible bonds distinguishes the Companies from most of their peer group.
- (f) The Directors believe that holding a portfolio focussed on publicly traded companies enhances flexibility over realising those holdings where liquidity allows.
- (g) The Directors of both Companies intend to continue to target dividend payments of 5%-6% of year end NAV, equivalent to 6.8%-8.1% tax free yield after and taking into account the full 30% initial income tax relief available to subscribers, and adjusting for up-front costs of 5%. An 8% yield after tax is the equivalent of 12.7% for 50% rate taxpayers and 10.9% for 40% rate taxpayers. Such dividend payments are subject to the relevant Company having sufficient distributable profits and having sufficient cash receipts in the period and no profit forecast is to be inferred or implied from this statement.
- (h) Each Company maintains a share buyback policy for market transactions, and has also made available an Enhanced Share Buyback and Re-investment Facility, which provides a low cost facility for Shareholders, who have passed their qualifying holding periods (currently 5 years) who wish to sell and re-invest the proceeds, to make a new subscription in the relevant Company.

- (i) The fund managers at Amati Global Investors are aligned to the success of the Companies. The staff of Amati Global Investors own a total of 277,404 Shares in Amati VCT and 57,012 Shares in Amati VCT 2, and intend to subscribe for further shares in the Offers. Amati Global Investors is an independent company, wholly owned by its staff.

E3 Terms and conditions of the Offers

Each of the Offers will open on 6 February 2013 and will close at 12 noon on 5 April 2013 in relation to the 2012/13 Offer and at 12 noon on 23 January 2014 in relation to the 2013/14 Offer (unless fully subscribed sooner). The Board of each Company may close its Company's Offer earlier than this date. Applications under the Offers will be processed from 6 February 2013. Multiple applications under the Offers from the same investor will be processed in order of receipt.

The Proposals are conditional in respect of each Company on the passing of resolutions by the Shareholders of the relevant Company to approve the terms of the relevant Offer and to authorise the allotment of shares and the buyback of shares under the Enhanced Share Buyback and Re-investment Facilities at their respective general meetings to facilitate the Offers (the "Resolutions"). Subscribers may elect to invest equally in the Offers or invest different amounts under the Offers (including in one Offer only). Applications under each Offer will be accepted on a first-come-first-served basis (provided cheques are not post-dated save in respect of cheques dated prior to the date of the General Meetings), subject always to the discretion of the relevant Board. Subscribers must subscribe a minimum of £3,000 per Offer (or £2,500 per Offer if investing in both), and thereafter in multiples of £1,000 per Offer. The first allotments of Shares under the Offers are expected to occur during March 2013.

In relation to each allotment, the Offer Price at which the relevant New Ordinary Shares will be allotted will be calculated by using the pricing formula set out below and will be announced through a Regulatory Information Service prior to or on the date of allotment.

The number of New Ordinary Shares to be allotted in each Offer will be determined by each respective Offer Price calculated on the following basis:

Amati VCT

The last published Net Asset Value of an Existing Ordinary Share of Amati VCT adjusted for any accrued performance fee prior to the date of allotment divided by 0.95 to allow for issue costs of 5% calculated in pence to two decimal places.

The circumstances in which some of the 5% may be rebated to investors are set out in E7 "Expenses Charged to Investors" below.

Amati VCT 2

The last published Net Asset Value of an Existing Ordinary Share of Amati VCT 2 adjusted for any accrued performance fee prior to the date of allotment divided by 0.95 to allow for issue costs of 5% calculated in pence to two decimal places.

The circumstances in which some of the 5% may be rebated to investors are set out in E7 "Expenses Charged to Investors" below.

The number of New Ordinary Shares to be issued under each Offer will be rounded to the nearest whole number and fractions of New Ordinary Shares will not be allotted. If there is a surplus of funds from an

investor's subscription amount, the balance will be returned (without interest) in the form of a cheque, save where the surplus amount per Offer is less than £5, in which case such surplus will be retained by the relevant Company.

E4	Description of any interest that is material to the issue	Not applicable. There are no interests that are material to the issue.		
E5	Name of persons selling securities	Not applicable. No person or entity is selling securities in the Companies.		
E6	Amount and percentage of dilution	If the Resolutions are passed, the maximum number of Shares which may be issued on a non-pre-emptive basis under the Offers, (including the ESBRF) and the DRIS, the percentage of the issued share capital of the respective Companies represented by such Shares, and the dilutive effect on existing Shareholders' voting control of each Company (assuming they do not subscribe for any New Ordinary Shares) if the maximum number of shares were issued and assuming an Offer Price of 74.28p for Amati VCT and 112.38p for Amati VCT 2 (calculated on the basis of their NAVs per Share on 24 January 2013) is set out in the following table:		
		Maximum number of Shares Directors will be authorised to allot on a non-pre-emptive basis	Percentage of issued share capital represented by these Shares	Percentage dilution in existing Shareholders' voting control
		Amati VCT	20,840,065	45.1%
		Amati VCT 2	13,774,693	50.5%
		Assuming that 20% of subscriptions qualify for the early bird offer and all subscriptions qualify for a further rebate of 3% and none come through the ESBRFs.		

E7	Expenses charged to investors	<p>Investors through the Offers will indirectly bear a portion of the costs of the Offers in which they participate through the application of the formula which determines the Offer Price paid for the New Ordinary Shares (adjusted NAV per Share divided by 0.95) and includes an allowance for issue costs of 5%. Of that 5%:</p> <ul style="list-style-type: none"> (i) in respect of investors who apply through an execution only financial intermediary, the Company will pay a commission of 3% to such intermediary (which may be waived by the intermediary in favour of an additional issue of shares in the Offers for the investor) and an annual trail commission of 0.375% payable by the Manager (limited to 5 years); (ii) 3% will be rebated in the form of extra shares to investors who apply through an authorised intermediary on an advised basis, or who are existing Shareholders (excluding existing Shareholders who apply through an authorised intermediary on an execution only basis); (iii) a further 1% may be rebated under the "earlybird" offer in respect of applications received prior to 8 March 2013; and (iv) where an existing investor invests directly in one or both of the Offers and he or she previously invested through an authorised financial intermediary, and that financial intermediary may accept trail commission in respect of the further investment, the Manager will use reasonable efforts to identify that financial intermediary
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and pay trail commission in line with (i) above (limited to five years) to that financial intermediary in respect of the amount invested in the Offers.

For the purposes of estimating the contribution from investors to the costs of the Offers it has been assumed that 80% of applications come after 8 March 2013 and therefore will not be eligible for the “earlybird” offer, and that all applications are made either through an authorised intermediary or from existing Shareholders. On this basis the contribution will be approximately 1.96% of the gross proceeds subscribed.

The table below illustrates the expenses charged to investors based on a £10,000 investment and the theoretical NAV per share of 100p.

Illustration of Costs showing a £10,000 investment based on a theoretical NAV per share of 100p, giving an allotment price of $100/0.95 = 105.27p$ per share.

	Facilitated Fee	Net Investment	Income Tax Relief available	Up Front Available Commission	Value of extra share entitlement	Value of Early Bird Entitlement	Number of Shares Alloted	Number of Shares Alloted with Additional Early Bird Entitlement	Trail Commission Available to Authorised Intermediaries
Subscriber applying through authorised intermediary offering advice		£10,000	£3,000	£0	£300	£100	9784	9879	NO
Subscriber applying through authorised intermediary offering advice with 2% fee facilitated	£200	£9,800	£2,940	£0	£294	£98	9588	9682	NO
Subscriber applying through authorised intermediary on execution only basis		£10,000	£3,000	£300*	£0	£100	9,499-9,784*	9,594-9,879*	YES
Existing shareholder, applying directly, or re-investing the proceeds under ESRF		£10,000	£3,000	£0	£300	£100	9,784	9,879	YES
Non-Shareholder applying directly		£10,000	£3,000	£0	£0	£100	9,499	9,594	NO

* Depending on the level of commission rebated to the subscriber in the form of extra shares.

RISK FACTORS

The risk factors identified below include all the material risks known to the Companies as at the date of this document. The Directors draw the attention of potential investors to the following risk factors which may affect the Companies' performance and/or the availability of tax reliefs. Any decision to invest in either of the Companies should be based on consideration of the Prospectus as a whole by an investor. An investment in either of the Companies is only suitable for investors who are capable of evaluating the risks and merits of such investment and who have sufficient resources to bear any loss which might result from such investments.

Investment in either of the Companies should be regarded as long-term in nature and is not suitable for all individuals. Potential investors should consult their independent professional or financial advisers before deciding whether to, and how much to, invest in either of the Companies.

Related risks of the Offers (including the Enhanced Share Buyback and Re-investment Facilities) and the Dividend Re-investment Scheme

The market price of the Ordinary Shares may not fully reflect their underlying Net Asset Value. The value of an investment in the Company, and the income derived from it, may go down as well as up and an investor may not get back the amount invested.

Although the Existing Ordinary Shares are already listed and the New Ordinary Shares will be listed on the premium segment of the Official List and admitted to trading on the London Stock Exchange, it is possible that there may not be a liquid market in the Ordinary Shares and Shareholders may have difficulty in selling their Ordinary Shares. New investors in either of the Companies may be less willing to acquire Ordinary Shares which are already in issue than to subscribe for New Ordinary Shares because of the tax reliefs which attach to new subscriptions.

General risks

The past performance of the Companies or other companies or funds managed or advised by Amati Global Investors is not necessarily a guide to the future performance of either of the Companies.

Any realised losses on a disposal of Ordinary Shares will not be allowable losses for the purposes of capital gains tax and will, therefore, not be available for set-off against any capital gains.

There can be no guarantee that the Company's investment objectives will be achieved.

The value of an investment in Amati VCT or Amati VCT 2 may go down as well as up. Shareholders may get back less than the amount originally invested in a Company, even taking into account the available tax reliefs.

Market risks

Realisations of investments in AIM-traded or ISDX-traded companies and unquoted investments can sometimes be more difficult and can take more time than realisation of investments in companies quoted on the Official List. The fact that a share is traded on AIM or ISDX does not guarantee its liquidity. The spread between the buying and selling price of such shares may be wide and thus the price used for valuation may not be achievable. The valuation of a Company's portfolio and opportunities for realisation may also depend on stock market conditions.

The ability of either Company to obtain maximum value from its investments (for example, through a sale or takeover) may be restricted because of the requirement to satisfy certain conditions necessary for it to maintain its VCT status (such as the condition that not less than 70% by value of its investments must be in Qualifying Holdings).

AIM is designed primarily for emerging or smaller companies. Such companies may, in comparison to companies quoted on the Official List, have less mature businesses, a more restricted depth of management and a higher risk profile. The rules of the AIM market are, in relation to admission and continuing obligations, less demanding than those of the Official List.

There can be no guarantee that the investment objectives of the Companies will be achieved or that suitable investment opportunities will be available. The success of each Company will depend on the Manager's ability to identify, acquire and realise investments in accordance with each Company's investment policy and there can be no assurance that the Manager will be able to do so. If the investment objectives of the Company are not achieved and/or the Company is unable to identify, acquire and realise investments in accordance with its

investment policy, the impact on the Company's value and performance may be negative including in that (i) the Company may be left with a larger cash pool than it would ideally wish which may act as a drag on investment returns, (ii) the Company may be forced to make Qualifying Investments which it would not ideally hold, or which fall outside the scope of the investment policy, in order to comply with the VCT regulations, (though in this circumstance the Company would require to obtain shareholders' approval in general meeting to allow it to undertake this), (iii) the Company may be forced to sell attractive investments which are liquid, in preference to less attractive investments which are illiquid, (iv) the Company may not be able to realise enough cash to support its target dividend payments, and (v) the Company may not be able to sell investments at times it believes most opportune. In any of these cases, the impact on the Company may include a reduction in the value of its assets, a reduction in its investment performance, an inability to continue to pay dividends at the target rate, and an inability to reinvest funds on an optimum basis. The impact on an investor may include a reduction or cessation of dividend payments by the relevant Company and a reduction in the Company's underlying Net Asset Value per share and/or the trading price of Shares in the Companies.

Investments in AIM-traded and ISDX-traded companies and unquoted investments involve a higher degree of company specific risk than investments in companies listed on the Official List. In particular, smaller companies often have limited product lines, markets or financial resources and may be dependent for their management on a smaller number of key individuals. In addition, the market for stock in smaller companies is normally less liquid than that for stock in larger companies, bringing with it potential difficulties in acquiring, valuing and disposing of such stock. Full information for determining their value or the risks to which they are exposed may also not be available. Potential difficulties in dealing in illiquid stocks may be increased where orders for Amati VCT or Amati VCT 2 are aggregated with other clients of the Manager.

The spread between the bid price and the offer price of AIM-traded companies' shares may be wide and, therefore, the price of such shares for valuation purposes may not reflect the price at which such shares may be sold. Unquoted shares are inherently more difficult to value and, as a result, valuations are subject to uncertainty.

The market for new shares on AIM is subject to market forces and there can be no certainty that there will be sufficient new share issues to enable either Company to achieve the intended level of investment in Qualifying Investments.

In relation to unquoted and quoted companies, proper information for determining the value of either of the Companies' underlying investments, or the risks to which they are exposed, may also not be available. This is because, although these companies generally provide accurate and timely information to the Manager, they are not necessarily required to do so. As such, valuations may have to be done on historical information presented in a summary form and without having the benefit of direct discussions with management and/or the ability to require disclosure of additional information which may be necessary or desirable in order to come to a more accurate valuation. Quoted companies are generally subject to enhanced disclosure requirements including an obligation to make announcements to the market in respect of price sensitive information. However, such announcements may be limited in details and scope. In addition, financial information, when released, will usually be historical and limited in detail. There is also no obligation for an individual quoted company's management team to have direct discussions with investors, although it is normal practice to do so.

Smaller companies are less likely to have multinational markets for their products or services than large companies and, as a result, may be more exposed to national economic cycles rather than global economic cycles.

The rules regarding Qualifying Investments are complex and restrictive, and are aimed at steering the Manager to invest in smaller, more immature businesses. This tends to raise the overall risk profile of the investment portfolio. These rules have changed in the past and may change again in the future.

In the absence of the Companies undertaking share buybacks, it is likely that there will not be a liquid market in the New Ordinary Shares (which may be partly due to up front tax relief not being available for VCT shares bought in the market and VCT shares generally trading at a discount to Net Asset Value) and Shareholders may have difficulty in selling their Shares as a result. Shareholders may only be able to realise their investment at a wide discount to Net Asset Value per share or may not be able to sell at all.

The value of Ordinary Shares in Amati VCT or Amati VCT 2 depends on the performance of their underlying assets. The market price of the New Ordinary Shares may not fully reflect their underlying Net Asset Value. Without the Companies undertaking share buybacks, trading in their shares is unlikely to be active, so the bid price of the shares (the price which sellers are likely to receive in the market) is likely to reflect the price at

which the Companies will buy shares back for cancellation. The Companies will buy Shares in the market according to their buyback policy at the time. Currently this means Shares are bought back at between 10% and 12% discount to the prevailing NAV per Share. However, the Companies' ability to do this is dependent on the availability of their distributable reserves and available cash. Moreover, the Companies' buyback policies may change.

Tax related risks

The tax rules or their interpretation in relation to an investment in either of the Companies and/or rates of tax may change during the life of the Companies.

There can be no guarantee that either of the Companies will maintain full VCT status. **If either of the Companies ceases to retain approval as a VCT before Qualifying Subscribers have held their Ordinary Shares for five years, any income tax relief obtained will have to be repaid.** Following a loss of VCT status a Qualifying Subscriber will be taxed on dividends paid by the Company and, in addition, a liability to capital gains tax may arise on any subsequent disposal of Ordinary Shares. If either of the Companies ceased to have VCT status, that Company would also lose its exemption from corporation tax on capital gains.

The rules governing Qualifying Investments have changed a number of times over the last five years and may change further. Funds raised through share issues during different periods may be subject to different rules governing Qualifying Investments. As a result of having raised money each year through multiple sets of rules in relation to Qualifying Investments, Amati VCT faces a potentially high level of complexity in matching the various subscriptions it has received historically to the various rule types for Qualifying Investments. This situation has been simplified somewhat by the latest set of rule revisions, however.

If at any time VCT status is lost, the relevant Company may request that dealings in Ordinary Shares be suspended until such time as the relevant Company has published proposals either to continue as an investment company or to be wound up. Further information concerning the loss of VCT status is set out in Part VI of this document.

The current taxation legislation applicable to individual investors provides for income tax relief of up to 30% of the amount subscribed (subject to overall limitations on the amount of tax relief that can be claimed).

Investors must hold their shares for at least 5 years to qualify for income tax relief, otherwise the initial tax relief can be withdrawn and, therefore, VCTs should be viewed as long-term investments.

There is a limited secondary market for shares in VCTs primarily because the initial income tax relief is only available to those subscribing for newly issued shares.

The value of shares in a VCT depends on the performance of the underlying assets. The value of the investment and the dividend stream can rise and fall.

The information in this document is based on existing legislation, including taxation legislation. The existing levels and bases of, and reliefs from, taxation may change. The value of tax reliefs depends on the personal circumstances of investors, who should consult their own tax advisers before making any investment.

Dividend Re-investment Scheme Risks

Subject to Shareholders' approval in the General Meetings, the availability of the Dividend Re-investment Scheme is intended to continue until the £2m available is used up, or until 23 January 2014. However its continued availability depends upon (i) each Company continuing to offer such a scheme, (ii) the relevant Company paying dividends which are available to be reinvested and (iii) the relevant Company having sufficient allotment and issue authority to permit the re-investment of the dividends at the relevant time. In the event that any of these ceases to be the case, the relevant Dividend Re-investment Scheme may no longer function or be available and a shareholder may unexpectedly end up receiving a cash dividend.

The Dividend Re-investment Schemes contain provisions in relation to notice which must be given in order to exit the relevant scheme. It may not be possible to exit the relevant scheme shortly before a dividend is paid if sufficient notice is not given and a Shareholder may therefore receive further Shares when he or she desired a cash dividend. This risk is only a risk for those investors and shareholders who elect to participate in the Dividend Re-investment Scheme

Enhanced Buyback and Re-investment Facility Risks

The tax treatment of the Enhanced Share Buyback Facilities can be complicated and investors may be worse off by participating in the ESBRF. **Shareholders are therefore advised to seek independent tax advice and to read the questions and answers on pages 66-68 before taking part in the ESBRFs.** It is intended that it only be considered by Shareholders who have held Shares for longer than the qualifying period required to retain initial income tax relief granted on the purchase of VCT shares (currently five years). In particular:

- (i) Shareholders who originally purchased shares in one of the Singer & Friedlander AIM VCTs, and who now hold shares in Amati VCT 2, should also note that selling Shares will bring back any capital gains which were deferred through the initial purchase of these shares, and that this may result in a capital gains tax charge in the tax year in which the sale is undertaken and at the prevailing rate of capital gains tax which may be higher than that at the time of the deferral.
- (ii) Also, due to some complexities in the VCT legislation, Shareholders are advised that, if they sell shares in the ESBRF for more than they paid for them, then any gain is likely to be taxable as income, and advice should be sought about the merits of doing so.
- (iii) With VCTs, unlike other listed shares, share sales are counted on a first-in, first-out basis, so if you sell part of a holding, you are selling the shares in the order that you bought them.

The Companies do not expect that an existing Shareholder in either Company would wish to participate in the relevant Enhanced Share Buyback and Re-investment Facility if doing so would result in the Shareholder losing any of the VCT tax reliefs on the original shareholding. Shareholders who have subscribed for Shares on more than one date should be particularly careful about making sure they tender the appropriate Shares into the Enhanced Share Buyback and Re-investment Facility.

The Enhanced Share Buyback and Re-investment Facilities may cease to be available immediately upon occurrence of a number of circumstances including (i) where the relevant Company has exhausted the number of Shares it may issue in the Offer and (ii) once it has reached the 25% limit on the number of Shares which it may buy back under the authorities sought at the General Meetings. This risk is only a risk for those investors and shareholders who elect to participate in the ESBRF.

Gearing and interest rate related risks

Prospective investors should be aware that, although neither of the Companies currently has any borrowing facilities in place, they may have from time to time a certain level of gearing (as permitted by the borrowing powers in their Articles) and, whilst the use of borrowings would enhance the Net Asset Value of the Ordinary Shares where the value of that Company's underlying assets is rising, it will have the opposite effect where the underlying assets' value is falling. The use of borrowings also creates the risk that the borrower will be unable to service the interest payments or comply with the other requirements of the loan rendering it repayable and the risk that borrowings will not be able to be refinanced upon expiry or that the terms of such refinancing may not be as favourable as the existing terms of borrowing. Increases in interest rates and levels of amortisation imposed by a lender may also have an adverse effect on the relevant Company's ability to pay dividends to its Shareholders.

Derivatives related risks

The Manager may use exchange-traded or over-the-counter derivatives for hedging purposes with a view to reducing overall market risk in the portfolio as a whole. However, investors should be aware that there is no guarantee that this risk mitigation will be in place during a market fall, and it is not the Manager's intention to seek to hold such instruments at all times. The use of derivatives and other instruments will reflect the Manager's view of the market risks from time to time. Such instruments as are available to reduce risk are imperfect. Instruments currently approved for use are the FTSE Mid 250 Future or Cash Swaps and the Russell 2000 Futures and Options. The Manager will be seeking to use the most appropriate and cost effective instruments for the purpose, recognising, however, the constraint that no perfect instruments are currently available. In the absence of perfectly correlated hedging instruments the Manager will only seek to hedge a strictly limited amount of market risk. Currently the limits (which are subject to variation by the Manager) are that no more than 15% of the relevant Company's Net Asset Value will be hedged through futures, and no more than 50% through a combination of futures and options. Put options may be bought up to a maximum book cost of 1.5% of the relevant Company's Net Asset Value.

Derivative positions will, therefore, always be covered by the assets of the portfolio and will not be used speculatively. Investors should be aware that although futures contracts, contracts for differences, cash swaps, and options are held in relation to stock market indices, the contracts are settled in cash. The 'gearing' or 'leverage' created through such derivative transactions means that a small deposit or 'margin' is deposited as the contract is taken out, but this represents a much larger underlying exposure, and it is this underlying exposure which is used to measure how much of the portfolio is being hedged. If the underlying security or index moves adversely then further margin needs to be paid in order to keep the position open. Failure to do so may result in the relevant Company's position being closed and any resulting losses would need to be funded.

During the periods that each Company has been managed by the Manager, the Companies have generally been run with no hedging. On only a few occasions and for short periods has hedging been put in place covering more than 10% of the relevant Company's net asset value. Overall, the net result of hedging has not made a material impact on the Net Asset Value of either Company.

Alternative Investment Fund Managers' Directive

The EU Alternative Investment Fund Managers' Directive (No. 2011/61/EU) ("AIFM Directive") is expected to be transposed into the national legislation of each EU Member State in mid-2013 following a series of consultations from both the European Commission and the European Securities and Markets Authority together with the regulatory bodies appointed at national level by European member states. Much of the detail of the legislation is yet to be finalised and the full impact of its implementation on the Companies remain uncertain. In January 2012, the FSA issued a discussion paper (DP12/1) in which it was proposed that an investment fund listed on the Official List, such as the Companies, should itself be treated as the alternative investment fund manager (the "AIFM") under the AIFM Directive, rather than (as had been anticipated) having the option to appoint a third party manager as its AIFM. Whether or not this proposal is adopted, the implementation of the AIFM Directive is likely to increase regulatory and compliance costs.

The AIFM Directive may also introduce restrictions on the marketing of the Company's shares in the EU, which in turn may have a negative effect on marketing and liquidity generally. Again, the full extent to which this may be the case is not yet known.

FSA Consultation Paper CP 12/19 in relation to Unregulated Collective Investment Schemes

In August 2012, the FSA issued a consultation paper relating to proposed new measures to restrict the marketing of unregulated collective investment schemes and equivalent vehicles to retail investors. A VCT does not fall within the definition of a collective investment scheme under the current definitions because it is a body corporate being a public limited company. In addition, as a main market traded company and a premium segment listed company, it is subject to significant corporate governance rules and regulatory oversight and disclosure rules which would not be applicable to an unregulated collective investment scheme. As such, it seems hard to argue that any new law or regulations resulting from CP 12/19 in relation to the marketing of unregulated collective investment schemes should be extended to VCTs. However, if it were, then such restrictions on marketing could severely hinder any future fundraisings by the Companies and may also have an adverse impact on the secondary market for VCT shares.

Fund Manager

The performance of the Companies depends on the investment performance of the Manager which in turn is dependent upon the performance and continued availability of certain key personnel.

In the event that any one or more of these persons were unavailable either temporarily or permanently, the investment performance of the Companies may be adversely affected resulting in capital loss, reduction in dividends and/or reduction in liquidity for Shareholders.

STATISTICS OF THE OFFERS

Offer Price per New Ordinary Share in Amati VCT	The most recently published Net Asset Value of an Existing Ordinary Share of Amati VCT adjusted for any accrued Performance Fee prior to the date of allotment divided by 0.95 to allow for issue costs of 5% calculated in pence to two decimal places.
Offer Price per New Ordinary Share in Amati VCT 2	The most recently published Net Asset Value of an Existing Ordinary Share of Amati VCT 2 adjusted for any accrued Performance Fee prior to the date of allotment divided by 0.95 to allow for issue costs of 5% calculated in pence to two decimal places.
Maximum gross proceeds of the Offers (including any amounts subscribed for under the Enhanced Share Buyback and Re-investment Facility)	£15 million for Amati VCT £15 million for Amati VCT 2
Minimum subscription per investor under each of the Offers	£3,000 in one VCT or £2,500 in each when an investment is made in both VCTs.
Rebate in the form of extra shares for existing shareholders, and new investors who subscribe through an authorised intermediary on an advised basis (not applicable to the DRIS)ⁱ	Investors for New Ordinary Shares in the Offers who invest through an authorised intermediary on an advised basis, or who are existing shareholders, will receive a rebate of 3% of their subscription monies in the form of an enhanced allocation of New Ordinary Shares equal to 3% of their subscription monies in addition to any “early bird” enhanced allocation as described below.
Additional “early bird” rebate in the form of extra shares (not applicable to subscriptions via the Enhanced Share Buyback and Re-investment Facility or DRIS)ⁱ	Investors whose applications for New Ordinary Shares in the Offers are received on or before close of business on 8 March 2013 will receive an additional enhanced allocation of New Ordinary Shares equal to 1% of their subscription monies.
Commission payable in respect of investors subscribing through an authorised intermediary on an execution only basisⁱ	The relevant Company will pay commission of 3% to the authorised intermediary unless such commission is waived in favour of an enhanced share allocation to the investor
Trail commission	To the extent permissible by law and regulation, trail commission of 37.5bps (0.375%) per annum, and at the discretion of the Manager, up to 50bps (0.50%) per annum may be paid by the Manager on amounts subscribed for New Ordinary Shares for a period of five years following the date of subscription.

- i. The commission referred to above assumes that the Directors of the relevant Company have not exercised their discretion as referred to in Part III on page 63.

EXPECTED TIMETABLE

2012/2013 Offers open (conditional upon passing of Resolutions at General Meetings)	on 6 February 2013
General Meeting of Amati VCT	1.00pm on 7 March 2013
General Meeting of Amati VCT 2	1.30pm on 7 March 2013
2012/2013 Offers close	12.00 noon on 5 April 2013
	12.00 noon on 3 April 2013 for the Enhanced Share Buyback and Re-investment Facility
2013/2014 Offer opens	8.00 a.m. on 6 April 2013
2013/2014 Offer closes	12.00 noon on 23 January 2014
Allotments	monthly (or at such other times at the Manager's discretion as it considers in the best interests of the relevant Company)
Dealings in New Ordinary Shares commence	second business day following allotment
CREST accounts credited	within 5 business days of allotment
Definitive share certificates and income tax relief certificates despatched	within 10 business days of allotment
Enhanced Share Buyback and Re-investment Facilities	applications under the Enhanced Share Buyback and Re-investment Facility of either Company will be processed on the same timetable as normal applications for allotment as set out above
Dividend Re-investment Schemes	based on dates dividends paid and the terms and conditions of the Dividend Re-investment Schemes

Notes:

- i. Successful subscribers (and/or where appropriate their authorised financial intermediaries) will receive an acknowledgement letter from the Receiving Agent on receipt of their Subscription Forms.
- ii. The Offers may close earlier than the dates stated above if they are fully subscribed by an earlier date. The Directors of each Company reserve the right to accept Subscription Forms and to allot and arrange for the listing of New Ordinary Shares in respect of applications received in respect of the Offers on or prior to the closing dates of the Offers as the Directors of the relevant Company see fit.
- iii. The allotment of New Ordinary Shares by either Company is at the discretion of the Directors of that Company and is expected to be made monthly, although there may be additional allotments (at the Manager's discretion). All allotments will be made at a price per share calculated as set out under "Statistics of the Offers" on page 24.
- iv. Revocation of applications cannot occur after New Ordinary Shares have been allotted.

JOINT LETTER FROM THE CHAIRMAN OF AMATI VCT AND THE CHAIRMAN OF AMATI VCT 2

AMATI VCT PLC

(Registered in Scotland No. SC278722)

Directors

Simon Miller (Chairman)
Peter Lawrence
Charles Pinney
Brian Scouler

Registered office

Thistle House
21 Thistle Street
Edinburgh EH2 1DF

AMATI VCT 2 PLC

(Registered in England and Wales No. 04138683)

Directors

Julian Avery (Chairman)
Michael Killingley
Christopher Macdonald
Christopher Moorsom

Registered office

27-28 Eastcastle Street
London
W1W 8DH

Dear Investor,

Background to the Proposals

Amati VCT plc and Amati VCT 2 plc are offering both existing shareholders and new investors the opportunity to subscribe for up to £15,000,000 of New Ordinary Shares in each company. In addition, provision is being made for a further £2,000,000 each to be raised through the Dividend Re-investment Scheme of each of the Companies over the coming year. For those who have held their existing Shares for the required length of time and who wish to fund the purchase of new Shares in these offers by selling their existing holding of Shares in one of the Companies, the Board is making available an Enhanced Share Buyback and Re-investment Facility ("ESBRF") along the same lines as both VCTs have made available in previous share offers. Each of these aspects of the Proposals is subject to the separate approval of Shareholders of the relevant one of Amati VCT plc ("Amati VCT") or Amati VCT 2 plc ("Amati VCT 2").

The joint offer allows the Companies to present a wider set of choices to shareholders, and to spread the fixed costs of the Offers over a broader base.

This document contains a Notice of a General Meeting of each of Amati VCT and Amati VCT 2 in order to put to Shareholders Resolutions to approve these Proposals. In accordance with the Listing Rules and/or the 2006 Act, Shareholders are being asked to vote on Resolutions to approve the terms of the Offers; to allow the Companies to make the Offers by disapplying pre-emption rights; to authorise the Company to buy back shares which will enable the Enhanced Share Buyback and Re-investment Facilities to operate within the scope of the Offers; and to continue the Dividend Re-investment Schemes.

The Directors of each of the Companies believe that there is the potential for good returns to be realised from their current portfolios of investments and that the Manager will be able to access attractive Qualifying Investment opportunities, mostly in companies traded on AIM, over the next few years. Raising further funds at this stage also affords the Companies more flexibility in the short term to invest in Non-Qualifying Investments. The Directors of each of the Companies also believe that the proposed Offers (including the ESBRFs) and the Dividend Re-investment Schemes will enhance the Companies' long term prospects and further reduce the running costs of each of the Companies (on a per share basis) by spreading the fixed costs over a larger asset base.

Whilst the VCTs are managed by the Manager with similar mandates, for reasons of history there are differences in the compositions of the portfolios. The VCTs will continue to become more aligned over time as new investments are made on a pro-rata basis, although some differences are likely to remain for an extended period, particularly in the qualifying portfolios. The 'Style Analysis' of the portfolios, set out on page 49, shows a categorisation of investments within each portfolio to enable easier comparison. For Shareholders wishing to make a further investment, there is no requirement to invest only in the VCT already held in order to utilise the discounted application terms being offered to Shareholders.

The Directors of each Company believe that the Offers (including the ESBRF) by their respective Companies represent an attractive investment proposition because:

- a) Each Company has wide-ranging, well diversified portfolios of investments in more than 50 companies with a strongly international dimension.
- b) Each Company has an active approach to deploying cash in non-qualifying small and mid-sized quoted companies which creates a wider range of options for the Manager to produce investment returns.
- c) The Companies have qualifying investment portfolios focussed on companies with an equity value in excess of £15 million, reflecting the Manager's view that returns generated from companies traded on AIM with lower valuations than this have generally been too poor, and that above this level they start to have the appropriate level of scale to succeed as public companies. The Manager covers the UK market of publicly listed companies with market capitalisations of up to £2 billion, providing investors with access to the larger end of the UK small cap market and the mid cap FTSE 250 index. This has resulted in the weighted average market capitalisation of qualifying companies in the portfolio being approximately £53 million for Amati VCT and £97m for Amati VCT 2 as at 3 January 2013.
- d) The Manager believes that the quality and pricing of VCT Qualifying Companies brought to the AIM market over the past twelve months has generally been good, and that this environment is likely to persist. The average return since IPO of the 11 VCT Qualifying Companies brought to AIM and shown to the Manager in 2012 was 31% (to 31 December 2012).
- e) The portfolios of convertible bonds in AIM traded companies held by Amati VCT and Amati VCT 2 have a lower risk profile than the equivalent equity investments, and serve to increase income, whilst retaining access to equity-type returns if the underlying share price exceeds the level at which the bonds can convert into equity. Holding significant portfolios of such convertible bonds distinguishes the Companies from most of their peer group.
- f) The Directors believe that holding a portfolio focussed on publicly traded companies enhances flexibility over realising those holdings where liquidity allows.
- g) The Directors of each Company intend to continue to target dividend payments of 5%-6% of year end NAV, equivalent to a 6.8% to 8.1% post-tax yield after taking into account the full 30% initial income tax relief available to subscribers, and adjusting for up-front costs of 5%. An 8.1% yield after tax is the equivalent of 12.7% for 50% rate taxpayers and 10.9% for 40% rate taxpayers. Such dividend payments are subject to the relevant Company having sufficient distributable profits and having sufficient cash receipts in the period and no profit forecast is to be inferred from or implied by this statement.
- h) Each Company maintains a share buyback policy, and has also made available an Enhanced Share Buyback and Re-investment Facility, which provides a low cost facility for Shareholders, who have passed their qualifying holding periods (currently 5 years) who wish to sell and reinvest the proceeds, to make a new subscription in the relevant Company.
- i) The fund managers at Amati Global Investors are aligned to the success of the Companies, and own a total of 277,404 Shares in Amati VCT and 57,012 Shares in Amati VCT 2. They also intend to subscribe for further Shares in the Offers. Amati Global Investors is an independent company, wholly owned by its staff.

The Directors of Amati VCT have indicated that they intend to invest a total of £40,000 in the Offer by Amati VCT and £5,000 in the Offer by Amati VCT 2 and the Directors of Amati VCT 2 have indicated that they intend to invest a total of £30,000 in the Offer by Amati VCT 2 and £10,000 in Amati VCT.

The fund managers at Amati Global Investors responsible for the management of the Companies' portfolios have indicated that they wish to invest a total of £12,500 in the Offer by Amati VCT and to re-invest the proceeds of selling 43,237 shares through the ESBFR in the current tax year, and (subject to any unforeseen changes in circumstances) a further 199,613 shares in the tax year 2013/14. They have also indicated that they wish to invest £62,500 in the Offer by Amati VCT 2.

Dividend Re-investment Schemes

Both of the Companies operate Dividend Re-investment Schemes to enable Shareholders of each to use all of their dividends to subscribe for further New Ordinary Shares in a cost effective manner. The price at which the shares are issued is the Net Asset Value ("NAV") per Share as close as reasonably practical to the dividend payment date. The relevant Company bears all of the costs of operating the Dividend Re-investment Scheme. Dividend re-investment enables Shareholders of the Companies to increase their total holding in the relevant Company without incurring dealing costs, issue costs or stamp duty. Subject to the limits on investments in

VCTs, these New Ordinary Shares should qualify for the VCT tax reliefs that are applicable to subscriptions for new VCT shares. Shareholders wishing to participate in the Dividend Re-investment Scheme will need to elect to. Those Shareholders or investors who subscribe in the Offers (including the ESBRF) can elect for the DRIS in relation to the New Ordinary Shares by ticking the appropriate box on the Subscription Form at the end of this document. (Instructions on how to complete the Subscription Form are shown on pages 130 to 132 of this document). Existing Shareholders who wish to elect to receive future dividends in the form of New Ordinary Shares (and who have not made the election already) should contact the Company's registrar – Computershare for Amati VCT and The City Partnership for Amati VCT 2. Further details are given in Parts IV and VI of this document. The terms and conditions of the Dividend Re-investment Schemes can be found on the websites of the two Companies being www.amatiglobal.com/avct.php and www.amatiglobal.com/avct2.php.

Enhanced Share Buyback and Re-investment Facilities

In order to allow shareholders a cost-effective means of funding the purchase of new shares in the Offers by selling an existing holding of Shares in a cost effective manner, the Companies, subject to the relevant Shareholder approvals, are continuing their Enhanced Share Buyback and Re-investment Facilities. For those Shareholders participating in either Enhanced Share Buyback and Re-investment Facility, the relevant Company will buy back Ordinary Shares at a 1% discount to NAV, if the selling Shareholder applies all the net proceeds from the Share buyback to subscribe for New Ordinary Shares under the Offers (less any amounts the Shareholder elects to allocate to his or her financial intermediary from the sale). The subscription price under the Offers is NAV/0.95, allowing for a 5% contribution to Offer costs, calculated as set out in more detail in Part III of this document. However, Shareholders subscribing under the Offers through the ESBRF receive a rebate of 3% of their subscription in the form of extra New Ordinary Shares. As a result, the total cost of selling and re-investing is approximately 3.2% (less any amounts the Shareholder elects to allocate to his or her financial intermediary from the sale). Thus shareholders using the Enhanced Share Buyback and Re-investment Facility will subscribe for around 3.2% fewer shares than they sold. Existing Shareholders wishing to subscribe using the ESBRF should read the whole of the Prospectus before making their investment decision.

Shareholders are advised to seek independent tax advice and to read the questions and answers on pages 66-68 before taking part in the ESBRF. It is intended that it only be considered by Shareholders who have held shares for longer than the qualifying period required to retain initial income tax relief granted on the purchase of VCT shares (currently five years). Shareholders who originally purchased shares in one of the Singer & Friedlander AIM VCTs, and who now hold shares in Amati VCT 2, should also note that selling shares will crystallise any capital gains which were deferred through the initial purchase of these shares, and that this may result in a capital gains tax charge in the tax year in which the sale is undertaken and at the prevailing rate of capital gains tax which may be higher than that at the time of the deferral. Also, due to some complexities in the VCT legislation, Shareholders are advised that, if they sell Shares in the ESBRF for more than they paid for them, then any gain is likely to be taxable as income, and advice should be sought about the merits of doing so. The Companies have been advised that with VCTs, unlike other listed shares, share sales are counted on a first-in, first-out basis, so if you sell part of a holding, you are selling the shares in the order that you bought them. The Companies do not expect that an existing Shareholder in either Company would wish to participate in the relevant Enhanced Share Buyback and Re-investment Facility if doing so would result in the Shareholder losing any of the VCT tax reliefs on the original shareholding. Shareholders who have subscribed for Shares on more than one date should be particularly careful about making sure they tender the appropriate Shares into the Enhanced Share Buyback and Re-investment Facility.

Up to 24.99% of the Company's equity may be bought back under the ESBRF (to the extent not used up by other buy backs). However given that a condition of the ESBRF is that the proceeds must be re-invested in new shares there is minimal impact upon the Shareholder control of the Company.

Subscriptions which arise as a result of the Enhanced Share Buyback and Re-investment Facility will also serve to enhance and secure the long-term nature of the relevant Company's funding as it is expected that investors will in general hold New Ordinary Shares for the five year qualifying period for the tax reliefs.

Shareholders who sell their Ordinary Shares back to the relevant Company and subsequently subscribe for New Ordinary Shares under the Offers should not regard this as continuing with their existing holding. They will be subscribing for New Ordinary Shares which will carry relief from income tax of up to 30% but which will also carry the requirement to hold the New Ordinary Shares for five years from the date of allotment. Shareholders who sell the New Ordinary Shares earlier than this time (except in the event of death) will have

to repay some or all of the 30% income tax relief. Income tax relief on subscription is limited to an amount that reduces the investor's income tax liability to nil.

Each of the Enhanced Share Buyback and Re-investment Facilities is separate and it is not therefore possible to use either Enhanced Share Buyback and Re-investment Facility to sell shares in Amati VCT and subscribe using the proceeds for shares in Amati VCT 2 or vice versa.

Shareholders in either of the Companies who wish to invest in the Enhanced Share Buy Back and Re-Investment Facilities can obtain share buyback and subscription forms to participate in the Enhanced Share Buyback and Re-investment Facilities from the Receiving Agent by calling 0131 243 7210, or by sending a request by email to vct-enquiries@amatiglobal.com. Instructions for completing the forms are set out in that document. In considering their intended course of action, Shareholders should take independent tax advice as to whether they have already held their Shares for longer than the minimum three or five year period for income tax relief purposes, and whether they are willing to commit the funds for a further five years. They should also note the Risk Factors on pages 19 to 23 of this document and the Tax Considerations outlined in Part VI of this document (see page 69).

Risk factors

Shareholders are referred to the risk factors set out on pages 19 to 23 of this document.

General Meetings

The Companies have convened General Meetings to put to the Shareholders of the Companies the necessary Shareholder resolutions to effect the Proposals and which, in respect of each Company, are conditional upon approval by the Shareholders of that Company. The General Meetings have been convened for 7 March 2013 at Abchurch, 125 Old Broad Street, London EC2N 1AR with the Amati VCT meeting convened for 1.00pm and the Amati VCT 2 meeting convened for 1.30pm. The Notices of General Meeting appear on pages 110 and 115 of this document.

Whether or not you intend to attend the General Meeting(s), please complete and submit a proxy form in accordance with the instructions printed on the enclosed form. The proxy form must be received by 3.00pm on 5 March 2013.

Resolutions approving the terms of the Offers, the allotment and issue of New Ordinary Shares, disapplying pre-emption rights and approving a share buyback

In order to facilitate the Offers by Amati VCT and Amati VCT 2, the allocation of further Ordinary Shares in respect of the Dividend Re-investment Schemes and the Enhanced Share Buyback and Re-investment Facilities, it is first necessary to seek certain approvals from Shareholders of each Company.

The approval of Shareholders in Amati VCT is being sought for the following:

- | | |
|-------------------------|--|
| Resolution 1 (ordinary) | to authorise the Directors under section 551 of the 2006 Act to allot and grant rights to subscribe for New Ordinary Shares (up to a maximum nominal amount of £3,500,000 representing approximately 75.7% of the Company's current issued share capital) pursuant to the Amati VCT Offer (including the Amati VCT Enhanced Share Buyback and Re-investment Facility) and specifically to approve the terms, including the issue price, of New Ordinary Shares under the Offer (including under the ESBRF) and DRIS; |
| Resolution 2 (special) | to disapply statutory pre-emption rights under section 570 of the 2006 Act which would otherwise require the New Ordinary Shares to be allotted under the Amati VCT Offer (including the Amati VCT Enhanced Share Buyback and Re-investment Facility) and the Dividend Re-investment Scheme to first be offered to existing Shareholders in proportion to their current holdings; |
| Resolution 3 (special) | under section 701 of the 2006 Act to authorise the buyback of the Company's Ordinary Shares in the market (up to a maximum of 24.99% of the Company's issued share capital at the date of the resolution which would be 11,551,556 Ordinary Shares at the date of this document) in order to facilitate the Amati VCT Enhanced Share Buyback and Re-investment Facility and the Amati VCT buyback policy. |

Any Ordinary Shares bought back under this authority will be cancelled.

The approval of Shareholders in Amati VCT 2 is being sought for the following:

- | | |
|-------------------------|--|
| Resolution 1 (ordinary) | to authorise the Directors under section 551 of the 2006 Act to allot and grant rights to subscribe for New Ordinary Shares (up to a maximum nominal amount of £1,250,000 representing approximately 91.6% of the Company's current issued share capital) pursuant to the Amati VCT 2 Offer (including the Amati VCT 2 Enhanced Share Buyback and Re-investment Facility) and specifically to approve the terms, including the issue price, of New Ordinary Shares under the Offer (including under the ESBRF) and DRIS; |
| Resolution 2 (special) | to disapply statutory pre-emption rights under section 570 of the 2006 Act which would otherwise require the New Ordinary Shares to be allotted under the Amati VCT 2 Offer (including the Amati VCT 2 Enhanced Share Buyback and Re-investment Facility) and the Dividend Re-investment Scheme to first be offered to existing Shareholders in proportion to their current holdings; |
| Resolution 3 (special) | under section 701 of the 2006 Act to authorise the buyback of the Company's Ordinary Shares in the market (up to a maximum of 24.99% of the Company's issued share capital at the date of the resolution which would be 6,819,664 Ordinary Shares at the date of this document) in order to facilitate the Amati VCT 2 Enhanced Share Buyback and Re-investment Facility and the Amati VCT 2 buyback policy. |

Any Ordinary Shares bought back under this authority will be cancelled.

The full text of the Resolutions for each Company is set out in the Notices of Meeting on pages 110 and 115 of this document.

Recommendations

The Board of Amati VCT considers that the resolutions to be considered at the General Meeting of the Company are in the best interests of Amati VCT and its Shareholders as a whole. Accordingly, the Board unanimously recommends that Shareholders of Amati VCT vote in favour of the resolutions summarised above at the General Meeting as they intend to do in respect of their own beneficial shareholdings which represent 0.39% of the total voting rights exercisable by the holders of Ordinary Shares.

The Board of Amati VCT 2 considers that the resolutions to be considered at the General Meeting of the Company are in the best interests of Amati VCT 2 and its Shareholders as a whole. Accordingly, the Board unanimously recommends that Shareholders of Amati VCT 2 vote in favour of the resolutions summarised above at the General Meeting as they intend to do in respect of their own beneficial shareholdings which represent 0.6% of the total voting rights exercisable by the holders of Ordinary Shares.

Action to be taken

Enclosed with this document are two forms of proxy for use at the General Meetings. Shareholders are asked to complete and return the relevant form or forms of proxy to the Receiving Agents, The City Partnership (UK) Limited, using the pre-paid envelope provided, so as to be received as soon as possible, and in any event to arrive no later than 48 hours before the time of the General Meeting, taking care to return the appropriate form for the relevant Company.

Amati VCT plc Shareholders are asked to complete and return the Amati VCT plc form of proxy to the Registrar, Computershare Investor Services PLC using the repaid envelope provided, so as to be received as soon as possible, and in any event to arrive no later than 48 hours before the time of the General Meeting.

Completion and return of a form of proxy will not affect a Shareholder's right to attend and vote at the General Meeting(s) should he or she wish to do so.

Persons wishing to participate in either or both of the Offers should complete an application form and return that together with any required identity documents to The City Partnership (UK) Limited. Persons wishing to participate in either or both of the Offers through either of the Enhanced Share Buyback and Re-investment Facilities should obtain share buyback application and subscription forms to participate in the Enhanced Share Buyback and Re-investment Facilities from the Receiving Agent by calling 0131 243 7210, or by sending a request by email to vct-enquiries@amatiglobal.com. Instructions for completing the forms are set out in those documents.

If you would like to speak directly to a fund manager of the VCTs to discuss any other aspects of the offers, please call 0131 503 9100.

Yours sincerely

Yours sincerely

Simon Miller, Chairman
Amati VCT plc

Julian Avery, Chairman
Amati VCT 2 plc

If you have any queries on the Offers or the other matters set out above, you should contact your independent financial adviser in the first instance or Doreen Nic at The City Partnership (UK) Limited on 0131 243 7210, or you can email vct-enquiries@amatiglobal.com. The suitability (or otherwise) of any investment in either Company will depend on your individual circumstances and neither The City Partnership (UK) Limited nor Amati Global Investors will be able to provide investment advice in connection with any investment in the Companies.

PART I: AMATI VCT PLC AND AMATI VCT 2 PLC

1. INTRODUCTION

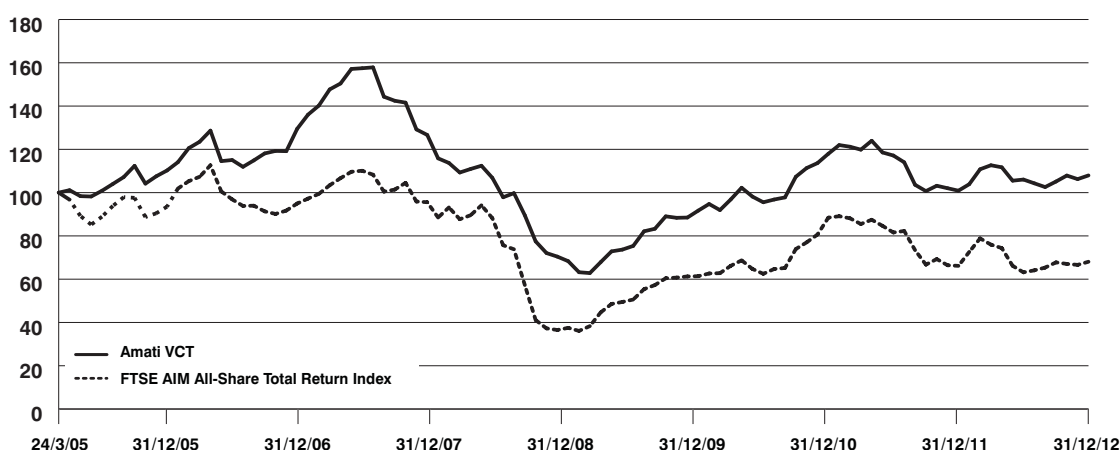
The objective of the Companies is to provide an attractive return to Shareholders. The Companies seek to generate tax-free capital gains and income by building and maintaining a well-balanced portfolio of Qualifying Investments for the purposes of the tax legislation under which the Companies operate. The Qualifying Investments are predominantly in AIM-traded companies or companies expected to be traded on AIM in the future. The Companies are managed as venture capital trusts in order that Shareholders may benefit from the tax reliefs available.

2. INVESTOR RETURNS

2.1 AMATI VCT PLC

The following table and graph show the NAV total return performance of Amati VCT over certain periods to 31 December 2012 (and assuming that dividends are re-invested on the ex-dividend date), showing a comparison against the FTSE AIM All-Share Total Return Index.

Time Period	1 yr	3yr	5yr	Since Launch
NAV% return	7.0	17.7	-14.8	8.0
Index% return	2.9	10.9	-28.8	-31.9
Performance relative to index %	4.2	6.9	14.0	39.9



Below is a table indicating the returns to Shareholders in Amati VCT plc as at 31 December 2012 for representative allotments by Amati VCT plc of Existing Ordinary Shares in each of the tax years since it floated in March 2005.

Date	Price gross of costs	Price net of costs	Price gross after tax rebate	Total return excluding subscription costs and tax rebate	Total return including full subscription costs and tax rebate*
Initial Offer	100.00p	94.75p	60.00p	8.0%	70.5%
4 April 2006	123.50p	117.02p	74.10p	-12.6%	38.0%
21 March 2007	132.96p	130.30p	93.07p	-23.0%	7.8%
4 April 2008	96.51p	91.68p	67.56p	-1.2%	34.1%
3 April 2009	54.50p	51.78p	38.15p	71.1%	132.3%
3 April 2010	79.19p	75.23p	55.43p	11.5%	51.3%
5 April 2011	93.17p	88.05p	65.22p	-10.1%	21.4%
5 April 2012	81.84p	77.74p	57.28p	-4.4%	29.7%

* assumes full recovery of tax relief (prior to 6 April 2006 at 40% of monies subscribed, subsequent years at 30%)

2.2 AMATI VCT 2 PLC

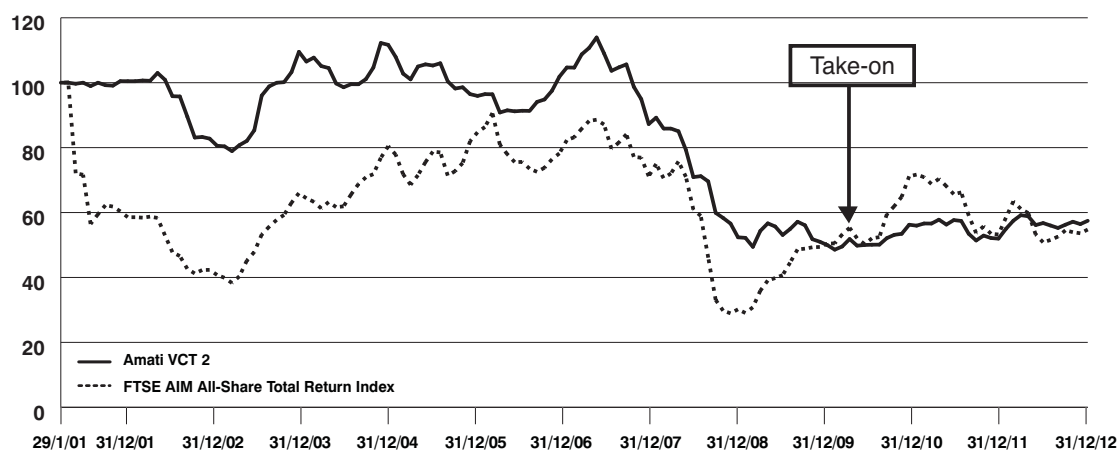
The following table shows the NAV total return performance of Amati VCT 2 over certain periods to 31 December 2012 (and assuming that dividends are re-invested on the ex-dividend date), showing a comparison against the FTSE AIM All-Share Total Return Index.

Time Period	Since Take-on (25 March 2010)*	Since Merger (8 November 2011)**	1 yr	3yr	5yr	Since Launch
NAV% return	13.9	8.6	10.6	12.7	-39.5	-42.5
Index% return	1.7	-2.3	2.9	10.9	-28.8	-45.2
Performance relative to index %	12.2	10.8	7.7	1.8	-10.7	2.7

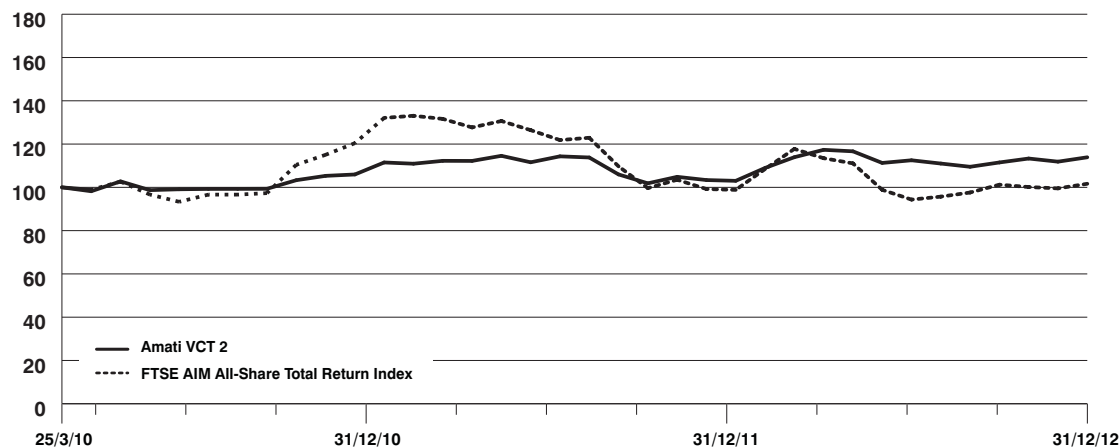
* Take-on of management contract by the Manager: 25 March 2010

** Merger: 8 November 2011

The following graphs show the Net Asset Value total return performance of Amati VCT 2, both since its inception as Singer & Friedlander AIM VCT 3 in 2001, and since the change of manager to Amati Global Investors on 25 March 2010.



From change of manager to Amati Global Investors on 25 March 2010 to 31 December 2012



The following table shows historic returns to 31 December 2012 attributable to shares issued by the original VCTs which have gone into making up Amati VCT 2, prior to being managed by Amati Global Investors.

	Launch date	NAV total return with dividends re-invested	NAV total return with dividends not re-invested	FTSE AIM All-Share total return index
Singer & Friedlander AIM 3 VCT ('C' shares)	4 April 2005	-37.0	-34.0	-29.4
Invesco Perpetual AIM VCT	30 July 2004	-44.2	-38.6	-11.2
Singer & Friedlander AIM 3 VCT	29 January 2001	-42.5	-38.6	-45.2
Singer & Friedlander AIM VCT	28 September 1998	-69.9	-41.5	-6.1
Singer & Friedlander AIM 2 VCT	29 February 2000	-56.0	-51.6	-71.0

3. THE DIRECTORS

3.1 AMATI VCT PLC

The Amati VCT Board comprises four Directors, all of whom are non-executive and independent of the Manager. Although the management of the Company's portfolio has been delegated to the Manager, the Directors retain overall responsibility for the Company's affairs.

A short biography on each of the Directors is set out below:

Simon Miller is chairman of the Company. He is also chairman of Dunedin LLP, Artemis Alpha Trust plc, Blackrock North American Income Trust plc and deputy chairman of Brewin Dolphin Holdings PLC. He has considerable experience of closed-ended funds and the private equity industry.

Peter Lawrence is chairman of ECO Animal Health Group plc, which is traded on AIM. In 1972 he set up this company, which has experienced considerable growth and made several acquisitions and disposals since then. As a director of Higher Nature and Anpario plc, both VCT backed companies, he has an in-depth understanding of the typical operational and strategic issues facing the type of investees within the portfolio of Amati VCT. In 2003 he became "entrepreneur of the year" selected from over 700 AIM companies. He is also chairman of Baronsmead VCT plc.

Charles Pinney is chairman of ProVen Health VCT plc and a director of Baronsmead VCT 5 plc. He was, from 1994 until 2003, a director of Barclays Private Bank Limited with overall responsibility for the operations of the investment department. He was managing director of BZW Portfolio Management Limited. From 2003 to 2009 he was a consultant to Rathbones Investment Management. He is a fellow of both the Association of Chartered Certified Accountants and the Chartered Institute for Securities & Investment and is a former director of APCIMS (Association of Private Client Managers and Stockbrokers).

Brian Scouler spent 25 years in private equity with Charterhouse, Royal Bank of Scotland and Dunedin. He has wide experience of buying and selling private companies and investment portfolio management, sitting on numerous investee company boards. He was formerly manager of a quoted investment trust and a member of the steering committee of LPEQ, the listed private equity group. He is a chartered accountant.

The Articles require the Directors to notify the Company of any interest they may have which may potentially conflict with their duties to the Company, and allow the independent Directors (those Directors who do not have a conflict of interest) to authorise any potential conflict which a Director may have.

3.2 AMATI VCT 2 PLC

The Amati VCT 2 Board comprises four Directors, all of whom are non-executive and independent of the Manager. Although the management of the Company's portfolio has been delegated to the Manager, the Directors retain overall responsibility for the Company's affairs.

A short biography on each of the Directors is set out below:

Julian Avery is chairman of the Company. He is a solicitor and was chief executive of Wellington Underwriting plc until September 2004. He was non-executive director of Aspen Insurance Holdings Limited until May 2007, chairman of Equity Insurance Group until its acquisition by the Australian insurance group, IAG, in January 2007, and was a non-executive director of Warner Estate Holdings PLC until December 2012. He was also previously a Senior Advisor to Fenchurch Advisory Partners. He is currently a non-executive director of Charles Taylor plc.

Mike Killingley is a non-executive director of AIM-quoted Falkland Islands Holdings plc. He was a senior partner with KPMG, chartered accountants, from 1988 until retiring from the firm in 1998 and is a former non-executive chairman of Beale plc, Southern Vectis plc, Conder Environmental plc and Advanced Technology (UK) plc. He is also treasurer of the University of Southampton. He is chairman of the audit committee of the Company.

Christopher Macdonald is chief executive officer of Brooks Macdonald Group plc, a private client listed fund management group. He is also a director of Brooks Macdonald Asset Management Limited, Brooks Macdonald Financial Consulting Limited, Brooks Macdonald Asset Management (Tunbridge Wells) Limited, Brooks Macdonald Funds Limited, Brooks Macdonald Nominees Limited, Brooks Macdonald Asset Management (International) Limited, Brooks Macdonald Retirement Services (International) Limited and Braemar Group Limited.

Christopher Moorsom is non-executive chairman of The Bath Building Society and a director of the Royal Welsh College of Music and Drama. He was managing director of Albert E Sharp, joint managing director of Gerrard and was chairman of Gerrard Investment Funds. He was a director of Weston Area NHS Trust, Northern Races Limited and Bath Racecourse Limited. He is a member of the Securities Institute. He is the senior independent director.

The Articles require the Directors to notify the Company of any interest they may have which may potentially conflict with their duties to the Company, and allow the independent Directors (those Directors who do not have a conflict of interest) to authorise any potential conflict which a Director may have.

4. THE AIC CODE AND THE UK CORPORATE GOVERNANCE CODE

The Boards of both Companies recognise the importance of sound corporate governance. The Boards have each considered the principles and recommendations of the Association of Investment Companies' Code of Corporate Governance ("AIC Code") by reference to the AIC Corporate Governance Guide for Investment Companies ("AIC Guide"). The AIC Code, as explained by the AIC Guide, addresses all the principles set out in Section 1 of the UK Corporate Governance Code, as well as setting out additional principles and recommendations on issues which are of specific relevance to the Companies as venture capital trusts.

The Companies comply with the AIC Code and have done so during their financial years ending 29 February 2012 (Amati VCT) and 31 January 2012 (Amati VCT 2). As at the date of this document, the Company also complies with the relevant provisions of the UK Corporate Governance Code except as set out below.

For the reasons set out in the AIC Guide, and in the preamble to the UK Corporate Governance Code, the Boards consider that the Combined Code provisions relating to the role of chief executive, executive director's remuneration, and the need for an internal audit function are not relevant to the position of the Companies, both being externally managed investment companies. Amati VCT 2 has appointed Christopher Moorsom as the senior independent director. Amati VCT has not appointed a senior independent director as it does not consider it necessary given the small size of the Board. In view of the Directors being non-executive directors and the requirement of the Articles of each Company that all Directors retire by rotation, neither Board considers that it is appropriate for the Directors to be appointed for a specified term as recommended by the UK Corporate Governance Code. However, the Board of Amati VCT 2 has agreed that each Director will retire and, if appropriate, seek re-election at the completion of three years' service, and annually after serving on the Amati VCT 2 plc's Board for more than nine years. Due to the current composition of Amati VCT plc's Board, each of the Directors appointed is subject to retirement and re-election on an annual basis.

The Board of Amati VCT has constituted three standing committees to make recommendations to the Board: the audit committee, the remuneration and management engagement committee and the nomination committee. The Board of Amati VCT 2 has constituted one standing committee to make recommendations to the Board: the audit committee. These have been established with appropriate terms of reference, and the committees' membership comprises all of the directors of each Company except that Julian Avery is not a member of the Amati VCT 2 audit committee. The Board of Amati VCT 2 has taken the decision that it does not need to have a separate remuneration committee as the Company has no employees or executive directors. The Board of Amati VCT 2 plc has also taken the decision that, as the Board is small and consists of non-executive directors and in view of the nature of VCTs, a Nomination Committee does not need to be formed.

5. THE MANAGER

Amati Global Investors Limited (formerly Noble Fund Managers Limited) is the investment manager to the Companies, and was appointed in April 2007 to manage Amati VCT plc and was appointed in March 2010 to manage ViCTory VCT PLC which is now Amati VCT 2 plc. Amati Global Investors Limited ("Amati Global Investors" or the "Manager") was incorporated and registered in Scotland on 15 September 1999 as a private company with registered number SC199908. Amati Global Investors is a wholly owned subsidiary of Amati Global Partners LLP, which was established by Paul Jourdan and Douglas Lawson to effect the management buy-out of Noble Fund Managers Limited, which was, at the time, the fund manager of Amati VCT plc (then called Noble AIM VCT). Amati Global Partners LLP is wholly owned by the staff of Amati Global Investors. The fund managers believe that this ownership structure is in the best interests of the shareholders of Amati VCT and Amati VCT 2, in aligning the success of the fund managers with Shareholders of the Companies.

In addition to Amati VCT and Amati VCT 2, Amati Global Investors manages the TB Amati UK Smaller Companies Fund and the Amati Systematic Trend Fund.

The TB Amati UK Smaller Companies Fund has been managed by Dr Paul Jourdan with others since September 2000. From inception in December 1998 until July 2008 the fund was called First State British Smaller Companies Fund, being part of First State Investments OEIC. It then became CF Noble UK Smaller Companies Fund, as part of a new OEIC. It was renamed CF Amati UK Smaller Companies Fund in July 2010. More recently T Bailey replaced Capita as Authorised Corporate Director for the fund, and it was renamed TB Amati UK Smaller Companies Fund. It won industry awards in 2004-5 and in 2011-12, including those from Growth Company Investor, S&P, Lipper, and Money Observer.

The Amati Systematic Trend Fund has been managed by Amati Global Investors since June 2011.

The Manager's legal name is Amati Global Investors Limited and it trades under the commercial name Amati Global Investors. The Manager is a limited liability company incorporated in Scotland with registered number SC199908 and registered office at 18 Charlotte Square, Edinburgh EH2 4DF. The Manager was incorporated on 15 September 1999. The Manager is domiciled in the United Kingdom and operates under the 2006 Act and the regulations made thereunder. The Manager's telephone number is 0131 503 9100.

5.1 THE VCT INVESTMENT MANAGEMENT TEAM

Dr Paul Jourdan, Douglas Lawson and David Stevenson are the principal fund managers responsible for the investment portfolio. Details on these individuals are set out below.

Dr Paul Jourdan

Dr Paul Jourdan is an award-winning fund manager, with a strong track record in small cap investment. He co-founded Amati Global Investors following the management buyout of Noble Fund Managers from Noble Group in January 2010. He had joined Noble Fund Managers in 2007 as Head of Quoted Equities. He moved to Edinburgh in 1998, joining Stewart Ivory to work on UK, emerging market, and global equities. In 2000, Stewart Ivory was taken over by Colonial First State (subsequently First State Investments). From September 2000, Paul became manager of what is now TB Amati UK Smaller Companies Fund, winning several awards, more recently the Growth Company Investors "Small Cap Fund of the Year Award 2011", and the "Lipper Best UK Small and Mid-Cap Fund 2012". In November 2004 he was appointed Head of UK Equities at First State. In early 2005 he launched the First State Investments AIM VCT, which is now called Amati VCT plc.

Prior to 1998 Paul worked as a professional violinist, including a four year period with the City of Birmingham Symphony Orchestra. He currently serves as a Director of Hebrides Ensemble and of Sistema Scotland, and also as a Governor of the Royal Conservatoire of Scotland. He also serves as a director of Fox Marble Holdings plc in which Amati VCT and Amati VCT 2 both hold an investment.

Douglas Lawson

Douglas co-founded Amati Global Investors following the management buyout of Noble Fund Managers from Noble Group in January 2010. Prior to this he worked in corporate finance and private equity, initially as an associate focusing on middle market M&A at British Linen Advisers, and latterly as an investment manager in the private equity team at Noble. Douglas has co-managed the TB Amati UK Smaller Companies Fund since 2009, winning the Growth Company Investors “Small Cap Fund of the Year Award 2011”, as well as the “Lipper Best UK Small and Mid-Cap Fund 2012.” He has also been co-manager of Amati VCT since 2009 and Amati VCT 2 since the investment management contract moved to Amati Global Investors in 2010. Douglas started his career at Ernst & Young in London, where he qualified as a chartered accountant in 2002. He serves as a director of Amati Global Investors and Polyhedra Group plc, in which Amati VCT and Amati VCT 2 both hold an investment.

David Stevenson

David joined Amati Global Investors in February 2012. Prior to this he was a partner with investment boutique Cartesian Capital, which managed a range of retail and institutional UK equity funds in long only and long/short strategies. David co-founded Cartesian Capital in 2005, and saw growth in client assets to a peak of £600m. Previously he was Assistant Director at SVM, where he also managed equity products including the UK Opportunities small/midcap fund which was ranked top decile amongst peers for the period from inception to late 2005. David started his career at KPMG where he qualified as a chartered accountant. He latterly specialised in corporate finance, before moving into private equity with Dunedin Fund Managers.

6. INVESTMENT POLICY OF AMATI VCT AND AMATI VCT 2

The following section 6 contains the published investment policy of Amati VCT and Amati VCT 2.

6.1 Investment Objective

The investment objective of the Companies is to generate tax-free capital gains and income on investors’ funds through investment primarily in AIM-traded companies whilst mitigating risk appropriately within the framework of the structural requirements imposed on all VCTs.

6.2 Risk Diversification

Portfolio risk will be mitigated through appropriate diversification of holdings within each Ordinary Share portfolio. As at the date of this document, Amati VCT held investments in 56 companies, and Amati VCT 2 held investments in 66 companies.

The Manager may use exchange-traded or over-the-counter derivatives with a view to reducing overall market risk in the portfolio as a whole. The Manager shall only seek to hedge a limited amount of market risk and shall always be covered by the assets of the portfolio. The use of derivatives is on a strictly controlled basis only and is part of a total risk mitigation exercise, not a separate investment policy. The Companies’ overriding investment principle in relation to the use of derivatives is to seek to reduce any potential capital loss in the equity portions of the Qualifying and Non-Qualifying Investment portfolios in a falling market.

6.3 Asset Allocation

The Manager intends that by the date from which all funds raised are required to meet the VCT qualifying rules, the Companies’ investment profile (as defined by the valuation methodology set out in sections 278-9 of the Income Tax Act 2007 in which assets are valued on the basis of the last purchase price rather than by market price) will be approximately:

- i. Between 70% and 85% in Qualifying Investments, whether equity or non-equity securities in (a) companies traded on AIM or on ISDX, (b) companies likely to seek a quotation on AIM or on ISDX, or (c) likely to be the subject of a trade sale within a 24 month period.

- ii. Between 0% and 30% in Non-Qualifying Investments in small and mid-sized companies where such companies are either (a) quoted in London, (b) likely to seek a quotation in London within a 24 month period, or (c) likely to be the subject of a trade sale within a 24 month period. Investments may also include derivative instruments.
- iii. Between 0% and 30% in cash or cash equivalents (including money market funds) or government or investment grade bonds.

Consistent with the conditions for eligibility as an investment company under the 2006 Act, any holdings by the Companies in shares or other securities in a company will not represent more than 15% by value of each Company's investments.

While Qualifying Investments are being sourced, the assets of the portfolio which are not in Qualifying Companies will be actively invested by the Manager in a combination of the above (always ensuring that no more than 15% of each Company's funds are invested in any one entity).

As described above, the Manager will also have the facility to seek to reduce market risk from the equity portfolio held by either Company through the use of derivatives. The derivatives used will either be traded on an over-the-counter market or will be exchange-traded. They will be in highly liquid markets bearing a reasonable level of correlation to the FTSE AIM All-Share Total Return index, ensuring that the value is normally transparent, and enabling positions to be closed rapidly when needed.

6.4 **Investment Policy, Listing Requirements and Investment Restrictions**

Each of the VCTs' income is derived wholly or mainly from shares or other securities. Amati VCT and Amati VCT 2 intend to manage their own affairs in respect of each accounting period so as to maintain approval from HMRC as a VCT under the provisions of section 274 of ITA. Accordingly, none of the investments of either VCT, other than in a venture capital trust or a company which would qualify as a venture capital trust if it were listed, will represent more than 15% by value of that Company's investments.

Not more than 20% of either of the VCTs' gross assets are invested in the securities of property companies, that is in any companies primarily engaged in property activities which include:

- i. the holding of properties or the development of properties for letting and retention as investments; or
- ii. the purchase or development of properties for subsequent sale.

It is intended that the following conditions will continue to be met:

- i. that the Directors, and any investment manager of the Companies, will have sufficient and satisfactory experience in the management of investments of the type in which the Companies intend to invest;
- ii. that the Directors of each of the Companies will act independently of the investment manager of the investments, and, in particular, a majority of the Board will not be directors or employees of, or former directors or employees of, or professional advisers to such investment manager or any other company in the same group as such investment manager;
- iii. that each of the Companies will not control the companies in which it invests in such a way as to render them subsidiary undertakings; and
- iv. that each of the Companies will adhere to the restrictions on investments set out in this paragraph 5.4.

Each of the Companies is also subject to the investment restrictions in the Listing Rules of the FSA which specify that:

- i. the Company must, at all times, invest and manage its assets in a way which is consistent with its object of spreading investment risk and in accordance with its published investment policy;
- ii. the Company must not conduct any trading activity which is significant in the context of its group as a whole;
- iii. the Company may not invest more than 10% in aggregate of the value of its total assets at the time an investment is made in other listed closed-ended investment funds; and

- iv. any material change to the investment policy of the Company will require the approval of Shareholders.

6.5 Borrowing Policy

Amati VCT and Amati VCT 2 may each, within the limits set out in their respective Articles, utilise borrowings to provide flexibility in their investment and dividend policies.

The Articles of Amati VCT allow it to borrow up to an amount equal to 25% of its adjusted capital and reserves (as defined in its Articles). It may borrow more than that limit with the previous sanction of an ordinary resolution of Shareholders of Amati VCT.

The Articles of Amati VCT 2 allow it to borrow up to an amount equal to its adjusted capital and reserves (as defined in its Articles). However, the Board of Amati VCT 2 has indicated that it will restrict the borrowings of Amati VCT 2 to an amount which will not, without the previous sanction of an ordinary resolution Shareholders of Amati VCT 2, exceed an amount equal to 25% of the adjusted capital and reserves.

Each Company's policy is to use borrowing for short term liquidity purposes only. As at the date of this document the Companies have no borrowing facilities in place.

6.6 Change in Investment Policy

A material change in the investment policy of either Company will only be effected with Shareholders' approval in accordance with the Listing Rules.

7. INVESTMENT STRATEGY

7.1 Qualifying Investments Strategy of the Companies

The construction of the portfolio of Qualifying Investments is driven by the availability of suitable opportunities. The Manager may co-invest in companies in which other funds managed by Amati Global Investors invest, in accordance with the Qualifying Investments strategy.

The ability of VCTs to mitigate market risk is restricted by the requirement to maintain a minimum of 70% of their assets (as defined by the methodology set out in sections 278-9 of the Income Tax Act 2007) in Qualifying Investments after an initial three year period. A VCT's ability to invest and mitigate risk is therefore restricted in three important respects:

- i. Qualifying Companies are likely to be small, liable to be highly illiquid and their prospects can improve or deteriorate very rapidly. The liquidity risk itself cannot be adequately diversified, because larger, more liquid stocks cannot be purchased in the qualifying portion of a VCT's portfolio.
- ii. Qualifying Investments have to be purchased as opportunities arise. This is a long-term process, the pace of which cannot be determined solely by the Manager.
- iii. VCTs are less able to respond readily to the changing risk environment in the market as a whole because the ability to sell Qualifying Investments may be dependent on the opportunity to replace that holding with another Qualifying Investment, and an appropriate opportunity may not be available at the right time.

The Companies seek to address these issues through the Non-Qualifying Investment strategy set out in section 7.2 below. In addition the Companies benefit from an existing Qualifying Investment portfolio of some maturity, in which, due to strong performance, the most successful companies have tended to become the largest holdings. This mature portfolio serves to mitigate the risks for subscribers for New Ordinary Shares, as new Qualifying Investments purchased with the proceeds of subscriptions will sit alongside well established ones.

7.2 Non-Qualifying Investments Strategy

While Qualifying Investments are being sourced, the assets of the portfolio which are not in Qualifying Companies will be actively invested by the Manager in a combination of the following (though ensuring that no more than 15% of each Company's funds are invested in any one entity):

- i. direct equity and non-equity investments in small and mid-sized companies quoted in London, or likely to seek a quotation in London or to be sold within a 24 month period;

- ii. government or investment grade corporate bonds; and
- iii. money market funds.

The Manager seeks to adjust the non-qualifying portfolio to reflect the nature of Qualifying Investments as they are purchased, such that the portfolio remains well balanced and diversified. If the Manager holds a negative outlook on the equity markets then funds may be invested in cash or bonds as outlined above, and, in addition, the Manager may seek to reduce market risk in the equity portfolio with the use of suitable derivative instruments. Asset allocation between these categories will remain flexible.

In relation to the use of derivatives, the Directors and the Manager believe that their use under the controlled and prudent parameters which have been put in place in relation to the Companies helps to reduce the total risk facing investors in relation to their investments. The Companies have made limited use of derivative investments to date.

The use of derivatives will not prevent the Companies from losing money overall in a falling market. However, insofar as derivatives are used, the Manager's objective will be partially to reduce losses and also to provide cash for investment at moments when the market is weak. The Companies will only enter into such transactions for the purposes of efficient portfolio management in line with conventional practice.

Strict internal guidelines on the use of derivatives have been put in place by the Manager. Additionally, such derivatives as are used are required to offer both good liquidity and, in the Manager's opinion, reasonable correlation to the AIM market. Your attention is drawn to the risk factors relating to the use of derivatives set out on pages 22 and 23 of this document.

The Manager is under no obligation to use any one of these approaches and provides no guarantee that market risk management will be in place during a falling market. The use of any or all of these instruments will reflect the Manager's view of the market risks which may be taken at any time.

7.3 Investment Process

The following description of Amati Global Investors' investment process is intended to provide a general description of the work Amati typically carries out in performing its role as fund manager for the Companies, and should not be taken as providing a guarantee that any specific action will be taken in relation to an investment decision. It should be noted that the investment process may change over time. Due to the differing requirements of Qualifying Investments and Non-Qualifying Investments, the investment process adopted by Amati Global Investors for each is distinct. The differences are outlined below.

Qualifying Investments

Qualifying Investment opportunities arise when a company that satisfies the qualifying tests raises new capital. This may be as part of an initial public offering or a secondary offering on AIM, or it may be raising new capital as a private company. The primary source of AIM traded investment opportunities is the Manager's network of broker contacts. On occasion, the Manager will initiate and negotiate investments directly with companies, particularly where the investment takes the form of a convertible loan. In the year ending 31 December 2012, the Manager was introduced to or initiated a total of 52 Qualifying Investment opportunities, which were introduced by 23 different brokers. Following the initial introduction, the Manager logs the investment in a proprietary database maintained for this purpose, and it will be taken up by one of the fund managers for an initial review. Normally this will be the fund manager who covers the relevant industry sector. Based on the initial review, the fund manager will accept or reject a meeting with the company's management.

Following a meeting, the fund manager will undertake due diligence, which will include:

- Review of the pathfinder document, or whatever other information is available relating to the fund raising
- Review of the introducing broker's research note and discussion with its author, as well as any relevant third party research available to the Manager

- Review other information published by the company

The review process is also likely to include some or all of the following:

- Review of industry and other third party information sources
- Conversations and meetings with industry specialists known to the Manager
- Financial modelling and valuation analysis
- Site visit

Notes from meetings and document reviews are stored within a proprietary database, which acts as a library of work conducted on each company by the fund managers. The conclusion of the reviewing fund manager's investigations is then discussed with the other fund managers and a decision is taken on whether to proceed with the investment.

If a company is selected in which both Amati VCT plc and Amati VCT 2 plc intend to invest the order will be allocated between the Companies in accordance with the Manager's agreed written co-investment policy. The policy is monitored by the Boards of the Companies.

If an investment is made the Manager will normally look to hold ongoing discussions with the company at least twice per year, as part of the ongoing portfolio monitoring. Amati Global investors' fund managers hold regular portfolio review meetings where all holdings are reviewed and decisions are made to retain or exit through market sales.

Non-Qualifying investments

Non-Qualifying investments are most frequently made in companies also held or being bought by TB Amati UK Smaller Companies Fund. The team of fund managers which manages the Companies also manages this fund, which is an award winning open-ended investment company, investing in companies listed in London and capitalised at up to £2bn at the point of purchase (a limit which may be subject to change in the future). The Managers look to buy companies which provide either better liquidity than that typically found with Qualifying Investments, or industry exposure which is not normally represented by Qualifying Investments, thus increasing the diversification of the portfolio as a whole. In conducting their company research for this fund the Managers divide up the universe by sector, so as to develop particular industry expertise, and apply a range of quality filters to focus on the stocks which are likely to be of most interest.

The conclusion of the fund manager's research is discussed with the other fund managers and a decision is taken on whether to proceed with the investment for the TB Amati UK Smaller Companies Fund. If the decision is taken to include a company for this fund, there is a separate discussion over whether it should be added to the VCTs as a Non-Qualifying Investment, based on the level of cash available in the respective Companies, the anticipated use of cash in Qualifying Investments (which normally take priority), the liquidity of the stock in question, and what it brings to the current portfolio in terms of diversification.

If a company is selected for the non-qualifying portfolios at the same time as TB Amati UK Smaller Companies invests, the order will be allocated between the funds based on the Manager's co-investment policy. This policy is monitored by the Boards of the Companies.

Ongoing portfolio monitoring is conducted in the same way as for qualifying holdings.

7.4 Potential Investee Company Criteria

When analysing a company's suitability for investment the Manager looks for a number of attributes:

- High barriers to entry
- Sustainable competitive advantage
- Revenue visibility and growth
- Pricing power
- Balance sheet adequacy and the ability to finance growth
- Incentivised management team with good track record

Particular attention will also be paid to areas of the market which the Manager believes are overlooked either due to size and, therefore, lack of broker coverage, or because the company is operating in an out of favour sector.

At the same time as appraising a company for its positive attributes, the Manager tries to avoid a number of negative features, which could include the following:

- Aggressive accounting flattering revenues, profits and finances
- Consistently reporting 'exceptional' and 'restructuring' costs
- Competitive threats from larger companies with greater operating scale, or from new technologies
- Unexpected cash calls
- Significant liabilities – debt, lease, pensions
- Lumpy, irregular income

7.5 Co-Investment and Conflicts of Interest

The Manager may act as investment manager or adviser to various clients other than the Companies. Investment opportunities identified as suitable for the Companies may also be suitable for such other clients.

As a regulated entity, the Manager has in place procedures by which it ensures compliance with FSA regulations governing equality of treatment for different clients and, subject always to the provisions of these regulations, the Manager will seek to ensure that the Companies are not disadvantaged in relation to any other fund or entity managed or advised by the Manager. The Manager's written allocation policy is reviewed at least annually and amended as appropriate.

In managing the portfolio, the Manager may combine orders for the Companies or either one of them with those of its other clients. This procedure may operate on some occasions to the advantage of the Companies and on others to its disadvantage.

7.6 Valuation Policy

Quoted investments are valued at bid price in accordance with International Financial Reporting Standards. Amati VCT and Amati VCT 2 use the London Stock Exchange Daily Official Closing Bid prices for the calculation of their reported Net Asset Values, and will use these prices as the basis for pricing the Net Asset Values for the purpose of the Offers. The Directors of each Company and the Manager will consider the need for discounts if appropriate.

Unquoted investments are priced at the Manager's valuation in accordance with International Private Equity Venture Capital Valuation Guidelines. The valuation is established by using measurements of value such as price of recent investment, earnings multiple and net assets. Where no reliable fair value can be estimated using such valuation techniques, unquoted investments are carried at cost subject to provision for impairment where necessary.

The Manager values the Companies' individual assets and Capita Financial calculates the Companies' Net Asset Values on a weekly basis (the weekly net asset value taking into account weekly changes in market prices of the listed and traded investments of the Companies, together with any significant change in the value of any other investment of the Companies). The Company Secretary then announces the Net Asset Value through a Regulatory Information Service announcement. Each Company's valuation is considered in more detail by the respective Board at board meetings, which take place a minimum of four times each year. The Directors do not anticipate any circumstances arising under which the publication of valuations may be suspended.

If an investee company suspends its share price this will be incorporated into the Companies' net assets at an amount determined by the Directors and will be communicated to Shareholders in the Companies' annual financial statements.

7.7 Exit Opportunities

Investments in Qualifying Investments are normally made with a view to realisation within three to five years. The Manager may dispose of investments earlier or later than this at its sole discretion. Earlier disposal may be because the investee company is, in the Manager's view, overvalued relative to other investment opportunities or likely to have deteriorating prospects. Later disposal

may be because the Manager considers the investee company to have further long-term potential to be realised.

8. OTHER INFORMATION

8.1. AMATI VCT PLC

8.1.1 Investment Management Arrangements

Under the Investment Management and Administration Agreement (the “**IMA**”), Amati VCT plc has agreed to pay to the Manager a quarterly management fee of 0.4375% (1.75% per annum) of the net asset value of the Company, payable in arrears, together with a performance fee as described in paragraph 8.1.2 below.

The appointment of the Manager as investment manager may be terminated by either party on one year’s notice. The appointment of the Manager as administrator and company secretary may be terminated on one year’s notice. The Manager’s appointment may also be terminated at any time without compensation if at any time the Manager is, *inter alia*, unable to pay its debts or goes into receivership or administration or is guilty of any material breach of duty or negligence in relation to the performance of its duties under the IMA. The IMA may also be terminated at any time, without compensation being payable to the Manager, if Paul Jourdan ceases to work on a day-to-day basis in the management of the Company’s investment portfolio, unless he is replaced with person(s) acceptable to the Board, at its sole discretion.

A resolution will be put to Shareholders at each annual general meeting of the Company to determine if the IMA with the Manager should continue.

Further details of the IMA are set out in paragraph 7(i) of Part VIII of this document.

8.1.2 Performance Fee Incentive

It is VCT industry practice to reward exceptional performance of an investment manager by payment of performance fees. A revised performance fee arrangement with the Manager came into effect from 1 March 2008. This did not change the substance of the arrangements, but merely simplified the wording.

The performance fee is calculated at the end of each performance period (each being a period which corresponds to the Amati VCT plc’s half yearly financial periods) and becomes payable upon publication of the results of Amati VCT plc for that performance period. The last period for which a performance fee is payable will be from the penultimate performance fee date to the date of termination of the IMA.

A generic formula is used in order to arrive at the amount of the total performance fee based on the initial subscription price of the relevant Shares issued by the Company and the relevant performance hurdles. At the date of this document, there are 21 pools and the formula envisages the creation of further pools, referred to as additional pools. The Ordinary Shares issued under any offer of the Company each form separate pools for this purpose (which will be the case for the New Ordinary Shares issued the Offers). In addition, Ordinary Shares issued under the DRIS, and which are to be issued under that scheme in the future, will be treated as separate pools on each date of issue.

For each pool, no performance fee is payable unless the lower of (i) the adjusted NAV per Share on the last day of the relevant performance period and (ii) the adjusted NAV per Share on the last day of the previous performance period (the “base adjusted NAV per Ordinary Share”) is greater than the initial subscription price of that pool (after deducting costs and based on a weighted average of the subscription price under offers with more than one allotment date) plus a return of 8% per annum simple interest.

If the 8% hurdle rate is met, then the amount of the performance fee in respect of each pool is calculated as 20% of the difference between the base adjusted NAV per Share and the initial subscription price per Ordinary Share in March 2005 (94.75p), multiplied by 120% (being 113.7p), to reflect the fact that no performance fee is payable on the first 20% of initial performance since inception. This amount is then multiplied by the number of Ordinary Shares

in the relevant pool. All previous payments of performance fee are deducted from the amount so calculated to arrive at the actual performance fee payment for the relevant performance period. In addition, investments are valued at mid-market prices for the purposes of calculating the adjusted NAV per Share.

The adjusted NAV per Share is the NAV per Share adjusted to take account of any revenue in the relevant performance period, before any accrual of performance fee, and after adding back any performance fees previously paid to the Manager and any dividends paid in the past or payable in respect of that performance period.

It is the Board's intention that performance fees are fully allocated to Amati VCT plc's capital account.

8.1.3 Administration Arrangements

Under the IMA, the Manager has also agreed to provide secretarial and administration services for Amati VCT plc. The Manager has engaged The City Partnership (UK) Limited to act as Company Secretary and Capita Financial Group to act as Fund Administrator. A fee increased in line with the retail prices index is payable by Amati VCT plc to the Manager for these services and the current fee is £63,258.96 per annum. These services are subject to termination by either Amati VCT plc or the Manager on 12 months' written notice.

8.1.4 Custody Arrangements

Citibank, N.A. acts as custodian to Amati VCT plc and, in that capacity, is responsible for ensuring safe custody and dealing with settlement arrangements.

Citibank, N.A. is incorporated with limited liability under the National Bank Act of the United States of America and has its head office at 399 Park Avenue, New York, 10043, USA. The custodian's principal place of business in the United Kingdom is Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB and its telephone number at that address is 020 7500 5000. The custodian is authorised and regulated by the FSA.

8.1.5 Dividend Policy

The Directors aim to pay dividends of between 5% and 6% per year based on NAV as at the end of each accounting year, with scope to increase this at the Directors' discretion. Amati VCT plc's ability to pay future dividends at this level will depend, *inter alia*, on adequate liquidity being achieved and the availability of distributable reserves. The Board considers that the above dividend policy will provide both a good level of cash return to Shareholders and underpin the ongoing strength of Amati VCT plc by allowing for a level of capital growth.

Venture capital trusts can distribute realised capital profits from the sale of underlying investments and income by way of dividends, which are free of income tax to Qualifying Subscribers. The Directors intend that Amati VCT plc will take advantage of this by distributing some or all of its realised profits from time to time. Generally, a VCT must distribute by way of dividend such amount as to ensure that it retains not more than 15%, of its income from shares and securities. In the event that the Directors deem it prudent and, subject to the legislation governing the Company, interim and exceptional dividends may also be paid by Amati VCT plc. Forecasts of dividends should not be treated as profit forecasts.

Shareholders who wish to have dividends paid directly into a bank account, rather than by cheque to their registered address, may complete a mandate form for this purpose. A dividend mandate form is printed on the reverse of each Subscription Form. Further dividend mandate forms may be obtained from the Company's Registrar. Details are set out in the Subscription Form found at the back of this document.

8.2 AMATI VCT 2 PLC

8.2.1 Investment Management Arrangements

Under the investment management and administration agreement (the "IMA") dated 19 March 2010, Amati VCT 2 plc has agreed to pay to the Manager a quarterly fee of 0.4375%

(1.75% per annum) of the net asset value of the Company, payable in arrears, together with a performance fee as described at paragraph 7.2.2 below.

Either party may terminate the IMA on one year's notice. The appointment of the Manager as administrator and company secretary may be terminated on one year's notice. The Manager's appointment may also be terminated immediately by notice in writing if (i) an order is made or a resolution passed for the winding up of the Manager, (ii) the Manager becomes insolvent or stops or threatens to stop carrying on its business or payment of its debts or makes any arrangement with its creditors generally, (iii) a receiver or administrator is appointed, (iv) the Manager is found liable for material breach of duty or negligence or material breach of contract, (v) Paul Jourdan ceases to work on a day-to-day business in the management of the Company's investment portfolio, or (vi) the Manager undergoes a change of control which Amati VCT 2 considers will have a materially adverse effect on the services to be provided.

Further details of the IMA are set out in paragraph 7(c) of Part VIII (B) of this document.

8.2.2 Performance Fee Incentive

The Manager will also be entitled to receive a performance related fee on the achievement of certain performance criteria. The performance fee is calculated at the end of each performance period (each being a period which corresponds to Amati VCT 2's half yearly financial periods) and becomes payable upon publication of the results of Amati VCT 2 for that performance period. A formula is used in order to arrive at the amount of the total performance fee based on both (i) Amati VCT 2's starting NAV as at 22 March 2010, in respect of shares in issue on that date, when the Manager took on the management of the portfolio (which NAV is adjusted for the write-downs for unquoted holdings within three months of that date, and also for the share consolidation of November 2011) and being 101.47p per Share ("Starting NAV per Share"), and (ii) in respect of Shares issued after 22 March 2010, the weighted average subscription price (after deduction of costs) per Share (the "Subscription Price") of any subsequent allotment of Shares (for instance, under any share offers or under a dividend re-investment scheme).

Returns ("Returns") are defined by comparing the Starting NAV per Share or the relevant Subscription Price (as the case may be) against the Adjusted NAV per Share at the start of the relevant performance period or the end of the relevant performance period (whichever is the lower). The Adjusted NAV per Share is adjusted to add back any prior dividends or dividends payable in respect of that period, to include any revenue in the relevant performance period and before deduction of any accrual for performance fee in respect of the relevant period. At the date of this document there are six pools and the formula allows for the creation of further pools, referred to as additional pools. The ordinary shares issued under any subsequent share offer will each form separate pools for this purpose.

The principle followed is that no performance fees are payable on the first 20% of Returns from the Starting NAV per Share (i.e. on the first 20.29p, so the minimum threshold for NAV plus dividends paid is 121.76p per share), and that the Returns from each pool are also subject to a hurdle rate test of 8% simple interest. In addition, fees are only paid where the Returns are sustained for at least six months. The fee itself is based on 20% of the Returns per Share in excess of the first 20% of Returns, multiplied by the number of Shares in pools which have passed the 8% hurdle rate, less any previous performance fees paid.

It is the Board's intention that performance fees are fully allocated to Amati VCT 2 capital account.

A deed of variation to the IMA dated 28 September 2011 was entered into between Amati VCT 2 and the Manager to the effect that, on the scheme of reconstruction taking effect shortly thereafter, the IMA was varied (i) to change the performance incentive fee arrangements so that consideration shares under the scheme of reconstruction were also treated as a separate "Pool" for the purposes of those arrangements, and (ii) so that the Manager was obliged to cap the annual running costs of the Company at 3.5% of the Company's net assets, with any excess being met by the Manager by way of a reduction in future management fees. The annual running costs include the Directors' and Manager's fees, professional fees and the costs incurred by the Company in the ordinary course of its

business (but excluding any commissions paid by the Company in relation to any offers for subscription, any performance fees payable to the Manager, irrecoverable VAT and exceptional costs, including winding-up costs).

8.2.3 Administration Arrangements

Under the IMA, the Manager has also agreed to provide certain company secretarial and administrative services to Amati VCT 2 plc. The Manager has engaged The City Partnership (UK) Limited to act as Company Secretary and Capita Financial Group to act as Fund Administrator. Amati VCT 2 plc has agreed to pay to the Manager a fee of £65,000 (subject to an annual increase in line with the retail prices index) annually in arrears in respect of the provision of these services and the current fee is £70,747 per annum.

The appointment of the Manager as investment manager and/or administrator and company secretary may be terminated on one year's notice.

8.2.4 Custody Arrangements

The custodian of the Company's quoted securities and cash deposits is Bank of New York Mellon SA/NV, which is authorised and regulated by the Financial Services Authority and whose address is London Branch, 160 Queen Victoria Street, London, EC4V 4LA.

8.2.5 Dividend Policy

The Directors aim to pay dividends of between 5% and 6% per year based on NAV as at the end of each accounting year, with scope to increase this at the Directors' discretion. Amati VCT 2's ability to pay future dividends at this level will depend, *inter alia*, on adequate liquidity being achieved and the availability of distributable reserves. The Board considers that the above dividend policy will provide both a good level of cash return to Shareholders and underpin the ongoing strength of Amati VCT 2 by allowing for a level of capital growth.

Venture capital trusts can distribute realised capital profits from the sale of underlying investments and income by way of dividends, which are free of income tax to Qualifying Subscribers. The Directors intend that Amati VCT 2 will take advantage of this by distributing some or all of its realised profits from time to time. Generally, a VCT must distribute by way of dividend such amount as to ensure that it retains not more than 15%, of its income from shares and securities. In the event that the Directors deem it prudent and, subject to the legislation governing the Company, interim and exceptional dividends may also be paid by Amati VCT 2. Forecasts of dividends should not be treated as profit forecasts.

Shareholders who wish to have dividends paid directly into a bank account, rather than by cheque to their registered address, may complete a mandate form for this purpose. A dividend mandate form is printed on the reverse of each Subscription Form. Further dividend mandate forms may be obtained from the Company's Registrar. Details are set out in the Subscription Form found at the back of this document.

8.3 BOTH COMPANIES

8.3.1 Dividend Re-investment Schemes

Information on the Dividend Re-investment Schemes operated by each Company is set out in Part IV of this document.

8.3.2 Buyback Policy

In addition to the Enhanced Share Buyback and Re-investment Facilities described in Part V, each of the Companies wishes to ensure that, during the Offers, and after the Offers have closed, there is liquidity in the Ordinary Shares and each intends to pursue an active discount management policy.

The Directors of each of the Companies, therefore, intend that each Company buy back those Ordinary Shares which Shareholders wish to sell, subject to legislation governing the Companies, the market conditions at the time and to the Companies having both funds and distributable reserves available for the purpose. Subject to legislative requirements, the Directors may utilise the proceeds of the Offers to fund share buybacks. Ordinary Shares which are bought back by the Companies will be cancelled. This buyback policy aims to support the Ordinary Share price by limiting the discount to Net Asset Value at which

Ordinary Shares trade. The making and timing of any share buybacks will remain at the absolute discretion of the Board. Under the current Listing Rules of the UKLA, the price paid for the Ordinary Shares cannot be more than the higher of (i) the amount equal to 105% of the average of the middle market quotations for the five business days immediately preceding the date on which the Ordinary Shares are purchased; (ii) the price of the last independent trade; and (iii) the highest then current independent bid on the London Stock Exchange.

8.3.3 Duration of the Companies

Although investments in VCTs are long-term investments, with the full benefit of their tax reliefs being available to Qualifying Subscribers only where they hold their investments for five years, the Directors of each of the Companies believe that there should be an opportunity for Shareholders to consider the future of each Company at regular intervals. The Articles of Amati VCT provide that a resolution for the continuation of that Company be put to Shareholders at the annual general meeting in 2016. The Articles of Amati VCT 2 provide that a resolution for the continuation of that Company be put to Shareholders at the annual general meeting in 2018. In the event that the continuation vote of Amati VCT is not passed then the Articles of that Company require the Directors of that Company to convene a general meeting within 9 months at which a special resolution will be proposed requiring Amati VCT to be wound up voluntarily. In the event that the continuation vote of Amati VCT 2 is not passed then the Articles of that Company require the Directors of that Company to convene a general meeting within 9 months to vote on a resolution that Amati VCT 2 be reorganised or reconstructed and, failing which, that it be wound up voluntarily.

8.3.4 Shareholder Communication

Amati VCT's annual report and accounts are made up to the end of February in each year and these reports and accounts are normally sent to Shareholders in May of each year. Shareholders also receive half-yearly financial statements for the period to 31 August in each year, which are unaudited. Amati VCT 2's annual report and accounts are made up to the end of January in each year and these reports and accounts are normally sent to Shareholders in April of each year. Shareholders also receive half-yearly financial statements for the period to 31 July in each year, which will be unaudited.

The Companies' annual reports and accounts will be presented to Shareholders for their consideration at the respective Company's annual general meeting. At the time, there will be the opportunity for Shareholders to speak to the Directors or a member of the investment management team of the Manager to discuss the reports and accounts or other procedural matters.

8.3.5 Further Issues

On 28 June 2012, by ordinary resolution, the Directors of Amati VCT were granted authority to allot 13,490,980 Ordinary Shares. On the same date, by special resolution, the Directors of Amati VCT were empowered to make such allotments without application of pre-emption rights. On the same date, Amati VCT was authorised to buy back 6,753,964 Ordinary Shares.

On 31 October 2011, by ordinary resolution, the Directors of Amati VCT 2 were granted authority to allot 12,000,000 Ordinary Shares. On the same date, by special resolution, the Directors of Amati VCT 2 were empowered to make such allotments without application of pre-emption rights. On 14 June 2012, Amati VCT 2 was authorised to buy back 4,185,828 Ordinary Shares.

The shareholder resolutions in connection with the allotment authorities, disapplication of pre-emption rights and share buy back authorities to be put to Shareholders at the General Meetings would supersede any earlier authorities and would be in addition to them.

8.3.6 HM Revenue & Customs Approval

The Directors of each Company manage that Company's affairs in order that they comply with legislation applicable to VCTs (in particular, section 274 of ITA). In this regard, the Companies have each retained PricewaterhouseCoopers LLP to advise on their VCT status.

HMRC has confirmed that the Companies qualify as VCTs. Approval may be lost if the Companies subsequently cease to comply with certain other requirements relating to VCT status.

Any potential investor in doubt as to the tax reliefs associated with VCTs should consult his or her independent financial adviser authorised and regulated under the FSMA.

8.3.7 **Mandatory takeover and/or squeeze-out and sellout rules**

Amati VCT and Amati VCT 2 will be subject to the City Code on Takeovers and Mergers (the “**Code**”). Under rule 9 of the Code, if:

- (a) any person acquires, whether by a series of transactions over a period of time or not, an interest in shares which (taken together with shares in which persons acting in concert with him are interested) carry 30% or more of the voting rights of a company; or
- (b) any person, together with persons acting in concert with him, is interested in shares which in the aggregate carry not less than 30% of the voting rights of a company but does not hold shares carrying more than 50% of such voting rights and such person, or any person acting in concert with him, acquires an interest in any other shares which increases the percentage of shares carrying voting rights in which he is interested,

then, unless that person, and where appropriate any concert parties, have obtained the consent of the Panel on Takeovers and Mergers (the “**Panel**”), the acquirer may be required to make a cash offer for the outstanding shares of the company at a price not less than the highest price paid by the acquirer, or a concert party, for shares in the company in the preceding 12 month period.

Amati VCT and Amati VCT 2 are also subject to sections 974-991 of the 2006 Act. Under these sections, where a takeover offer is made, and the offeror acquires or contracts to acquire, not less than 90% of the shares to which the offer relates (where the 90% is both value of shares and voting rights) then the offeror is entitled to compulsorily require the holders of any shares who have not accepted the offer to transfer those shares to the offeror. The consideration offered to those who have declined any offer and whose shares are being compulsorily acquired must, generally, be the same as that offered under the takeover offer.

In addition to the above, under sections 983-985 of the 2006 Act, where a successful takeover offer is made, or the offeror acquires or contracts to acquire 90% of the shares (both to value and voting rights) then the holder of shares to which the offer relates and who has not accepted the offer may require the offeror to acquire those shares on the terms of the offer or on such other terms as may be agreed. The offeror is required within one month of such right arising to notify a shareholder who has not accepted the offer notice in the prescribed manner.

Other than as provided for by the 2006 Act and the Code, Amati VCT and Amati VCT 2 are not subject to any other rules relating to mandatory takeover bids and/or squeeze-out and sellout rules in relation to the Shares.

As at the date of this Prospectus, neither Amati VCT nor Amati VCT 2 are aware of the existence of any mandatory take-over bids or any attempt to acquire shares under any squeeze-out or sell-out rules.

PART II: FINANCIAL INFORMATION ON AMATI VCT PLC AND AMATI VCT 2 PLC

1. INVESTMENT PORTFOLIO

As at the date of this document, the investment portfolio of Amati VCT plc consists of equities and convertible loans in 56 companies (see pages 52 to 55 for the full list of holdings) with a combined unaudited market valuation (as at 24 January 2013) of £29,758,249 together with certain other cash holdings. As Amati VCT, as advised by the Manager, follows an active investment style, the constituent investments and the weightings between the sectors within the portfolio are constantly under review and may change at any time in the event that the Manager considers it necessary or prudent. The unaudited net asset value of an Amati VCT Ordinary Share as at 24 January 2013 was 70.56p. As at the date of this document, there has been no material change in the figures set out below for Amati VCT since that date.

As at the date of this document, the investment portfolio of Amati VCT 2 plc consists of equities and convertible loans in 66 companies (see page 52 to 55 for the full list of holdings) with a combined unaudited market valuation (as at 24 January 2013) of £29,105,429 together with certain other cash holdings. As Amati VCT 2, as advised by the Manager, follows an active investment style, the constituent investments and the weightings between the sectors within the portfolio are constantly under review and may change at any time in the event that the Manager considers it necessary or prudent. The unaudited net asset value of an Amati VCT 2 Ordinary Share as at 24 January 2013 was 106.76p. As at the date of this document, there has been no material change in the figures set out below for Amati VCT 2 since that date.

1.1 Sector Analysis

The portfolio of investments of the Companies as at 3 January 2013 is analysed below by sector:

Sector % of total assets	Amati VCT	Amati VCT 2
Technology	23.6	27.2
Industrials	17.7	18.5
Healthcare	13.9	12.8
Basic Materials	12.4	3.0
Consumer Goods	7.9	7.0
Financials	7.5	10.0
Oil & Gas	5.5	5.4
Consumer Services	3.5	13.0
Utilities	0.1	0.0
Telecommunications	0.0	0.4
Cash	7.9	2.6

1.2 Analysis of Geographical Exposure (ex. cash)

The Manager performed a review of the portfolio companies' revenues by geography as at 3 January 2013 with reference to each company's latest annual report and accounts, and making estimates where information was not available. For commodity producing companies the location of production was used rather than the destination of sales:

Region % of total assets	Amati VCT	Amati VCT 2
UK	52.5%	50.2%
US	14.3%	14.0%
China	7.7%	6.0%
Europe (ex-UK)	13.9%	19.8%
India	0.7%	0.4%
Rest of World	10.9%	9.6%

Of the 52.5% exposure of Amati VCT to the UK, 0.8% was to oil and gas exploration and production in the North Sea. Of the 50.2% exposure of Amati VCT 2 to the UK, 0.6% was to oil and gas exploration and production in the North Sea.

1.3 Top investments

As at the date of this document, over 50% of Amati VCT's net assets are represented by investments in 13 companies with a total unaudited market value of £16.5 million. The information below provides the unaudited investment value of these holdings as at 4 February 2013, together with a summary of the activities of each portfolio company. An '*' in the information below indicates that the holding is a Qualifying Holding or part-Qualifying Holding.

No.	Company	Market value (£)	% of NAV	Activities
1.	Hardide * (Loan notes and Equity)	2,450,929	7.4%	Hardide provides a super-hard metal coating based on the chemical deposition of tungsten carbide onto steel.
2.	IDOX *	2,438,006	7.4%	IDOX is a provider of software and services to local authorities and engineering companies.
3.	Deltex Medical Group * (Loan notes and Equity)	1,821,010	5.5%	Deltex Medical manufactures and markets the CardioQ-ODM™, which is an Oesophageal Doppler Monitor. This provides one of the most accurate measurements of patient blood volumes during major surgery, and its correct usage has been shown to lead to enhanced recovery times.
4.	Polyhedra Group (formerly EcoData) * (Loan notes and Equity)	1,386,510	4.2%	Polyhedra provides the pharmaceutical supply chain with the collection, audit and safe destruction of expired and unused products.
5.	Anpario *	1,081,291	3.3%	Anpario is involved in the manufacturing and marketing of high performance natural feed additives for global agricultural and aquaculture.
6.	Fox Marble * (Loan notes and Equity)	1,055,172	3.2%	Fox Marble Holdings is a decorative stone extraction company operating in Kosovo with headquarters in the United Kingdom.
7.	China Food (Loan notes)	969,375	2.9%	China Food Company produces and distributes soya sauce and other condiments together with animal feeds in Shandong and the nearby provinces in China.
8.	Sabien *	954,366	2.9%	Sabien Technology manufactures and distributes the patented M2G energy saving device, which is designed to work with commercial boilers.
9.	Craneware *	942,380	2.9%	Craneware provides automated revenue integrity software solutions for the US healthcare market, with headquarters in Edinburgh.
10.	Asian Citrus	877,500	2.7%	Asian Citrus owns and operates large orange plantations and fruit juicing facilities in China.
11.	Ubisense *	872,546	2.7%	Ubisense is a location solutions company, delivering mission-critical enterprise asset tracking and geospatial systems.

12. Belvoir Lettings*	848,437	2.6%	Belvoir Lettings is a specialist letting franchise in the UK.
13. Vianet	829,382	2.5%	Vianet plc provides real-time monitoring systems and data management services, principally for the UK's leisure and petrol forecourt industries.

As at the date of this document, over 50% of Amati VCT 2's net assets are represented by investments in 15 companies with a total unaudited market value of £14.8 million. The information below provides the unaudited investment value of these holdings as at 4 February 2013, together with a summary of the activities of each portfolio company. An '**' in the information below indicates that the holding is a Qualifying Holding or part-Qualifying Holding.

No.	Company	Market value (£)	% of NAV	Activities
1.	IDOX *	2,058,812	7.1%	IDOX is a provider of software and services to local authorities and engineering companies.
2.	Lo-Q *	1,820,880	6.3%	Lo-Q designs, installs and operates systems that reduce queuing times for visitors to theme parks.
3.	Polyhedra Group (formerly EcoData)* (Loan notes and Equity)	1,262,717	4.3%	Polyhedra provides the pharmaceutical supply chain with the collection, audit and safe destruction of expired and unused products.
4.	Brooks Macdonald Group *	1,216,350	4.2%	Brooks Macdonald Group plc is an AIM-listed, integrated, wealth management group, providing bespoke, fee based, investment management services to private clients, charities and trusts.
5.	Prezzo *	1,030,368	3.5%	Prezzo is a branded restaurant operator in the UK operating under the Prezzo and ChimiChanga brands.
6.	Synergy Health Group *	1,010,500	3.5%	Synergy Health delivers a range of specialist outsourced services and products to healthcare providers and other clients concerned with health management.
7.	Fox Marble * (Loan notes and Equity)	977,364	3.4%	Fox Marble Holdings is a decorative stone extraction company operating in Kosovo with headquarters in the United Kingdom.
8.	Anpario *	796,587	2.7%	Anpario is involved in the manufacturing and marketing of high performance natural feed additives for global agricultural and aquaculture.
9.	Asian Citrus	784,875	2.7%	Asian Citrus owns and operates large orange plantations and fruit juicing facilities in China.
10.	Belvoir Lettings *	761,640	2.6%	Belvoir Lettings is a specialist letting franchise in the UK.

11. Ubisense *	664,177	2.3%	Ubisense is a location solutions company, delivering mission-critical enterprise asset tracking and geospatial systems.
12. China Food Company (Loan notes)	655,406	2.3%	China Food Company produces and distributes soya sauce and other condiments together with animal feeds in Shandong and the nearby provinces in China.
13. Sabien Technology *	618,207	2.1%	Sabien Technology manufacturers and distributes the patented M2G energy saving device, which is designed to work with commercial boilers.
14. Deltex Medical *	571,545	2.0%	Deltex Medical manufactures and markets the CardioQ–ODM™, which is an Oesophageal Doppler Monitor. This provides one of the most accurate measurements of patient blood volumes during major surgery, and its correct usage has been shown to lead to enhanced recovery times.
15. TLA Worldwide *	566,210	1.9%	TLA Worldwide is a fully integrated athlete representation and sports marketing company, primarily focused on the sport of baseball.

Note: Investment and portfolio information in this section has been derived from the relevant Company's accounting records (taken from its portfolio valuation at 4 February 2013) and, in respect of the information on investee companies' activities, from the latest financial year end accounts published by those investee companies. The information on investee companies activities has been accurately reproduced and, as far as the relevant Company is aware and is able to ascertain from information published by the relevant Company and the investee companies, no facts have been omitted which would render the information inaccurate or misleading.

The information set out in this section 1.3 about the investment portfolio has not been audited. Portfolio activity is updated monthly on Amati Global Investors' website and within the monthly factsheets, which are also available at www.amatiglobal.com.

1.4 Investment Portfolio

The following tables show the investment portfolios of Amati VCT and Amati VCT 2 with value shown as at 3 January 2013.

Security Description	Sector	Type	Amati VCT			Amati VCT 2		
			Book Cost £	Market Value £	% of NAV	Book Cost £	Market Value £	% of NAV
ALLERGY THERAPEUTICS	Health Care	Equity	-	-	-	28,536	29,864	0.11%
AMERISUR RESOURCES	Oil & Gas	Equity	348,717	403,425	1.26%	297,242	346,758	1.23%
ANPARIO	Health Care	Equity	631,752	1,026,143	3.20%	519,257	755,283	2.68%
ANTENOVA	Telecommunications	Equity	-	-	-	0	0	0.00%
ANTENOVA 'A' PREF	Telecommunications	Preference Shares	-	-	-	100,117	100,117	0.36%
ASIAN CITRUS	Consumer Goods	Equity	1,381,720	892,500	2.78%	1,201,053	791,700	2.81%
BANGO	Technology	Equity	78,260	332,605	1.04%	-	-	-

Security Description	Sector	Type	Amati VCT			Amati VCT 2		
			Book Cost £	Market Value £	% of NAV	Book Cost £	Market Value £	% of NAV
BELVOIR LETTINGS	Financials	Equity	468,000	853,320	2.66%	432,000	760,320	2.70%
BGLOBAL	Industrials	Equity	408,836	117,002	0.36%	290,664	119,082	0.42%
BLINKX	Technology	Equity	482,094	433,938	1.35%	419,532	379,050	1.35%
BRADY	Technology	Equity	331,299	633,336	1.97%	-	-	-
BRAINJUICER	Consumer Services	Equity	-	-	-	472,000	326,400	1.16%
BROOKS MACDONALD	Financials	Equity	238,869	261,097	0.81%	1,153,280	1,144,270	4.06%
BROOKWELL	Financials	Preference Shares	-	-	-	198,463	108,751	0.39%
CAMAXYS	Technology	Equity	-	-	-	254,825	0	0.00%
CELLO	Consumer Services	Equity	-	-	-	257,625	81,000	0.29%
CELOXICA	Technology	Equity	-	-	-	0	0	0.00%
CHINA FOOD 12.5% 2014	Consumer Goods	Convertible Loan	876,000	825,582	2.57%	624,000	587,039	2.09%
COHORT	Industrials	Equity	-	-	-	247,067	354,614	1.26%
CONEXION MEDIA	Consumer Services	Equity	-	-	-	183,750	3,243	0.01%
CORAC	Industrials	Equity	313,806	269,350	0.84%	186,144	155,120	0.55%
CRANEWARE	Technology	Equity	333,786	968,508	3.02%	-	-	-
CROMA SECURITY	Industrials	Equity	334,960	145,700	0.45%	-	-	-
CUPID	Consumer Services	Equity	-	-	-	590,177	575,569	2.04%
DELTEX MEDICAL	Health Care	Equity	251,882	275,720	0.86%	615,500	517,500	1.84%
DELTEX MEDICAL Libor + 7.5% 2014	Health Care	Convertible Loan	1,000,220	1,798,891	5.61%	-	-	-
DEVRO	Consumer Goods	Equity	328,643	344,970	1.08%	297,830	312,722	1.11%
DODS	Consumer Services	Equity	-	-	-	595,868	90,000	0.32%
EBIQUITY	Consumer Services	Equity	-	-	-	729,005	310,950	1.10%
EGDON RESOURCES	Oil & Gas	Equity	294,576	223,484	0.70%	206,410	152,631	0.54%
ENTERTAINMENT ONE	Consumer Services	Equity	323,241	433,755	1.35%	296,338	369,842	1.31%
EXPANSYS	Consumer Services	Equity	429,346	8,492	0.03%	449,500	8,138	0.03%
FFASTFILL	Technology	Equity	249,040	493,256	1.54%	260,000	364,000	1.29%
FOX MARBLE	Basic Materials	Equity	488,000	402,600	1.26%	452,000	350,300	1.24%
FOX MARBLE 8% 2017	Basic Materials	Convertible Loan	551,700	544,397	1.70%	508,300	501,572	1.78%
FULCRUM UTILITY	Financials	Equity	252,588	287,488	0.90%	234,379	234,379	0.83%
FUSE 8	Consumer Services	Equity	-	-	-	209,990	0	0.00%
FUTURA MEDICAL	Health Care	Equity	320,475	284,867	0.89%	505,775	457,381	1.62%
GB	Technology	Equity	234,671	547,076	1.71%	221,925	503,332	1.79%
HARDIDE 8% 2013	Basic Materials	Convertible Loan	225,000	673,436	2.10%	-	-	-
HARDIDE 8% 2014	Basic Materials	Convertible Loan	633,000	1,885,695	5.88%	-	-	-

Security Description	Sector	Type	Amati VCT			Amati VCT 2		
			Book Cost £	Market Value £	% of NAV	Book Cost £	Market Value £	% of NAV
HARDIDE 8% 2013 and 2014	Basic Materials	Convertible Loan	138,365	134,171	0.42%	-	-	-
HARDIDE	Basic Materials	Equity	775,000	86,738	0.27%	-	-	-
IDEAGEN	Technology	Equity	456,000	453,000	1.41%	408,500	403,125	1.43%
IDOX	Technology	Equity	340,367	2,265,637	7.06%	271,559	1,913,804	6.80%
INDITHERM	Health Care	Equity	-	-	-	68,750	81,250	0.29%
INVOCAS	Financials	Equity	332,285	35,880	0.11%	-	-	-
JUDGES SCIENTIFIC	Industrials	Equity	285,582	462,762	1.44%	264,414	425,266	1.51%
JURIDICA INVESTMENTS	Financials	Equity	209,673	164,810	0.51%	-	-	-
KENNEDY VENTURES	Industrials	Equity	172,000	428	0.00%	-	-	-
LILESTONE	Consumer Services	Equity	-	-	-	1,238,655	0	0.00%
LONDON ASIA CAPITAL	Financials	Equity	255,202	62,094	0.19%	-	-	-
LONDON CAPITAL	Financials	Equity	593,895	171,055	0.53%	371,864	155,035	0.55%
LO-Q	Technology	Equity	-	-	-	449,400	1,775,130	6.31%
MANROY	Industrials	Equity	168,836	70,645	0.22%	158,608	66,116	0.23%
MARWYN VALUE INVESTORS	Financials	Equity	200,000	104,000	0.32%	-	-	-
MICROSAIC SYSTEMS	Industrials	Equity	411,956	498,779	1.55%	288,486	328,255	1.17%
MUSIC FESTIVALS	Consumer Services	Equity	73,308	0	0.00%	38,693	0	0.00%
MUSIC FESTIVALS 8% 2016	Consumer Services	Convertible Loan	660,000	0	0.00%	340,000	0	0.00%
MYCELX TECHNOLOGIES	Oil & Gas	Equity	508,200	616,495	1.92%	511,837	562,056	2.00%
NETCALL	Technology	Equity	-	-	-	173,081	264,430	0.94%
NEW WORLD OIL & GAS	Oil & Gas	Equity	263,930	218,966	0.68%	231,874	189,875	0.67%
OVIDIA INVESTMENTS	Consumer Services	Equity	-	-	-	518,312	0	0.00%
PARAGON ENTERTAINMENT	Financials	Equity	608,847	471,222	1.47%	274,091	411,060	1.46%
POLYHEDRA	Industrials	Equity	340,187	340,187	1.06%	309,813	309,813	1.10%
POLYHEDRA 8% 2017	Industrials	Convertible Loan	1,046,728	1,047,097	3.26%	953,272	953,608	3.39%
PREZZO	Consumer Services	Equity	-	-	-	151,327	906,188	3.22%
PROVIDENCE RESOURCES	Oil & Gas	Equity	327,083	297,924	0.93%	292,660	265,527	0.94%
RIVINGTON STREET 0% 2013	Technology	Convertible Loan	822	822	0.00%	-	-	-
RIVINGTON STREET 8% 2015	Technology	Convertible Loan	12,861	12,861	0.04%	-	-	-
SABIEN TECHNOLOGY	Industrials	Equity	635,990	844,949	2.63%	397,965	568,083	2.02%
SINCLAIR IS PHARMA	Health Care	Equity	662,447	659,455	2.06%	425,677	387,744	1.38%
SKIL PORTS & LOGISTICS	Industrials	Equity	409,846	181,698	0.57%	252,914	110,240	0.39%
SOFTWARE RADIO TECHNOLOGY	Technology	Equity	708,731	424,136	1.32%	579,500	413,250	1.47%
SORBIC INTERNATIONAL	Consumer Goods	Equity	26,297	17,330	0.05%	23,703	15,084	0.05%
SORBIC INTERNATIONAL 10% 2013	Consumer Goods	Convertible Loan	474,000	462,476	1.44%	276,000	269,290	0.96%

Security Description	Sector	Type	Amati VCT			Amati VCT 2		
			Book Cost £	Market Value £	% of NAV	Book Cost £	Market Value £	% of NAV
SPORTSWEB	Industrials	Equity	-	-	-	352,128	316,915	1.13%
SPRUE AEGIS	Industrials	Equity	136,603	480,600	1.50%	-	-	-
SYNECTICS	Industrials	Equity	-	-	-	341,381	457,570	1.63%
SYNERGY HEALTH	Health Care	Equity	-	-	-	142,567	1,025,540	3.64%
TASTY	Consumer Services	Equity	-	-	-	540,377	382,047	1.36%
TIKIT GROUP	Technology	Equity	-	-	-	250,700	893,800	3.18%
TLA WORLDWIDE	Consumer Services	Equity	662,490	683,702	2.13%	599,184	566,210	2.01%
TMO RENEWABLES	Basic Materials	Equity	295,855	0	0.00%	-	-	-
TMO RENEWABLES 2013	Basic Materials	Convertible Loan	300,000	262,457	0.82%	-	-	-
TRANSACTION SOLUTIONS INTERNATIONAL	Utilities	Equity	350,000	27,830	0.09%	-	-	-
TRISTEL	Health Care	Equity	740,793	411,975	1.28%	598,784	359,318	1.28%
UBC MEDIA	Consumer Services	Equity	-	-	-	614,268	51,669	0.18%
UBISENSE	Technology	Equity	695,012	997,955	3.11%	563,203	758,594	2.69%
UNIVERSE	Industrials	Equity	307,995	468,554	1.46%	287,407	406,119	1.44%
VIANET	Industrials	Equity	898,987	739,035	2.30%	230,488	258,659	0.92%
VICORP	Technology	Equity	407,663	0	0.00%	-	-	-
VITEC GLOBAL	Basic Materials	Equity	300,000	0	0.00%	-	-	-
ZYTRONIC	Industrials	Equity	-	-	-	369,842	384,167	1.36%
Total Investments			28,004,311	29,544,356	92.11%	27,199,838	27,425,760	97.43%
Net Current Assets				2,532,314	7.89%		724,843	2.57%
NET ASSET VALUE				32,076,669	100%		28,150,603	100%

1.5 Capital resources and cash flows

The Companies' short and long terms capital resources result from the Ordinary Shares issued by the Companies and which the Companies are able to issue in the future. The cash flows of the Companies result from dividends and/or interest or other revenues from underlying investments and realisations of underlying investments. Further details are contained in the Companies' accounts as referenced below.

2. FINANCIAL INFORMATION ON AMATI VCT

A. Introduction

Amati VCT's auditors are KPMG Audit Plc, registered auditor, of Saltire Court, 20 Castle Terrace, Edinburgh, EH1 2EG and regulated by the Institute of Chartered Accountants in England and Wales. They have been the only auditors of the Company since its incorporation in February 2005.

The financial information in relation to Amati VCT contained in the following section of this Part II has been extracted without material adjustment from (a) the audited statutory accounts of the Company for the three financial periods ended 29 February 2012, in respect of which the Company's auditors made unqualified reports under section 235 of the CA 1985 and section 495, section 496 and section 497 of the 2006 Act, as applicable, and which have been delivered to the Registrar of Companies and such reports did not contain any statements under section 237(2) or (3) of the 1985 Act or under section 498 (2) or (3) of the 2006 Act, as applicable and (b) the unaudited half-yearly report for the period ended 31 August 2012.

B. Published Annual Reports and Accounts for the three periods ended February 2010, February 2011, and February 2012 and unaudited half-yearly reports for the period ended 31 August 2012 (Amati VCT)

Historical Financial information

Historical financial information of Amati VCT for the three periods ended 29 February 2012 and for the six month period to 31 August 2012 includes, on the pages specified in the table below, the following information, which is incorporated by reference:

Nature of information	Audited annual report for the period ended 28 February 2010	Audited annual report for the period ended 28 February 2011	Audited annual report for the period ended 29 February 2012	Unaudited half yearly report for 6 months ended 31 August 2012
Income statement	Page 33	Page 34	Page 41	Page 16
Reconciliation of movements in Shareholders' funds	Page 34	Page 35	Page 42	Page 18
Balance sheet	Page 35	Page 36	Page 43	Page 19
Cash flow statements	Page 36	Page 37	Page 44	Page 20
Accounting policies	Page 37	Page 38	Page 46	n/a
Notes to the accounts	Page 37	Page 38	Page 45	Page 22
Independent auditor's reports	Page 32	Page 33	Page 39	n/a

Copies of the annual reports of Amati VCT are available free of charge at its registered office or from its website, the address of which is www.amatiglobal.com/avct.php. The announcement of the results of Amati VCT is available on the website of the London Stock Exchange at www.londonstockexchange.com/en-gb/pricesnews/marketnews.

C. Operating and Financial Review (Amati VCT)

The Chairman's Statement and the Manager's Report in respect of Amati VCT for each of the three periods ended 28 February 2012 and for the six month period ended 31 August 2012 are set out on those pages (specified in the table below) of the historical financial information referred to in paragraph 2(B) above of this Part II, such statements and reports being incorporated by reference:

Nature of information	Audited annual report for the period ended 28 February 2010	Audited annual report for the period ended 28 February 2011	Audited annual report for the period ended 29 February 2012	Unaudited half yearly report for 6 months ended 31 August 2012
Chairman's statement	Page 3	Page 3	Page 3	Page 4
Portfolio Manager's Report	Page 4	Page 5	Page 5	Page 6
Directors' Report and Business Review	Page 16	Page 18	Page 22	

The treasury activities of Amati VCT plc are controlled by the Manager, subject always to the direction and supervision of the board. Cash and cash equivalents are held only in sterling and no other currencies. Amati VCT plc does not have any borrowing. Financial instruments may from time to time be used for hedging purposes as described in more detail in the description of the Company's investment policy. Amati VCT plc requires liquidity in order to meet its operating costs of which the most significant is the investment management fee. Amati VCT plc maintains cash reserves suitable to meet its operating commitments.

D. No Significant Change (Amati VCT)

Other than the increase in NAV to 70.56 as at 24 January 2013 from 67.7p per Share as at 31 August 2012 (being the end of the last financial period of the Company for which unaudited

financial information has been published), there has been no significant change in the financial or trading position of the Company.

E. Working Capital (Amati VCT)

Amati VCT is of the opinion that it has sufficient working capital for its present requirements, that is for at least 12 months following the date of this document.

F. Statement of capitalisation and indebtedness (Amati VCT)

The following table shows the capitalisation for Amati VCT as at 3 January 2013.

Shareholders' equity	£
Called up share capital	4,625,628
Legal reserve (share premium account)	2,891,239
Other reserves (excludes revenue reserve)	24,300,171
Total	31,817,038

There has been no material change in the capitalisation of the Company since 3 January 2013.

The following table shows the gross indebtedness of Amati VCT (distinguishing between guaranteed, secured and unguaranteed and unsecured indebtedness) as at 3 January 2013.

Total current debt	0
Guaranteed	0
Secured	0
Unguaranteed/unsecured	0
Total	0

As at 3 January 2013, Amati VCT had no indirect or contingent indebtedness or future investment commitments. The information in the gross and net indebtedness table above is unaudited information of the Company and has been extracted from internal management accounting records and has not been reported on by an accountant.

The following table shows Amati VCT's net indebtedness as at 3 January 2013.

A. Cash	2,366,991
B. Cash equivalent	0
C. Trading securities	0
D. Liquidity (A+B+C)	2,366,991
E. Current financial receivable	0
F. Current bank debt	0
G. Current portion of non-current debt	0
H. Other current financial debt	0
I. Current financial debt (F+G+H)	0
J. Net current financial indebtedness (I-E-D)	-2,366,991
K. Non-current bank loans	0
L. Bonds issued	0
M. Other non-current loans	0
N. Non-current financial indebtedness (K+L+M)	0
O. Net financial indebtedness (J+N)	-2,366,991

Where references are made above to certain parts of documents being incorporated by reference, the parts of the those documents which are not being incorporated by reference are either not relevant for the investor or are covered elsewhere in the Prospectus.

3. FINANCIAL INFORMATION ON AMATI VCT 2

A. Introduction (Amati VCT 2)

Amati VCT 2's auditors are PKF (UK) LLP, Farringdon Place, 20 Farringdon Road, London EC1M 3AP ("PKF") and regulated by the Institute of Chartered Accountants in England and Wales. Prior to the appointment of PKF (UK) LLP, PwC were the auditors of Amati VCT 2 from its incorporation on 10 January 2001 until PwC's resignation on 21 January 2011. PKF and BDO LLP have agreed to merge and it is anticipated that this completes by spring 2013.

The financial information contained in this Part II has been extracted without material adjustment from (a) the audited statutory accounts of Amati VCT 2 for the three year periods ended 31 January 2012, in respect of which the Company's auditors made unqualified reports under section 235 of the CA 1985 and section 495, section 496 and section 497 of the 2006 Act, as applicable, and which have been delivered to the Registrar of Companies and such reports did not contain any statements under section 237(2) or (3) of the 1985 Act or under section 498 (2) or (3) of the 2006 Act, as applicable and (b) the unaudited half-yearly report for the period ended 31 July 2012.

B. Published Annual Reports and Accounts for the three periods ended 31 January 2012 and unaudited half-yearly reports for periods ended 31 July 2012 (Amati VCT 2)

Historical Financial information

Historical financial information of Amati VCT 2 for the three periods ended 31 January 2012 and for the six month period to 31 July 2012 includes, on the pages specified in the table below, the following information, which is incorporated by reference:

Nature of information	Audited annual report for the period ended 31 Jan 2010	Audited annual report for the period ended 31 Jan 2011	Audited annual report for the period ended 31 Jan 2012	Unaudited half yearly report for 6 months ended 31 July 2012
Income statement	Page 32	Page 34	Page 38	Page 16
Reconciliation of movements in Shareholders' funds	Page 33	Page 35	Page 39	Page 18
Balance sheet	Page 34	Page 36	Page 40	Page 19
Cash flow statements	Page 35	Page 37	Page 41	Page 20
Accounting policies	Page 36	Page 38	Page 44	
Notes to the accounts	Page 57	Page 38	Page 42	Page 22
Independent auditor's reports	Page 31	Page 32	Page 36	

Copies of the annual reports of Amati VCT 2 plc are available free of charge at its registered office or from its website, the address of which is www.amatiglobal.com/avct2.php. The announcement of the results of Amati VCT 2 is available on the website of the London Stock Exchange at www.londonstockexchange.com/en-gb/pricesnews/marketnews.

Amati VCT 2 when named ViCTory VCT PLC acquired the assets and liabilities of Invesco Perpetual AiM VCT plc (when named Amati VCT 2 plc) on 9 November 2011. The historical information of Invesco Perpetual AiM VCT plc (when named Amati VCT 2 plc) for the two periods ended 31 May 2011, includes, on the pages specified in the table below, the following information, which is incorporated by reference:

	Annual Report for period ended 31 May 2010	Annual Report for period ended 31 May 2011
Nature of information		
Income statement	page 30	page 30
Reconciliation of movement in shareholders' funds	page 30	page 31
Balance sheet	page 31	page 32
Cashflow statements	page 32	page 33
Accounting policies	page 33	page 34
Notes to Accounts	page 33	page 34
Independent Auditors Report	page 28	page 29

C. Operating and Financial Review (Amati VCT 2)

The Chairman's Statement and the Manager's Report in respect of Amati VCT 2 for each of the three periods ended 31 January 2012 and for the six month period ended 31 July 2012 are set out on those pages (specified in the table below) of the historical financial information referred to in paragraph 3(B) of this Part II, such statements and reports being incorporated by reference:

	Audited annual report for the period ended 31 Jan 2010	Audited annual report for the period ended 31 Jan 2011	Audited annual report for the period ended 31 Jan 2012	Unaudited half yearly report for 6 months ended 31 Jul 2012
Nature of information				
Chairman's statement	Page 4	Page 2	Page 3	Page 3
Portfolio Manager's Report	Page 6	Page 4	Page 5	Page 5
Directors' Report and Business Review	Page 23	Page 18	Page 21	

The treasury activities of Amati VCT 2 plc are controlled by the Manager, subject always to the direction and supervision of the board. Cash and cash equivalents are held only in sterling and no other currencies. Amati VCT 2 plc does not have any borrowing. Financial instruments may from time to time be used for hedging purposes as described in more detail in the description of the Company's investment policy. Amati VCT 2 plc requires liquidity in order to meet its operating costs of which the most significant is the investment management fee. Amati VCT 2 plc maintains cash reserves suitable to meet its operating commitments.

D. No Significant Change

Other than the increase in NAV to 106.76p as at 24 January 2013 from 102.4p per Share as at 31 July 2012 (being the end of the last financial period of Amati VCT 2 for which unaudited financial information has been published), there has been no significant change in the financial or trading position of Amati VCT 2.

E. Working Capital

Amati VCT 2 is of the opinion that it has sufficient working capital for its present requirements, that is for at least 12 months following the date of this document.

F. Statement of capitalisation and indebtedness

The following table shows the capitalisation for Amati VCT 2 as at 3 January 2013.

Shareholders' equity	£
Called up share capital	1,368,019
Legal reserve (share premium account)	2,761,020
Other reserves (excludes revenue reserve)	24,049,053
Total	28,178,091

Save as disclosed below, there has been no material change in the capitalisation of Amati VCT 2 since 3 January 2013.

The following table shows the gross indebtedness of Amati VCT 2 (distinguishing between guaranteed, secured and unguaranteed and unsecured indebtedness) as at 3 January 2013.

Total current debt	0
Guaranteed	0
Secured	0
Unguaranteed/unsecured	0
Total	0

As at 3 January 2013, Amati VCT 2 had no indirect or contingent indebtedness or future investment commitments. The information in the gross and net indebtedness table and the Shareholders' equity table above is unaudited information of Amati VCT 2 and has been extracted from internal management accounting records and has not been reported on by an accountant.

The following table shows Amati VCT 2's net indebtedness as at 3 January 2013.

A. Cash	774,777
B. Cash equivalent	0
C. Trading securities	0
D. Liquidity (A+B+C)	774,777
E. Current financial receivable	0
F. Current bank debt	0
G. Current portion of non-current debt	0
H. Other current financial debt	0
I. Current financial debt (F+G+H)	0
J. Net current financial indebtedness (I-E-D)	-774,777
K. Non-current bank loans	0
L. Bonds issued	0
M. Other non-current loans	0
N. Non-current financial indebtedness (K+L+M)	0
O. Net financial indebtedness (J+N)	-774,777

Where references are made above to certain parts of documents being incorporated by reference, the parts of the those documents which are not being incorporated by reference are either not relevant for the investor or are covered elsewhere in the Prospectus.

PART III: THE OFFERS

1. DETAILS OF THE OFFERS

1.1 The Offers

It is proposed that Amati VCT and Amati VCT 2 raise up to £15 million each by way of two Offers for subscription for New Ordinary Shares. (In addition the Companies propose to set aside a further £2 million for each of Amati VCT plc and Amati VCT 2 plc from New Ordinary Shares issued through the Dividend Re-investment Schemes.)

Under the terms of the Offers, New Ordinary Shares are being offered to the public. Investors are invited to subscribe for an amount in pounds sterling rather than apply for a particular number of New Ordinary Shares. The Directors have agreed that the price of New Ordinary Shares will be calculated on the basis of the following formulae:

The Offer Price in respect of Amati VCT plc is calculated as follows:

- The last published Net Asset Value of an Existing Ordinary Share of Amati VCT (adjusted for any accrued performance fee) prior to the date of allotment divided by 0.95 to allow for issue costs of 5%, calculated in pence to two decimal places.

The Offer Price in respect of Amati VCT 2 plc is as follows and is calculated on an equivalent basis:

- The last published Net Asset Value of an Existing Ordinary Share of Amati VCT 2 (adjusted for any accrued performance fee) prior to the date of allotment divided by 0.95 to allow for issue costs of 5%, calculated in pence to two decimal places.

As at 24 January 2013 the unaudited net asset value of an Amati VCT Ordinary Share was 70.56p, which would have resulted in an Offer Price of 74.28p per Amati VCT New Ordinary Share (70.56p divided by 0.95). Monies which are not sufficient to buy one Amati VCT New Ordinary Share will not be returned to applicants but will be retained by Amati VCT and fractions of Amati VCT New Ordinary Shares will not be issued.

As at 24 January 2013 the unaudited net asset value of an Amati VCT 2 Ordinary Share was 106.76p, which would have resulted in an Offer Price of 112.38p per Amati VCT 2 New Ordinary Share (106.76p divided by 0.95). Monies which are not sufficient to buy one Amati VCT 2 New Ordinary Share will not be returned to applicants but will be retained by Amati VCT 2 and fractions of Amati VCT 2 New Ordinary Shares will not be issued.

The New Ordinary Shares will rank *pari passu* with the Existing Ordinary Shares. Each issue of New Ordinary Shares (or a series of consecutive issues of shares within a certain period of time) will form part of a “pool” of Ordinary Shares for the purposes of calculating the performance fee incentive payable under the investment management agreement for each Company (which will be payable in relation to the investments made out of the monies raised in relation to that pool). When aggregated with all performance incentives for the other pools in the relevant Company (including those relating to Existing Ordinary Shares) this will comprise the total performance incentive payable to the Manager under the investment management agreements.

Each pool is not, however, a separate “class” of share, and from an investor’s viewpoint there will be no difference in economic interests between the shares that form one pool from those of another.

The Offers are not underwritten.

The maximum gross proceeds of the Offers (assuming subscription in full) will be £30 million, being £15 million for each Company. The net proceeds of the Offers (assuming subscription in full) are estimated to be £14,419,188 million each after the costs and expenses of the Offers as set out in more detail in section 2.1 of this Part III below.

The net proceeds of the Offers will be invested by each Company in accordance with that Company’s investment policy as set out in paragraph 6 of Part I of this document.

The Directors of Amati VCT have indicated that they intend to invest a total of £40,000 in the Offer by Amati VCT and £5,000 in the Offer by Amati VCT 2 and the directors of Amati VCT 2 have indicated that they intend to invest a total of £30,000 in the Offer by Amati VCT 2 and a further £10,000 in the Offer by Amati VCT.

1.2 Reasons for the Offers

The Boards believe that the existing portfolios of Qualifying Investments should make the Companies attractive to new investors. In order to strengthen their long-term prospects, and to be able to continue to take advantage of the attractive Qualifying Investment opportunities which the Directors believe can be found on AIM, the Companies are keen to attract further funds. With little money having been raised by AIM VCTs over the past few years, and with most institutional investors wary of liquidity risk, pricing of newly issued stock on AIM should remain attractive. The Boards of the Companies also believe that the changes to tax rates and pension contributions recently make VCT subscriptions all the more attractive. The Boards would also like to make available the same buyback and re-investment offer that has been in place since 2008 (Amati VCT) and 2011 (Amati VCT 2) respectively.

The Directors believe that the ability to subscribe for New Ordinary Shares presents an attractive opportunity for investors in Amati VCT and Amati VCT 2. (In addition to raising the £15 million each under the Offers, the Companies are making provision for a further aggregate of up to £2 million each to be raised from the Dividend Re-investment Schemes over the coming year.)

In addition, increased assets of the Companies from current levels should allow its fixed costs to be spread across a larger base, for the benefit of all Shareholders.

Further reasons as to why the Offers may be attractive and as to why the Offers are being made currently are set out in the Joint Letter from the Chairman of Amati VCT and the Chairman of Amati VCT 2 earlier in this document.

1.3 Application Procedure

Applications for New Ordinary Shares will be payable in full by cheque or banker's draft, to be submitted with the Subscription Form. Applications will be accepted on a first-come first-served basis (provided cheques are not post dated), subject always to the discretion of the Directors. Subscribers should, therefore, return their completed Subscription Form, which is contained at the end of this document, as soon as possible. The Receiving Agent intends to send a letter to each successful applicant (and his or her authorised financial intermediary where appropriate) acknowledging receipt of his Subscription Form.

The minimum application level under each of the Offers is £3,000 if investing in one VCT or £2,500 in each if investing in both and thereafter in multiples of £1,000. The maximum aggregate subscription by an individual in any tax year which will be eligible for the full tax relief is £200,000. Accordingly, a husband and wife may be eligible to obtain tax relief in respect of £200,000 each in respect of the Offers.

1.4 Dilution

In the event that the Amati VCT Offer is fully subscribed and assuming an Offer Price of 74.28p per New Ordinary Share, the percentage of the Company owned by existing Shareholders (assuming they do not subscribe for additional New Ordinary Shares under the Offers or through the Dividend Re-investment Scheme) will decrease to 69.6% through the issue of the New Ordinary Shares.

In the event that the Amati VCT 2 Offer is fully subscribed and assuming an Offer Price of 112.38p per New Ordinary Share, the percentage of the Company owned by existing Shareholders (assuming they do not subscribe for additional New Ordinary Shares under the Offers or through the Dividend Re-investment Scheme) will decrease to 67.2% through the issue of the New Ordinary Shares.

2. COSTS

2.1 Costs of the Offers

Investors through the Offers will indirectly bear a portion of the costs of the Offers in which they participate through the application of the formula which determines the Offer Price paid for the New Ordinary Shares (adjusted NAV per Share divided by 0.95%) and includes an allowance for issue costs of 5%. Of that 5%:

- (i) in respect of investors who apply through an execution only financial intermediary, the Company will pay a commission of 3% to such intermediary (which may be waived by the intermediary in favour of additional issue of shares in the Offers for the investor) and an annual trail commission of 0.375% payable by the Manager (limited to 5 years)*;

- (ii) 3% will be rebated in the form of extra shares to investors who apply through an authorised intermediary on an advised basis, or who are existing Shareholders (excluding Shareholders who apply through an authorised intermediary on an execution only basis);
- (iii) a further 1% may be rebated under the “earlybird” offer in respect of applications received prior to 8 March 2013;
- (iv) where an existing investor invests directly in one or both of the Offers and he or she previously invested through an authorised financial intermediary, and that financial intermediary may accept trail commission in respect of the further investment, the Manager will use reasonable efforts to identify that financial intermediary and pay trail commission in line with (i) above to that financial intermediary in respect of the amount invested in the Offers.

* and each Company reserves the right to agree additional commissions, rebates or share issues of up to 0.5% of monies subscribed with particular share dealing platforms or other intermediaries and reserves the right to agree trail commission of up to 0.5% per annum with particular share dealing platforms or other intermediaries where the Directors of that Company believe that is in the best interests of the Company as a whole to do so.

Assuming that 80% of applications will come either through an authorised intermediary or from existing Shareholders after 8 March 2013 (and therefore will not be eligible for the “earlybird” offer) it is therefore expected that the indirect contribution from investors in the Offers (other than through the Enhanced Share Buyback and Re-investment Facilities) to the costs of the Offers will be approximately 1.96% of the gross proceeds subscribed by them.

Subscribers through the Enhanced Share Buyback and Re-investment Facilities will be eligible for the 3% rebate but will not be eligible for the 1% “earlybird” rebate described above and it is expected that they will therefore make an indirect contribution of approximately 2.15% of the gross proceeds subscribed by them to the costs of the Offers. In addition, their shares will be bought back at a 1% discount to NAV in order to cover buy back costs.

The Companies and the Manager have entered into a costs agreement (the “**Costs Agreement**”) whereby they have agreed:

- (i) the costs of the Offers (which if fully subscribed and excluding any commissions and rebates are estimated at £115,696 each) will be shared and paid equally between the Companies;
- (ii) if at the close of the Offers one Company is showing a Deficit and the other one is showing a surplus, then the adjustment payment will be (1) the lesser of an amount which results in both Companies having the same Deficit (and the Manager pays half of the Deficit to each Company), or (2) an amount which reduces both Companies’ Deficits to zero;
- (iii) if at the close of the Offers both Companies show a Deficit, an adjustment payment will be made between the Companies such that (1) this Deficit is equalised, and (2) the Manager pays half of the Deficit to each Company.

2.2 Annual Running Costs

Annual running costs, being the Directors’ and Manager’s fees, professional fees and the costs incurred by each of the Companies in the ordinary course of their business (but excluding any performance fee payable to the Manager, irrecoverable VAT and exceptional costs, including winding-up costs), are capped at 3.5% of each of the Company’s net assets, any excess being met by the Manager by way of reduction in future management fees.

Expenses are charged through the revenue account except where incurred in connection with the maintenance or enhancement of the value of the Company’s assets when they are charged through the capital account.

In the first half of Amati VCT’s current financial year, being the six months to 31 August 2012, Amati VCT’s running costs were £411,743, which represented on an annualised basis 2.7% of the period end net asset value.

In the first half of Amati VCT 2’s current financial year, being the six months to 31 July 2012, Amati VCT 2’s running costs were £391,593, which represented on an annualised basis 2.7% of the period end net asset value.

3. TIMETABLE

The Offers will open on 6 February 2013; the 2012/13 Offers will close at 12.00 noon on 5 April 2013, and the 2013/14 Offers will close at 12.00 noon on 23 January 2014 (or any earlier date on which either is fully subscribed). The allotment of New Ordinary Shares under the Offers is at the discretion of the Directors of each of the Companies and is expected to be made monthly (or at other times at the Manager's discretion). In relation to the allotment date an announcement will be released through a Regulatory Information Service, including details of the issue price and total number of New Ordinary Shares allotted. The Directors of each of the Companies reserve the right to accept Subscription Forms and to allot and arrange for the listing of New Ordinary Shares in respect of applications received under the Offers on or prior to the closing date of the Offers as the Directors of that Company see fit. Announcements will be released stating that the Offers have closed and the results of each Offer.

A timetable is set out in tabular form under "Expected Timetable" on page 25 of this document.

4. SETTLEMENT AND DEALINGS

Definitive Share certificates are expected to be despatched, together with income tax certificates, by post within 10 business days of each allotment of the relevant New Ordinary Shares. Temporary documents of title will not be issued in connection with the Offers.

New Ordinary Shares will be capable of being transferred by means of the CREST system. Those successful applicants who wish to take advantage of the ability to trade in Ordinary Shares in uncertificated form, and who have access to a CREST account, may arrange with their CREST operator to convert their holdings into dematerialised form. Shareholders should be aware that New Ordinary Shares delivered in certificated form are likely to incur higher dealing costs than those in respect of New Ordinary Shares held in CREST.

Application will be made to the UK Listing Authority and the London Stock Exchange for the New Ordinary Shares to be admitted to the premium segment of the Official List and to trading under the London Stock Exchange's Admission and Disclosure Standards. The New Ordinary Shares will be in registered form and will be transferable. The ISIN code of the Ordinary Shares in Amati VCT plc is GB00B05N8X20. The ISIN code of the Ordinary Shares in Amati VCT 2 plc is GB00B641BB82.

The terms and conditions of subscription are set out in Part XI of this document.

5. TYPICAL INVESTOR

A typical investor in the Companies is an individual (not a corporate entity) who is aged 18 or over and pays UK income tax; who already owns a portfolio of non-VCT investments such as unit trusts/OEICs, investment trusts and shareholdings in listed companies; whose investment range is between £3,000 and £200,000; and who is looking for exposure principally to AIM-traded companies whilst receiving tax-free income from dividends. The individual should be willing to invest over the long term and be comfortable with higher risk investments, such as unquoted company shares. Such an individual is often classified as "retail" and may also be sophisticated. The investor should either have experience of such investments and/or seek advice from an appropriate financial adviser.

6. TAX

Investors should be aware of the tax implications of investing in the Offers (including through the ESBFRF) and/or in the DRIS. Details are set out in the Risk Factors on pages 21 and 22 and in Part VI.

PART IV: THE DIVIDEND RE-INVESTMENT SCHEMES

The Companies both operate a Dividend Re-investment Scheme to enable Shareholders to use all of their dividends to subscribe for further Ordinary Shares. Such Ordinary Shares will not be allotted at less than net asset value. Dividend re-investment enables Shareholders to increase their total holding in the Companies without incurring dealing costs, issue costs or stamp duty. Subject to the limits on investments in VCTs, these Ordinary Shares should qualify for the VCT tax reliefs that are applicable to subscriptions for new VCT shares. The Dividend Re-investment Scheme may be appropriate for those Shareholders who are investing primarily for capital growth.

The Directors of each Company are proposing to allocate a further £2 million of New Ordinary Shares for the Dividend Re-investment Scheme for each Company pursuant to the Prospectus, and subject to the shareholders of each Company approving the relevant resolution.

Ordinary Shares subscribed for via either Dividend Re-investment Scheme will form part of the relevant Shareholder's annual limit for investing in venture capital trusts. Shareholders wishing to receive information on the Dividend Re-investment Schemes should tick the box on the Subscription Form. The terms and conditions of each Dividend Re-investment Scheme are available on the website of the relevant Company being www.amatiglobal.com/avct.php or www.amatiglobal.com/avct2.php. **Investors should be aware that the terms of the two Companies' Dividend Re-investment Schemes are not identical.**

In order to obtain the tax relief from income tax, it is necessary that the investor subscribes for shares in his or her own name and not in the name of a nominee. Shares may subsequently be transferred into the name of a nominee.

Consideration of the duration of Amati VCT and Amati VCT 2 will take place at the annual general meetings in 2016 and 2018 respectively. If the Shareholders vote in favour of the Company not continuing as a VCT, then the Directors will take steps to wind the Company up. In effecting such steps, the Company shall take into account the need for the New Ordinary Shares issued under the Dividend Re-investment Scheme in certain tax years to have been held for a sufficient period of time before any winding up takes effect to allow participants in that scheme to retain their VCT income tax relief although it may not be possible to ensure that they are not prejudiced.

PART V: THE ENHANCED SHARE BUYBACK AND RE-INVESTMENT FACILITIES FREQUENTLY ASKED QUESTIONS

1. What are the Amati VCT and Amati VCT 2 Enhanced Share Buyback and Re-investment Facilities and what are the costs involved?

The Amati VCT Enhanced Share Buyback and Re-investment Facility and the Amati VCT 2 Enhanced Share Buyback and Re-investment Facility give Amati VCT and Amati VCT 2 Shareholders respectively the opportunity and a cost efficient means to sell their Amati VCT shares to Amati VCT or Amati VCT 2 shares to Amati VCT 2 and to use the proceeds to subscribe for New Ordinary Shares in the relevant Company under the Offers described in this document. **Please note that it is not possible to use either Enhanced Share Buyback and Re-investment Facility to sell shares in one Company and subscribe for shares in the other.**

No cash payment is required from a Shareholder participating in either Enhanced Share Buyback and Re-investment Facility as the New Ordinary Shares applied for under the arrangement are paid for out of the proceeds of existing shares purchased by the relevant Company under the buyback.

Participation in either of the Enhanced Share Buyback and Re-investment Facilities should not be regarded as a continuation of an existing shareholding. In taking part you are making a disposal of VCT shares, which may have tax consequences, and subscribing for New Ordinary Shares which will carry relief from income tax of up to 30% of the reinvested amount provided these shares are held for at least five years from the date they were allotted to you.

2. Who should consider taking part in the Enhanced Share Buyback and Re-investment Facilities?

Only shareholders who are happy to invest for a further five year period, whose shareholding includes shares purchased more than five years prior to taking part in the ESBF, and who expect to be UK tax payers should consider selling such shares under the Enhanced Share Buyback and Re-investment Facilities and should seek appropriate professional advice. Selling shares acquired less than five years ago under the Enhanced Share Buyback and Re-investment Facilities would seriously jeopardise the “front-end” income tax relief obtained in respect of your investment in these shares.

The Companies have been advised that with VCTs, unlike other listed shares, share sales are counted on a first-in, first-out basis, so if you sell part of a holding, you are selling the shares in the order that you bought them.

Shareholders who originally purchased shares in one of the Singer & Friedlander AIM VCTs, and who now hold shares in Amati VCT 2, should also note that selling shares will crystallise any capital gains which were deferred through the initial purchase of these shares, and that this may result in a capital gains tax charge in the tax year in which the sale is undertaken and at the prevailing rate of capital gains tax.

Shareholders are advised that, if they sell Shares in the ESBF for more than they paid for them, then any gain is likely to be taxable as income, and advice should be sought about the merits of doing so.

3. How do I obtain a form in order to take part in the Enhanced Share Buyback and Reinvestment Facility?

Shareholders in either of the Companies can obtain share buyback and subscription forms to participate in the Enhanced Share Buyback and Re-investment Facilities from the Receiving Agent by calling 0131 243 7210, or by sending a request by email to vctenquiries@amatiglobal.com. Instructions for completing the forms are set out in that document.

4. How long does it take between applying for the ESBF and being issued with new shares?

The Companies will endeavour to process applications as soon as practicable, and in a time scale that fits in with the allotments of shares which will take place under the normal course of events under the Offers. Allotments of new shares will generally only be made when there is a sufficient number of applicants to justify the associated costs. If there is particularly heavy demand for the ESBF in either of the Companies then it may become necessary to renew a buy back authority through a shareholder vote, or to undertake a restructuring of reserves so as to increase the level of distributable reserves. For these reasons the Companies do not guarantee any specific time frame for dealing with applications, but will at all times use their best efforts to deal with them in a timely manner.

5. Can I choose the tax year in which my shares are allotted?

No, for the reasons set out in answer to the previous question. If you wish the allotment to be in the tax

year 2012/13 you are encouraged to submit the forms as early as possible (always making sure that they are in respect of shares which have been held for longer than five years).

6. At what price will the shares be bought back and at what price will the New Ordinary Shares be issued?

The price at which shares are bought back under the facility will be at a 1% discount to the most recently published Net Asset Value ("NAV") per Share (rounded down to the nearest 0.01p per Share) prior to the buyback date. The subscription terms will be the standard terms defined in this document, which makes allowance for 5% of offer costs and provides for a 3% rebate to existing Shareholders in the form of extra shares. In each case, the relevant NAV for the calculation of the buyback price and the new issue price will be the most recently published NAV prior to the date of allotment. It should be noted that the "early bird" rebate will not be available to persons subscribing through the Enhanced Share Buyback and Re-investment Facility.

7. What are the costs of participating in the Enhanced Share Buyback and Re-investment Facilities?

The costs of participating in both the buyback and the new subscription are, as illustrated in the example above, approximately 3.2%. This cost is absorbed through the process as shown, so that the number of New Ordinary Shares subscribed for will be around 3.2% fewer than those originally owned. The level of cost should allow the Companies to cover their costs for putting the facility in place. The Companies' expenses include legal and other professional fees for putting the documentation together; registrar and other administration fees for share issues; and stamp duty, broking and administration costs for buybacks.

8. Can I transfer the shares to my spouse?

Any transfer must take place before sending in the application form for the buyback and subscription or after the new share certificate has been issued. The reason for this is that the Companies' registrars require certainty on the Companies' register of shareholders at the time of the buyback.

9. If I apply for the Enhanced Share Buyback and Re-investment Facilities and die within the 5 year period what happens to the tax relief?

Your estate will retain the income tax relief.

10. Can I participate in the Enhanced Share Buyback and Re-investment Facilities and not reinvest?

No. This offer is only for Shareholders who reinvest all the proceeds of their share sale in New Ordinary Shares under one of the Offers as described in this document (less any amounts allocated to the Shareholder's financial intermediary from the proceeds of the sale).

11. If I bought shares in different years which ones am I deemed to have sold?

VCTs have different rules to normal companies and, therefore, the first shares you bought are the first to be sold i.e. first in, first out basis.

12. What should I do if my shares are held in a Nominee Account and I wish to use the Enhanced Share Buyback and Re-investment Facility?

You should contact the administrator of the Nominee Account and request that the shares are transferred back into your own name in certificated form, prior to applying.

13. What happens to trail commissions to intermediaries as a result of the Enhanced Share Buyback and Re-investment Facilities?

Unless given details of a new intermediary on the application form, or instructed otherwise by the investor, Amati Global Investors shall pay trail commissions to the intermediaries used by shareholders for their initial share subscriptions at the same rate as previously, for a period of five years from the date of the new share allotment, where such intermediaries can be adequately identified, and where such intermediaries can lawfully receive such trail commissions.

14. Is there a limit on the Enhanced Share Buyback and Re-investment Facilities?

The Enhanced Share Buyback and Re-investment Facility for each Company is limited to a maximum of 24.99% (less any other buybacks made) of the issued share capital of that Company on the date of the passing of the required Resolutions at the General Meetings convened by the Notices set out on pages 110 to 119 of this document. Once that limit has been reached, no further buybacks and re-investments will be possible through the Enhanced Share Buyback and Re-investment Facility unless it is renewed

by Shareholder resolutions and any further applications will not be accepted. The Companies intend to finance the buyback of existing Shares under the ESBRFs through the issue of New Ordinary Shares under the ESBRFs which issues are being made for that purpose. If at any time either Company no longer had any remaining authorities to make such issues on a non pre-emptive basis then no further buybacks and re-investments may be possible through the ESBRF unless the authorities are renewed and any further applications will not be accepted. In the event that an application is made which may only be satisfied in full, the Directors of the relevant Company may at their discretion elect to accept that application in part and the relevant applicant will be informed promptly.

15. Where can I get share buyback and subscription forms from?

Shareholders of either of the Companies who wish to invest in the Enhanced Share Buyback and Re-Investment Facilities can obtain share buyback and subscription forms to participate in the Enhanced Share Buyback Facilities from the Receiving Agent by calling 0131 243 7210, or by sending a request by email to vct-enquiries@amatiglobal.com.

Please note:

All calculations included in this document are indicative numbers of how the calculation works and should not be used as a definitive indication of prices, shares issued or tax reliefs. Shareholders are strongly recommended to get their own independent financial advice in relation to any participation in either Enhanced Share Buyback and Re-investment Facility.

PART VI: TAXATION CONSIDERATIONS

The Companies have to satisfy a number of tests in order to qualify as VCTs and to obtain the tax benefits available to VCTs and their individual Shareholders. A summary of the tax benefits available to VCTs and their individual Shareholders, and the consequences of losing VCT status, is set out in Section 1 below. A summary of those tests together with the consequences of losing VCT status is set out in Section 2 below.

1. TAXATION BENEFITS

The following is a general guide to the tax benefits available to VCTs and their Shareholders. It does not set out any of the legislative provisions in full and investors should seek their own independent taxation advice.

1.1 VCTs

For each accounting period in respect of which a company is approved by HMRC as a VCT, the company is exempt from corporation tax on chargeable gains. The company continues to be liable to corporation tax on income in the usual way.

1.2 Tax reliefs for Investors

The tax reliefs set out below are available to individuals aged 18 or over who invest in shares in a VCT. There is no specific limit on the amount an individual can invest in a VCT, but tax reliefs will only be given to the extent that the total of an individual's subscription or other acquisitions of shares in VCTs in any tax year does not exceed **£200,000**. Investors who intend to invest more than **£200,000** in VCTs in any one tax year should take independent advice on this. A husband and wife may be eligible to obtain tax relief in respect of **£200,000** each under the Offers.

(i) Income Tax

- *Relief on subscription*

An investor subscribing for shares in a VCT will be entitled to claim income tax relief on amounts subscribed up to a maximum of **£200,000** in any tax year. The current taxation legislation applicable to individual investors provides for income tax relief of up to 30% of the amount subscribed up to investor limits (subject to an amount that reduces the investor's income tax liability to nil).

- *Dividend relief*

An investor who acquires, whether by subscription, purchase or otherwise, in any tax year, VCT shares up to a maximum of **£200,000** will not be liable to income tax on dividends paid by the VCT on those shares. An individual who purchases VCT shares in the market will not be liable to income tax on dividends paid by the VCT on those shares.

- *Withdrawal of relief*

Relief from all or some income tax on subscription for shares in a VCT is withdrawn if the shares are disposed of (other than between spouses) within five years of issue or if the VCT loses its approval within this period.

(ii) Capital Gains Tax

- *Relief from capital gains tax on the disposal of shares in the market*

Any gains made on shares held in a VCT are not subject to capital gains tax (subject to a maximum investment by an individual of **£200,000** in any one tax year). Similarly, any loss on shares held in a VCT will not be treated as an allowable loss. Both of the above apply to the extent that the shares have been acquired within the limit of **£200,000** for any tax year. A husband and wife may be eligible to obtain tax relief in respect of **£200,000** each under the Offers.

- *Purchasers in the market*

An individual purchaser of existing shares in the market will be entitled to claim relief from capital gains tax on disposal (as described in the paragraph immediately above).

- *Withdrawal of relief*

If a VCT which has been granted approval subsequently fails to comply with the

conditions for approval, any gains on the shares after the date on which loss of VCT status takes effect will be taxable. Where VCT status is treated as never having been given, all gains are taxable.

(iii) **Share Buybacks**

- Notwithstanding a clear intention that VCTs are intended to be a tax free investment, investors can be subject to income tax when their shares are purchased by the Company. Where an investor sells shares back to the Companies any gain made on those shares could be treated as a taxable distribution, and become subject to income tax. Whilst it is hoped that this anomaly will at some point be ironed out in the legislation, investors who are looking to sell shares through a buyback for a higher price than they paid originally should seek advice in this regard. The Companies will also seek to inform investors of any developments on this point.

(iv) **Obtaining Tax Reliefs**

Income tax relief

A VCT issues each investor with a certificate which should be used to claim the income tax relief, either by obtaining from HMRC an adjustment to his/her tax coding under the PAYE system, or by waiting until the end of the tax year and using his/her Self Assessment Tax Return to claim relief.

Dividends received on shares acquired in VCTs up to the qualifying maximum of £200,000 per tax year need not be shown in the investor's Self Assessment Tax Return.

Investors not resident in the UK

Investors not resident in the UK should seek their own professional advice as to the consequences of making an investment in a VCT as they may be subject to tax in other jurisdictions as well as in the UK.

VCT reliefs may not be available if the investor takes out a loan specifically to subscribe for New Ordinary Shares in the VCT.

(v) **Future changes to the tax regime applicable to the Companies**

The tax rules set out in this Part VI are a summary of certain applicable rules as at the date of this document. The taxation rules and their interpretation and/or any applicable rates of tax and tax reliefs may change at any time.

Investors should consult their own tax adviser before making an investment.

2. VCT STATUS

2.1 Qualifying as a VCT

The Companies have to satisfy a number of tests in order to qualify as a VCT and, therefore, to obtain the tax benefits available to VCTs and their individual shareholders. A summary of these tests is set out below. Where these tests refer to "value", this means according to the valuation methodology set out in s.278-9 of Part 6 of the Income Tax Act 2007.

In order to qualify as a VCT, the Companies must satisfy the following conditions in each accounting period:

- i. each of them must be approved as a VCT by HMRC;
- ii. each of them must not be a close company;
- iii. throughout the period each class of their equity share capital must be quoted on any regulated market in the EU or European Economic Area;
- iv. each of them must derive their income in that period wholly or mainly from shares or securities;
- v. each of them must have at least 70% by value of its investments throughout the period in newly issued shares or securities (where the securities are not redeemable within five years of issue) comprising Qualifying Holdings, of which 30% by value must be ordinary shares which carry no preferential rights to dividends or assets on winding up and no rights to be redeemed;

- vi. each of them must have at least 10% by value of each of its Qualifying Holdings in ordinary shares which carry no preferential rights to dividends or assets on winding up and no rights to be redeemed;
- vii. each of them must have not more than 15% by value of its investments throughout that period in each single company or group (other than a VCT or other similar company);
- viii. each of them must generally not retain more than 15% of the income which it derives from shares and securities in that period;
- ix. neither of them should make an investment in a company which causes that company to receive more than £5 million of State Aid investment funding, including from VCTs, in the 12 months ending on the date of the investment; and
- x. for funds raised after April 2011, at least 70% by value of Qualifying Holdings must be in 'eligible shares'. 'Eligible shares' for this purpose are ordinary shares with no preferential rights to assets on a winding up and no rights to be redeemed, but may have certain preferential rights to dividends.

2.2 Qualifying Holdings

In order to qualify as a Qualifying Holding, each company in which the Companies make their investment must satisfy the following tests:

- i. it must be unquoted (which will, in the case of a company which was unquoted at the time of the VCT's investment, be deemed to be the case for a further five years after the company ceases to be unquoted). Companies whose shares are traded on AIM, or are traded or quoted on the ISDX, are treated as unquoted;
- ii. it must be a Qualifying Company (see below under section 2.3 "Qualifying Companies and qualifying subsidiaries");
- iii. it must have gross assets of £15 million or less immediately pre-investment and £16 million or less immediately post-investment (in the case of companies which have qualifying subsidiaries (see below), the test is applied on a group basis);
- iv. it (or a relevant qualifying subsidiary of the Qualifying Company) must apply the money invested for the purposes of a qualifying trade;
- v. the Qualifying Company must have a permanent establishment in the UK at all times while the VCT is an investor in the company;
- vi. it must not be able to control (whether on its own or together with a connected person) any company which is not a qualifying subsidiary;
- vii. it must not be controlled by another company (on its own or together with a connected person); and
- viii. for funds raised by VCTs on or after 6 April 2007, the Qualifying Company (or group) must have fewer than 250 full-time (or equivalent) employees at the time of investment, and must not receive more than £5 million from VCTs or other risk capital schemes in any 12 month period.

In certain circumstances, a holding can be split into part Qualifying Holdings and part Non-Qualifying Holdings.

2.3 Qualifying Companies and qualifying subsidiaries

A Qualifying Company is a company which exists to carry on one or more qualifying trades (see below) or is the parent of a trading group where all of its subsidiaries are qualifying subsidiaries and the group as a whole is not engaged in non-qualifying activities.

For the purposes of the test in (iv) under the heading "Qualifying Holdings" above, a subsidiary will be a relevant qualifying subsidiary if at least 90% of its issued share capital and its voting power is owned by the Qualifying Company or its wholly owned subsidiary. Certain other tests as to the distribution of the subsidiary's profits and assets on a winding-up must also be satisfied.

In the case of the test in (v) under the heading “Qualifying Holdings” above, a subsidiary will be a qualifying subsidiary if the majority of its issued share capital is owned by the Qualifying Company and the other tests are also satisfied.

A trade will be a qualifying trade only if it does not to a substantial extent include non-qualifying activities (non-qualifying activities include, but are not limited to, dealing in land or shares, providing financial services or activities which are largely land-based, such as farming, hotels and nursing homes). In the case of a company which is preparing to carry on a qualifying trade, the qualifying trade must begin within two years of the issue to the VCT of the shares or securities, and must continue thereafter.

2.4 Approval as a VCT

A VCT must be approved as such at all times by HMRC. Approval has effect from the time specified in the approval, which cannot be earlier than the time at which the application for approval is made.

A VCT cannot be approved until the relevant tests (see above under the heading, “Qualifying as a VCT”) have been satisfied throughout the most recent complete accounting period of the VCT and HMRC is satisfied that the tests will be satisfied in relation to the accounting period of the VCT which is current at the time the application is made.

However, in order to facilitate the launch of VCTs, HMRC may grant provisional approval to a VCT, notwithstanding that not all the relevant tests are satisfied at the time of the application, provided that HMRC is satisfied that the tests will be satisfied within a certain period. In particular, HMRC may grant provisional approval if it is satisfied that:

- i. the relevant tests in (iii), (iv), (vii) and (viii) under section 2.1 “Qualifying as a VCT” above will either be satisfied in the accounting period during which the application for approval is made or the following accounting period;
- ii. the relevant tests in (v) and (ix) under section 2.1 “Qualifying as a VCT” above will be satisfied in relation to any accounting period beginning not more than three years after the time when approval is given, or if earlier, when it has effect; and
- iii. the relevant tests in (iii) (iv), (v), (vii) and (viii) under section 2.1 “Qualifying as a VCT” above will continue to be satisfied in all subsequent accounting periods.

Both the Companies have full approval as VCTs as at the date of this document.

2.5 Withdrawal of approval

Approval of a VCT may be withdrawn by HMRC if the relevant tests (see above under section 2.1 “Qualifying as a VCT”) are not satisfied. Withdrawal of approval generally has effect from the time when notice of withdrawal is given to the VCT but, in relation to capital gains of the VCT only, can be backdated to not earlier than the first day of the accounting period commencing immediately after the last accounting period of the VCT in which all the tests were satisfied.

The above is only a summary of the conditions to be satisfied for a company to be treated as a VCT. For comprehensive clarification, investors are recommended to consult a professional adviser.

2.6 Loss of VCT Status

The following is a summary of the tax consequences for VCTs and their shareholders resulting from a loss of VCT Status.

i. *For the VCT*

The exemption from corporation tax on capital gains will not apply to any gain realised after the time from which VCT status is lost. Where provisional approval is lost, all gains realised over the period during which provisional approval was in force will be subject to corporation tax. Should tax status be lost under section 274 of ITA the FSA will be notified as soon as possible.

ii. *For Qualifying Subscribers Income tax relief on investment*

If VCT approval is treated as never having been given, or if it is withdrawn before the shares have been held for five years, the relief will be withdrawn by the making of an assessment for the year of assessment for which the relief was originally given on an amount equal to that relief. Interest on overdue tax may arise.

iii. ***For Qualifying Subscribers and Qualifying Purchasers Dividend income***

Dividend income will not be exempt from tax in respect of profits or gains arising or accruing in any accounting period at a time when VCT status has been lost. A notional tax credit equal to 1/9th of the net dividend paid will be available to offset against income tax due on the dividend.

iv. ***Capital gains***

If provisional VCT approval is withdrawn, approval is treated as never having been given. Gains and losses on shares in the VCT will be taxable and allowable in the ordinary way. If full VCT approval is withdrawn, the individual is treated as having disposed of his shares immediately before the status is lost. Thus, any capital gains realised up to that date will be exempt from tax, but gains after that date will be taxable in the ordinary way.

2.7 Withholding Taxation

No taxation will be withheld at source on any income arising from the New Ordinary Shares and the Company assumes no responsibility for such withholding.

3. ENHANCED SHARE BUYBACK AND RE-INVESTMENT FACILITY

The tax treatment of the Enhanced Share Buyback Facilities can be complicated and investors may be worse off by participating in the ESBRF. **Shareholders are therefore advised to seek independent tax advice and to read the questions and answers on pages 66-68 before taking part in the ESBRFs.** It is intended that it only be considered by Shareholders who have held Shares for longer than the qualifying period required to retain initial income tax relief granted on the purchase of VCT shares (currently five years). In particular:

- (i) Shareholders who originally purchased shares in one of the Singer & Friedlander AIM VCTs, and who now hold shares in Amati VCT 2, should also note that selling Shares will bring back any capital gains which were deferred through the initial purchase of these shares, and that this may result in a capital gains tax charge in the tax year in which the sale is undertaken and at the prevailing rate of capital gains tax which may be higher than that at the time of the deferral.
- (ii) Also, due to some complexities in the VCT legislation, Shareholders are advised that, if they sell shares in the ESBRF for more than they paid for them, then any gain is likely to be taxable as income, and advice should be sought about the merits of doing so.
- (iii) With VCTs, unlike other listed shares, share sales are counted on a first-in, first-out basis, so if you sell part of a holding, you are selling the shares in the order that you bought them.

The Companies do not expect that an existing Shareholder in either Company would wish to participate in the relevant Enhanced Share Buyback and Re-investment Facility if doing so would result in the Shareholder losing any of the VCT tax reliefs on the original shareholding. Shareholders who have subscribed for Shares on more than one date should be particularly careful about making sure they tender the appropriate Shares into the Enhanced Share Buyback and Re-investment Facility.

PART VII – WHY BUY A VCT FOCUSSED ON AIM?

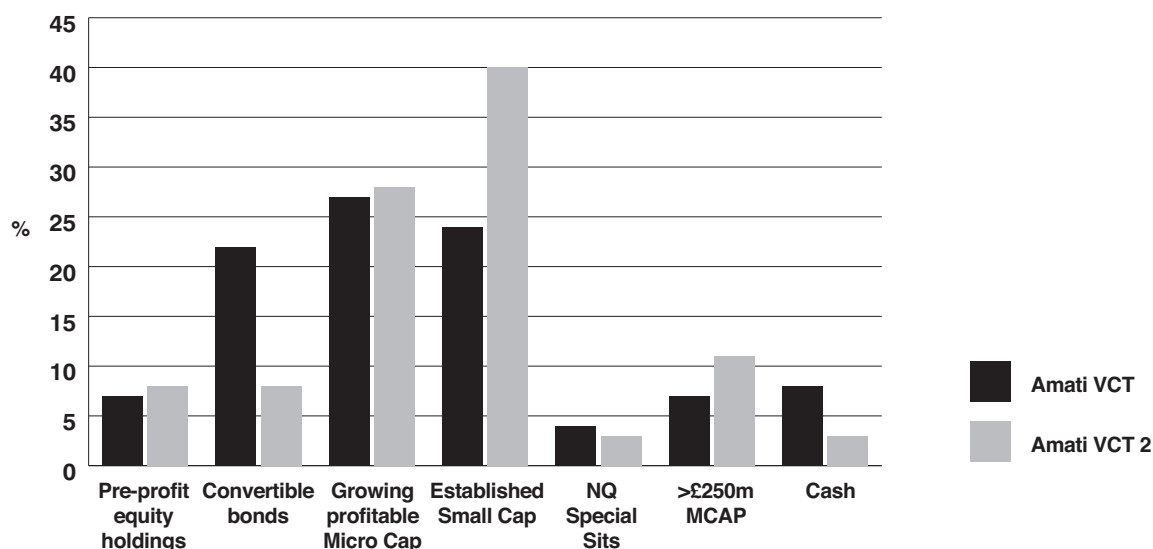
1. Opportunity to invest in an existing portfolio of small and mid cap companies

Investors subscribing for new shares in the Offers will receive the same class of shares as existing investors in the relevant Company. This provides new investors with access to the existing portfolio of investments built up over a number of years in addition to the cash available for new investments resulting from the Offers. For the purposes of analysis, the Manager splits these investments into 7 categories as follows:

Category	Criteria
1	Pre-profit equity holdings – higher risk/potentially higher reward
2	Convertible bonds
3	Growing, profitable 'Micro Caps' (companies with market capitalisations below £50 million)
4	Established 'Small Caps' (companies with market capitalisations between £50 million and £250 million)
5	Non-qualifying, 'Special Situations'
6	Companies with market capitalisations above £250 million
7	Cash

The Manager seeks to construct VCT portfolios with a broad range of themes. Whilst exposure to some higher risk/higher reward situations is desirable, the Manager will limit these investments to a small proportion of the portfolios and, elsewhere, will focus on more established, profitable businesses in an attempt to maintain an acceptable balance of risk and reward in the portfolios as a whole.

The 'Style Analysis' chart below demonstrates the profile of each VCT based on the above categories. Whilst the profile of the VCTs will align over time as new investments are made on a pro-rata basis, some differences will remain, particularly in the qualifying portfolios, for reasons of history.



2. Dealflow advantages

When companies float on AIM, the company is required to appoint a nominated adviser who will usually put the company through a due diligence exercise and produce an extensive admission document. The nominated adviser will usually invest considerable financial and human resource assessing a company's suitability and attractiveness to investors as well as in the preparation of the admission documentation. This makes it more difficult for companies to raise money under false pretences, and creates a higher barrier to entry for new companies, which, in order to raise funds, must present a compelling business proposition to investors.

When the number of parties looking to invest in AIM falls, as it has done since 2007, particularly at the smaller end of the market in which AIM based VCTs are active, competition for the more limited funds correspondingly increases. At 5 April 2006 there was in excess of £700m invested in AIM VCTs under management, whilst at 5 April 2012 this had fallen to around £350m. As a consequence of this, the Manager believes that the quality and pricing of VCT qualifying companies brought to the AIM market over the past twelve months has generally been good, and that this environment is likely to persist over the next two years.

This argument in relation to the quality and pricing of VCT qualifying companies is supported by the performance of IPOs in 2012 which met the criteria to be Qualifying Companies for VCT purposes (although clearly it is still early days for these companies). The average return since IPO of the 11 VCT qualifying companies brought to the AIM market in 2012 was 31% to 31 December 2012. The Manager believes that this trend of quality company introductions will continue, as companies continue to struggle to raise finance from other sources such as banks. As well as IPOs, the Manager reviewed 21 existing AIM traded company fund raisings in 2012. The average performance of shares bought in these fund raisings was 13% to 31 December 2012. The VCTs participated in 2 of the 11 AIM IPOs of 2012 (18%) and 6 of the 21 follow-on fund raisings (29%).

3. Scale and liquidity offered by companies quoted on public markets

The Manager tends to avoid investments in companies worth less than £15 million. The belief is that larger qualifying investments have greater potential to become successful and growing quoted companies for the following reasons:

- greater research coverage and, therefore, more interest from investors
- less burdened by the fixed costs of being quoted on an exchange
- more likely to have scarce and valuable intellectual property or other assets which can be commercialised successfully, or to have greater diversification of business risk

The Amati VCTs also offer access in their portfolios to small cap company investments at the larger end of the spectrum, which have grown to a size where they have become more interesting to the wider investment community. Where this happens, the Manager is under no pressure to exit. A successful Qualifying Investment will provide share price appreciation and, in many cases, income. However, where the Manager believes that a holding has become disproportionately large, the public markets can offer an effective means to reduce positions. Similarly, where an investment case has not transpired in line with the Manager's expectations, the extra liquidity afforded by a public company can offer a means to exit a position and invest the capital in another investment.

The weighted average market capitalisation of the VCTs will also be increased through the non-qualifying portfolios where larger, more liquid small and mid cap companies will be sought.

The table below indicates the size of companies within the portfolio by way of a weighted average market capitalisation at 3 January 2013:

	Whole Portfolio	Non-Qualifying Portfolio	Qualifying Portfolio
Amati VCT plc	£87 million	£221 million	£53 million
Amati VCT 2 plc	£116 million	£256 million	£97 million

4. Valuation transparency of publicly quoted companies

As at 3 January 2013 the majority of holdings in the VCTs are in UK quoted companies:

	Official List	AIM	ISDX	Convertible in quoted company	Convertible/ Preferred instrument	Unquoted equity	Cash
Amati VCT plc	3%	63%	1%	20%	4%	1%	8%
Amati VCT 2 plc	6%	81%	0%	5%	4%	2%	3%

The public market quotations of the majority of the underlying holdings provides transparency to valuations. Weekly net asset values are produced and published based on closing publicly quoted prices.

Convertible loans are valued using a discounted cash flow methodology for the loan element, and a Black Scholes methodology for the embedded option to convert into equity. One of the key inputs to these valuations is the share price of the company which, in the case of listed companies, is based on publicly quoted prices.

Unquoted equities comprise small proportions of the portfolios and are valued in line with the International Private Equity and Venture Capital Valuation Guidelines and approved by the board of the respective VCT.

PART VIII – GENERAL INFORMATION

A. AMATI VCT PLC

1. INCORPORATION AND ADMINISTRATION

- 1.1 Amati VCT plc was incorporated and registered in Scotland on 21 January 2005 with limited liability as a public limited company under the 1985 Act with the name First State Investments AIM VCT plc and with registered number SC278722. In 2007, First State Investments AIM VCT plc's name changed to Noble AIM VCT plc and in 2010 it changed to Amati VCT plc. VCTs are unregulated but are required to manage their affairs to obtain and maintain approval as a VCT under the provisions of section 274 of ITA. Amati VCT plc operates, and the New Ordinary Shares will be created, under the 2006 Act and the regulations made under the 2006 Act. Amati VCT plc's principal object is to carry on the business of a venture capital trust company. The objects of Amati VCT plc are set out in clause 4 of its memorandum of association, a copy of which is available for inspection at the address set out in section 9 below.
- 1.2 Amati VCT plc was issued with a certificate of entitlement to do business and to borrow under section 117 of the 1985 Act by the Registrar of Companies on 2 February 2005.

2. SHARE CAPITAL

- 2.1 As at 5 February 2013 (being the latest practicable date prior to the publication of this document), the authorised and issued fully paid share capital of Amati VCT plc was as follows:

	Authorised Share Capital No.	Nominal Value	Issued Share Capital No.	Nominal value
Ordinary Shares	75,500,000	£7,550,000	46,224,714	£4,622,471.40

All the Ordinary Shares are listed on the premium segment of the Official List of the UK Listing Authority.

- 2.2 To enable Amati VCT plc to obtain a certificate of entitlement to do business under section 117 of the 1985 Act, on 24 January 2005 500,000 Redeemable Preference Shares were allotted and issued to First State Investment Management (UK) Limited and paid up as to one quarter. Such Preference Shares were subsequently paid up in full and, out of the proceeds of the Prior Offers, redeemed at par on 4 October 2005. The unissued share capital created by the redemption of the Preference Shares was automatically redesignated on such redemption as unissued Ordinary Share capital without further resolution or consent.
- 2.3 Following redemption of the Preference Shares as described in paragraph 2.2 and the allotment of 11,228,335 Ordinary Shares under the Prior Offers, Amati VCT plc authorised share capital was £4,050,000 divided into 40,500,000 Ordinary Shares of which 11,228,337 Ordinary Shares were in issue.
- 2.4 Shareholders at the Annual General Meeting held on 28 June 2012 passed the following resolutions:
- That in substitution for any existing authority under section 551 of the 2006 Act, as amended, but without prejudice to the exercise of any such authority prior to the date of the passing of this resolution the board be and hereby is generally and unconditionally authorised to exercise all powers of the Company to allot ordinary shares of 10p each up to an aggregate nominal amount of £1,349,098 (13,490,980 shares) during the period commencing on the passing of this resolution and expiring on the earlier of the date of the annual general meeting of the Company to be held in 2013 and the date which is 15 months after the date on which this resolution is passed, (unless previously revoked, varied or extended by the Company in general meeting), save that the Company may before such expiry make an offer or agreement which would or might require relevant securities to be allotted after such expiry and the board may allot relevant securities in pursuance of such an offer or agreement as if the authority conferred hereby had not expired.
 - That in substitution for any existing authority under section 570 and 573 of the 2006 Act but without prejudice to the exercise of any such authority prior to the date of the passing of this resolution the board be and hereby is generally and unconditionally empowered, pursuant to section 561(1) of the 2006 Act, to allot Ordinary Shares for cash pursuant to

the authority conferred by the foregoing resolution as if subsection 561(1) of the 2006 Act did not apply to any such allotment, up to an aggregate nominal amount of £1,349,098 (13,490,980 shares). The authority hereby conferred shall (unless previously renewed or revoked) expire on the earlier of the annual general meeting of the Company to be held in 2013 and the date that is 15 months after the date on which this resolution is passed.

c) That the Company be and is hereby generally and unconditionally authorised to make market purchases within the meaning of Section 693(4) of the 2006 Act, of the Ordinary Shares on such terms and in such manner as the directors of the Company may determine provided that:

1. the maximum aggregate number of Ordinary Shares hereby authorised to be purchased represents approximately 14.99% (6,753,964 shares) of the issued ordinary share capital of the Company as at the date of the annual general meeting;
2. the minimum price which may be paid for an Ordinary Share is 10p per share, the nominal amount thereof;
3. the maximum price (exclusive of expenses) which may be paid for an Ordinary Share shall be the higher of not more than (i) 5% above the middle market quotations for an Ordinary Share on the London Stock Exchange Daily Official List for the five business days immediately preceding the day on which that Ordinary Share is purchased and (ii) the higher of the last independent trade and the highest current bid on the London Stock Exchange;
4. the authority hereby conferred shall (unless previously renewed, varied or revoked) expire on the earlier of the annual general meeting of the Company to be held in 2013 and the date which is 15 months after the date on which this resolution is passed; and
5. the Company may make a contract or contracts to purchase its own Ordinary Shares under this authority before the expiry of the authority which will or may be executed wholly or partly after the expiry of this authority, and the Company may make a purchase in pursuance of any such contract or contracts as if the authority conferred hereby had not expired.

2.5 Immediately following the Offers, the authorised and issued share capital of Amati VCT plc will be as follows (assuming that the Offers are subscribed in full):

	Authorised No.	Nominal Value	Issued No.*	Nominal value*
Ordinary Shares	75,500,000	£7,550,000	67,064,779	£6,706,478

*Assuming a NAV per Ordinary Share of 70.56p as at 24 January 2013, an Offer Price of 74.28p per New Ordinary Share and that all subscriptions qualify for a rebate of 3%, 20% of the subscriptions qualify for a further 1% rebate in the "early bird" offer and none of the subscriptions are through the ESBFRs.

2.6 There have been the following changes to the issued/authorised share capital of Amati VCT since 31 August 2012:

	No. of Shares Allotted	No. of Shares Bought Back	Cumulative Total
14/09/2012		30,297	45,635,752
21/09/2012		12,093	45,623,659
05/10/2012		27,725	45,595,934
15/10/2012		47,186	45,548,748
16/10/2012	415,464		45,964,212
29/10/2012		38,000	45,926,212
09/11/2012		11,641	45,914,571
30/11/2012		3,408	45,911,163
07/12/2012	345,121		46,256,284
11/01/2013		13,817	46,242,467
25/01/2013		17,753	46,224,714

2.7 Save as disclosed in this paragraph 2:

- i. no share or loan capital of Amati VCT plc has been issued or agreed to be issued, or is now proposed to be issued, for cash or any other consideration, and no commissions, discounts, brokerages or other special terms have been granted by Amati VCT plc in connection with the issue or sale of any such capital; and
- ii. no share or loan capital of Amati VCT plc is under option or has been agreed, conditionally or unconditionally, to be put under option, nor does Amati VCT plc hold any Ordinary Shares in treasury.

2.8 The provisions of Section 570 of the 2006 Act (which, to the extent not disapplied pursuant to Section 561 (1) of such Act, confer on the holders of Ordinary Shares rights of pre-emption in respect of the allotment of equity securities which are, or are to be, paid up in cash) apply to the authorised but unissued share capital of Amati VCT plc except to the extent disapplied by Amati VCT plc in general meeting. Subject to the provisions of the 2006 Act relating to authority, pre-emption rights and otherwise and of any resolution of Amati VCT plc in general meeting passed pursuant thereto, all unissued shares shall be at the disposal of the Directors and they may allot (with or without conferring a right of renunciation), grant options over or otherwise dispose of them to such persons, at such times and on such terms as they think proper.

2.9 Subject to any special rights or restrictions attaching to any shares or any class of shares issued by Amati VCT plc in the future, the holders of fully paid Ordinary Shares are entitled *pari passu* amongst themselves, but in proportion to the number of Ordinary Shares held by them, to share in the whole of the profits of Amati VCT plc paid out as dividends and the whole of any surplus in the event of the liquidation of Amati VCT plc. Although New Ordinary Shares (like Existing Ordinary Shares) will form part of separate “pools” for performance incentive purposes (see paragraph 1.1 (The Offers) on page 61), there will be no difference in economic interests between Ordinary Shares that form one pool from those of another. New Ordinary Shares issued will rank *pari passu* in respect of any dividends declared with a record date after the date of issue.

Rights as to Income

Any profits which Amati VCT plc may determine to distribute in respect of any financial year shall be distributed among the holders of the Ordinary Shares *pro rata* according to the amounts paid up or credited as paid up on the Ordinary Shares held by them.

Rights as to Capital

The capital and assets of Amati VCT plc on a winding-up or other return of capital shall be applied in repaying to the holders of Ordinary Shares the amounts paid up or credited as paid up on such shares and, subject thereto, shall belong to and be distributed according to the number of such shares held by them respectively.

3. MEMORANDUM AND ARTICLES OF ASSOCIATION

The memorandum of association of Amati VCT plc, which, by virtue of section 28 of the 2006 Act, is now treated as being part of the Articles, provides that Amati VCT plc’s principal object is to carry on the business of a VCT. The objects of Amati VCT plc are set out in full in clause 4 of the memorandum of association which is available for inspection at the address specified in paragraph 9 below.

The Articles, which are available for inspection at the address set out in paragraph 9 below, contain, *inter alia*, provisions to the following effect:

3.1 **Dividends**

Subject to the provisions of all statutes and statutory instruments for the time being in force concerning companies and affecting Amati VCT plc (the “**Statutes**”), Amati VCT plc may by ordinary resolution declare dividends but no dividend shall be payable except out of the profits of Amati VCT plc available for distribution in accordance with the provisions of the Statutes and such dividend shall not exceed the amount recommended by the Directors. Subject to the provisions of the Statutes, the Directors may pay interim dividends if, in their opinion, such dividends are justified by the financial position of Amati VCT plc. No dividend or other monies payable on or in respect of an Ordinary Share shall bear interest as against Amati VCT plc. There are no fixed dates on which entitlement to dividend arises.

Any dividend unclaimed after a period of 12 years from the date on which such dividend became due for payment shall be forfeited and shall revert to Amati VCT plc.

3.2 Voting

Subject to disenfranchisement in the event of non-compliance with any Direction Notice in the circumstances referred to in paragraph 3.8 below, and to any rights or restrictions as to voting on which any Shares may be issued or may be held, every member who is present in person, including any corporation present by its duly authorised representative, at a general meeting of Amati VCT plc or by proxy and entitled to vote shall, on a show of hands, have one vote. On a poll every member present in person or by proxy and entitled to vote shall have one vote for each Ordinary Share of which he is a holder.

3.3 General Meetings

At least 21 clear days' notice in writing is required for annual general meetings and at least 14 clear days' notice in writing for any other general meeting. Notice of the meeting is to specify the place, day and time of the meeting and be given to the auditors, the Directors and all members who are entitled under the provisions of the Articles to receive such notices from Amati VCT plc.

The Directors may determine that persons entitled to receive notice of meetings are those persons entered on the Register at the close of business on a day determined by the Directors which may not be more than 21 clear days before the date upon which the relevant notice is sent. An annual general meeting may be called by shorter notice if so agreed by all the members entitled to attend and vote thereat and a general meeting may be called by shorter notice if a majority of members entitled to attend and vote holding not less than 95%, in nominal value of the shares giving that right so agree. Notices of general meetings may be sent to members using electronic communication to such address as may for the time being be notified to Amati VCT plc for that purpose. Notices of general meetings may also be taken as given to a person where the notice has been posted on a website and that person has agreed that notices of meetings may instead be accessed by that person on a website, that person has been notified of the fact that the notice has been published on a website and the address of that website.

3.4 Variation of rights

Subject to the provisions of the statutes, where the share capital of Amati VCT plc is divided into different classes of shares, all or any of the rights attached to any class may be varied as expressly provided by the rights attached to that class or, in the absence of such provision, either with the consent in writing of the holders of not less than three-quarters in nominal value of the issued shares of that class or with the sanction of a special resolution passed at a separate general meeting of the holders of the shares of that class and may be so varied either whilst Amati VCT plc is a going concern or during or in contemplation of a winding up. All of the provisions of the Statutes and the Articles relating to general meetings of Amati VCT plc or to the proceedings at such meetings shall, so far as applicable, apply to every such separate general meeting, except that:

- i. no member shall be entitled to receive notice of such meeting or to attend it unless he is a holder of shares of the class in question and no vote shall be given except in respect of a share of that class;
- ii. the necessary quorum at any such meeting (other than at an adjourned meeting) shall be two persons together holding or representing by proxy not less than one-third in nominal amount of the issued shares of the class in question (unless all the shares of the class are registered in the name of a single shareholder, in which case the quorum shall be that single shareholder);
- iii. at any adjourned meeting the necessary quorum shall be one person holding shares of that class or his proxy; and
- iv. each holder of shares of the class in question present in person or by proxy and entitled to vote may demand a poll and on a poll each such holder shall have one vote in respect of every share of the class held by him.

3.5 **Borrowing powers**

Subject to the provisions of the Statutes and the Articles, the Directors may exercise all the powers of Amati VCT plc to borrow or raise money as they think necessary for the purposes of Amati VCT plc.

The Directors shall take all necessary steps (including the exercise of all voting and other rights or powers of control exercisable by Amati VCT plc in relation to its subsidiaries (if any)) for securing that the aggregate principal amount at any one time outstanding in respect of monies borrowed by it or them or any of them shall not at any time, without the previous sanction of an ordinary resolution of Amati VCT plc, exceed an amount equal to 25% of the Adjusted Total Capital and Reserves. For this purpose, "Adjusted Total Capital and Reserves" means the aggregate of:

- i. the amount for the time being paid up or credited as paid up on the issued share capital of Amati VCT plc; and
- ii. the amounts standing to the credit of the reserves of Amati VCT plc (including the share premium account, revaluation reserve, capital redemption reserve, any credit balances on the consolidated profit and loss account and any reserve arising on the reduction or cancellation of the share premium account), all as shown in a consolidation of the then latest audited consolidated balance sheet of Amati VCT plc but subject to the deductions and adjustments set out in the Articles.

3.6 **Alteration of capital**

Amati VCT plc may from time to time by ordinary resolution:

- i. increase its share capital by such sum, to be divided into shares of such amount(s) and currency or currencies, as the resolution shall prescribe; or
- ii. consolidate, or consolidate and then divide, all or any of its share capital into shares of a larger nominal amount than its existing shares; or
- iii. subject to the provisions of the Statutes, sub-divide all or any of its existing shares into shares of smaller nominal amount; or
- iv. cancel any shares which, at the date of the passing of the resolution, have not been taken, or agreed to be taken, by any person and diminish the amount of Amati VCT plc's share capital by the amount of the shares so cancelled.

Amati VCT plc may, subject to the provisions of the Statutes and to the rights attached to any class of shares for the time being in issue, from time to time by special resolution reduce its share capital or any capital redemption reserve, share premium account or other undistributable reserve in any manner.

Amati VCT plc may purchase its own shares.

3.7 **Transfer of shares**

Ordinary Shares in uncertificated form may be transferred in accordance with and subject to the Statutes and the rules of the relevant system.

Transfers of Ordinary Shares in certificated form may be effected by an instrument of transfer in the usual or common form or in any other form acceptable to the Directors. The instrument of transfer of an Ordinary Share shall be signed by or on behalf of the transferor and, unless the Ordinary Share is fully paid, by or on behalf of the transferee.

A transferor shall remain the holder of the Ordinary Share concerned (whether a certificated share or an uncertificated share) until the name of the transferee is entered in the register of members as the holder of that Ordinary Share.

All instruments of transfer which are registered shall be retained by Amati VCT plc.

The Directors may, in their absolute discretion, refuse to register a transfer of any Ordinary Share held in certificated form unless:

- i. the instrument of transfer is in respect of only one class of share;
- ii. the transfer is in favour of a single transferee or not more than four joint members;

- iii. the instrument of transfer is duly stamped or adjudged or certified as not chargeable to stamp duty; and
- iv. the instrument of transfer is delivered for registration to the registrar's office or such other place as the Directors may from time to time determine, accompanied by the certificate(s) for the shares to which it relates and such other evidence as the Directors may reasonably require to prove the title of the transferor and the due execution by him of the transfer or, if the transfer is executed by some other person on his behalf, the authority of that person to do so.

If the Directors refuse to register a transfer under the Articles then in addition to sending the purported transferee notice of refusal, the Directors must also give reasons for the refusal and any further information about such reasons that the purported transferee may reasonably request.

Save in certain circumstances, the Directors may also refuse to register a transfer of any share in the event of non-compliance with any Direction Notice (given in the circumstances referred to in paragraph 3.8 below) relating to such share. None of the restrictions on transfer will be implemented in a manner which prevents dealings in Amati VCT plc's shares taking place on an open and proper basis.

The Directors may in their absolute discretion refuse to register the transfer of a certificated share which is not fully paid or on which Amati VCT plc has a lien, provided that such refusal may not be exercised in such a way as to prevent dealings in shares of that class taking place on an open and proper basis.

The Directors may only decline to register a transfer of an uncertificated share in the circumstances set out in the Statutes (except where to do so would disturb the market in the Ordinary Shares) and where, in the case of a transfer to joint holders, the number of joint holders to whom the uncertificated share is to be transferred exceeds four persons.

Subject to the Statutes, registration of transfers of shares may be suspended and the register of members closed for such periods as the Directors may from time to time determine, provided that the register of members shall not be closed for more than 30 days in any year and notice of such closing shall be given in accordance with the Statutes.

3.8 Non-disclosure of interests in Shares and restrictions on Shares

The Directors may by notice in writing (a "Direction Notice") to a member of Amati VCT plc direct that from the date of service of the Direction Notice, the shares held by such member will be subject to some or all of the relevant restrictions (as defined below) if that member, or any other person appearing to be interested in shares in the relevant share capital of Amati VCT plc held by that holder, has been duly served with and fails to comply with a notice under section 793 of the 2006 Act or any other provision or any Statute concerning the disclosure of interests in voting shares, in respect of those shares within 14 days of the date of such service. The "relevant restrictions" mean, in the case where the shares in respect of which the Direction Notice is given represent not less than 0.25% of the issued shares of the class in question, if the relevant Direction Notice so directs, that:

- i. the whole or part of any dividends which would otherwise be payable in respect of such shares may be retained by Amati VCT plc;
- ii. all or any shares which would otherwise be issued by Amati VCT plc in lieu of a cash dividend on the default shares shall be withheld from the member or otherwise retained by Amati VCT plc;
- iii. no transfers of such certificated shares shall be registered, save for sales to bona fide unconnected third parties (such as a sale through a recognised investment exchange or by the acceptance of a takeover offer) or where the member is not himself in default in supplying the information required or the transfer is of part only of the member's holding and the Directors are satisfied that none of the shares comprised in the transfer are the subject of the Direction Notice;
- iv. the relevant member shall not (for so long as the default continues) nor shall any transferee to whom any of such shares are transferred (other than pursuant to a transfer to a bona fide unconnected third party or where the member is not himself in default in supplying the

information required or the transfer is of part only of the member's holding and the Directors are satisfied that none of the shares comprised in the transfer are the subject of the Default Notice) be entitled to attend and vote, either personally or by proxy, at a general meeting (including a separate meeting of the holders of shares of a particular class) or to exercise any other right conferred by membership in relation to such meeting; and

- v. in any other case means only the restrictions specified in sub-paragraph (iv) above.

3.9 Directors

- i. Unless otherwise determined by ordinary resolution of Amati VCT plc, the number of Directors shall not be less than two or more than ten.
- ii. Any provision of the Statutes which would have the effect of rendering any person ineligible for re-election as a Director or liable to vacate office as a Director on account of having reached 70 or another specified age or of requiring special notice or any other special formality in connection with the appointment or reappointment of any Director over 70 or another specified age shall not apply to Amati VCT plc.
- iii. A Director shall not be required to hold any shares in Amati VCT plc by way of qualification for office. Each Director is nevertheless entitled to receive notice of and to attend and speak at any general meeting of Amati VCT plc (and at all separate meetings of the holders of a class of shares or debentures) irrespective of whether he is a member.

- iv. At the first annual general meeting of Amati VCT plc, all the Directors shall retire from office and at every subsequent general meeting, one-third of the Directors for the time being (or, if their number is not three or a multiple of three, the number nearest to, but not greater than, one third) shall retire from office by rotation. Notwithstanding the foregoing, no director shall continue to hold office as a Director after the third annual general meeting following his election or re-election, as the case may be, without submitting himself for re-election at the said third annual general meeting. In addition to the foregoing requirements, a Director shall retire from office when necessary to ensure that he offers himself for re-election at intervals no greater than those required by any relevant codes of corporate governance.

Any Director who retires in accordance with this paragraph (iv) may, subject to the other provisions of the Articles, offer himself for re-election.

- v. The ordinary remuneration of the Directors (other than any Director who holds any executive office, including for this purposes the office of chairman or deputy chairman where such office is held in an executive capacity, or employment with Amati VCT plc or any subsidiary of Amati VCT plc entitling him to remuneration under any agreement and who is not thereby entitled to any fees as a Director) shall not exceed in aggregate £100,000 per annum (or such other amount as may from time to time be determined by ordinary resolution of Amati VCT plc). Such remuneration shall be deemed to accrue from day to day and shall be divisible among the Directors in such proportion and manner as the Directors may determine. Any Director who holds any executive office (including for this purpose the office of chairman or deputy chairman where such office is held in an executive capacity) or employment with Amati VCT plc or any subsidiary of Amati VCT plc, or who serves on any committee of the Directors or who otherwise provides services which, in the opinion of the Directors, are outside the scope of the ordinary duties of a Director, may be paid such remuneration or benefits by way of salary, commission, participation in profits or otherwise, in addition to or in substitution for his ordinary remuneration as a Director, as the Directors may determine. Such additional remuneration shall not be taken into account for the purposes of the limitation set out above. In addition, Amati VCT plc may also pay or repay to each Director his reasonable travelling, hotel and other expenses as he may properly incur in connection with the business of Amati VCT plc.
- vi. Subject to the provisions of the Statutes and provided that he has disclosed to the Directors the nature and extent of any interest, a Director may, notwithstanding his office, (1) be a party to, or in any way interested in, any contract, arrangement, transaction or proposal, to which Amati VCT plc is a party or in which Amati VCT plc is in any way interested, whether directly or indirectly and (2) hold and be remunerated in respect of any office or place of profit with Amati VCT plc or any company associated with Amati VCT plc and he (or any

associated company in which he is interested or a member) may act in a professional capacity for Amati VCT plc or any such associated company and be remunerated therefor and in any such case, unless otherwise agreed, he may retain for his absolute use and benefit all profits, remuneration and advantages or other benefit realised or accruing to him thereunder or in consequence thereof. Subject to any agreement to the contrary between Amati VCT plc and the Director, a Director may be or become a Director or other officer of, or otherwise interested in, any undertaking promoted by Amati VCT plc or in which Amati VCT plc may be interested and shall not, unless otherwise agreed, be liable to account to Amati VCT plc for any profit, remuneration or other benefits realised or receivable by him as a Director or officer of, or from his interest in, such other undertaking.

- vii. Where proposals are under consideration concerning the appointment (including fixing or varying the terms of, or termination of, appointment) of two or more Directors to offices or other positions within Amati VCT plc or any associated company, the proposals may be divided and considered in relation to each Director separately. In any such case, each of the Directors concerned (if not already barred from voting) shall be entitled to vote and be counted in the quorum in respect of each resolution except that concerning his own appointment.
- viii. Except as provided in the Articles, a Director shall not vote at a meeting of the Directors or a committee of the Directors on any resolution in respect of any contract, arrangement, transaction or any other proposal of any kind in which he has an interest which (together with any interest of any person connected with him) is, to his knowledge, a material interest other than by virtue of his interest in shares, debentures or other securities of, or otherwise in or through, Amati VCT plc unless the material interest arises only from one or more of the following:
 - (a) any contract, arrangement, transaction or other proposal concerning an offer of shares, debentures or other securities of or by Amati VCT plc or any of its subsidiary undertakings for subscription or purchase in an offer in which he is, or maybe, entitled to participate as a holder of securities or in the underwriting or sub-underwriting of which he is to participate;
 - (b) any contract, arrangement, transaction or other proposal to which Amati VCT plc is or is to be a party concerning any other body corporate in which he or persons connected with him do not to his knowledge, directly or indirectly, hold an interest in shares (as that term is used in sections 820 to 825 of the 2006 Act) representing 1% or more of either any class of the equity share capital or the voting rights in such body corporate;
 - (c) any contract, arrangement, transaction or other proposal concerning in any way a pension, retirement superannuation, death and/or disability benefits scheme or fund or employees' share scheme under which he may benefit and which either (a) has been approved, or is conditional upon approval, by the Board of HMRC for taxation purposes, or (b) relates to both employees and Directors of Amati VCT plc (or any associated company) and does not award him any privilege or benefit not generally awarded to employees to whom such scheme or fund relates; and
 - (d) any contract or other proposal concerning any insurance which Amati VCT plc is empowered to purchase or to maintain for or for the benefit of any Directors or for persons including Directors.

A Director shall not be counted in the quorum present at a meeting in relation to any resolution on which he is not entitled to vote.

- ix. The Articles contain provisions which give the Directors authority to approve a situation where a Director has, or can have, a direct or indirect interest that conflicts, or possibly may conflict, with Amati VCT plc's interests. There are safeguards which will apply when Directors decide whether to authorise a conflict or potential conflict as follows:
 - (a) only independent Directors (that is, those Directors who have no interest in the matter being considered) will be able to take the relevant decision; and

- (b) in taking the decision the Directors must act in a way they consider, in good faith, will be most likely to promote Amati VCT plc's success. The independent Directors will be able to impose limits or conditions when giving authorisation of which they think is appropriate.
- x. The Articles also contain provisions to ensure that a Director must not impart confidential information in respect of the matter which gives rise to a conflict of interest or potential conflict of interest, if under a duty of confidentiality to another company.
- xi. The Articles contain provisions stating that a Director need not participate in board discussions or consider board papers in respect of the matter which gives rise to a conflict of interest or potential conflict of interest. These provisions only apply where the position giving rise to the potential conflict has previously been authorised by the Directors in accordance with the 2006 Act.
- xii. The Articles contain provisions that allow Amati VCT plc to approach the Shareholders in the future for their individual agreement to use electronic mail and/or publication on its website for Company communications. It is the Board's intention that, it will in due course, approach Shareholders for their individual agreement to use either electronic mail and/or publication on Amati VCT plc's website of Company communications.

3.10 Distribution of realised capital profits

At any time when Amati VCT plc has given notice in the prescribed form (which has not been revoked) to the Registrar of Companies of its intention to carry on business as an investment company (a "Relevant Period"), any distribution of Amati VCT plc's capital profits (within the meaning of section 833(2)(c) of the 2006 Act) shall be prohibited, except to the extent that the requirements for investment company status under section 833 of the 2006 Act do not require a company to prohibit the distribution of its capital profits in its memorandum or articles of association.

The Board shall establish a reserve to be called the capital reserve. During a Relevant Period, all surpluses arising from the realisation or revaluation of investments and all other monies realised on or derived from the realisation, revaluation, repayment of or other dealing with any capital asset in excess of the book value thereof and all other monies realised on or derived from the realisation, repayment of or other dealing with any capital asset in excess of the book value thereof and all other monies which are considered by the Board to be in the nature of accretion to capital shall be credited to the capital reserve. Subject to the 2006 Act, the Board may determine whether any amount received by Amati VCT plc is to be dealt with as income or capital or partly one way and partly the other. During a Relevant Period, any loss realised on the realisation, revaluation or repayment of or other dealing with any investments or other capital assets and, subject to the 2006 Act, any expenses, loss or liability (or provision there for) which the Board considers to relate to a capital item or which the Board otherwise considers appropriate to be debited to the capital reserve shall be carried to the debit of the capital reserve.

During a Relevant Period, all sums carried and standing to the credit of the capital reserve may be applied for any of the purposes for which the sums standing to any revenue reserve are applicable except and provided that during a Relevant Period no part of the capital reserve or any other money in the nature of accretion to capital shall be transferred to the revenue reserves of Amati VCT plc or be regarded or treated as profits of Amati VCT plc available for distribution (within the meaning ascribed thereto by section 833(2) of the 2006 Act) otherwise than by way of redemption or purchase of any of Amati VCT plc's own Ordinary Shares. In periods other than a Relevant Period, any amount standing to the credit of the capital reserve may be transferred to the revenue reserve of Amati VCT plc or be regarded or treated as profits of Amati VCT plc available for distribution (as defined by section 833(2) of the 2006 Act) or applied in paying dividends on any shares in Amati VCT plc.

3.11 Duration and winding-up

The Board shall procure that at the annual general meeting of Amati VCT plc held in 2016 and at every third annual general meeting thereafter, an ordinary resolution will be proposed to the effect that Amati VCT plc shall continue in being as a VCT. If, at any such meeting, such resolution is not passed the Board shall, within nine months of such meeting, convene a general meeting of

Amati VCT plc at which a special resolution shall be proposed requiring Amati VCT plc to be wound up voluntarily. In the case of a special resolution relating to voluntary winding up proposed in such circumstances, any person present or by proxy and entitled to vote at such meeting shall, in respect of all of the votes attached to his shares, vote in favour of such resolution and where any vote attached to a share is not cast or is cast against any such resolution it shall be deemed to have been cast in favour.

If Amati VCT plc is wound up, the liquidator may, with the authority of a special resolution of Amati VCT plc and any other authority required by the Statutes, divide among the members in specie or in kind the whole or any part of the assets of Amati VCT plc (whether or not the assets consist of property of the same kind or not), set such value as he deems fair upon any one or more class or classes of property and determine how such division shall be carried out as between the members or different classes of members and vest any part of the assets in trustees upon such trusts for the benefit of members as the liquidator shall think fit but no member shall be compelled to accept any shares or other assets in respect of which there is an actual or potential liability.

4. DIRECTORS', MANAGERS' AND OTHER INTERESTS IN AMATI VCT PLC

- 4.1 Amati VCT plc is not aware of any person, not being a member of its administrative, management or supervisory bodies, who, as at the date of this document, is directly interested in 3% or more of the issued share capital of Amati VCT plc and is required to notify such interest in accordance with the DTR.
- 4.2 The number of Ordinary Shares (all of which are held beneficially) held by the Directors and their respective immediate families as at 5 February 2013 (the latest practicable date prior to publication of this document) are set out below, together with the number of Ordinary Shares currently intended to be held following the Offers (providing such applications are met in full) all of which beneficially owned by them are:

	Before the Offers*		Following the Offers*	
	No. of Ordinary Shares	% of issued share capital	No. of Ordinary Shares	% of issued share capital
Directors				
Simon Miller	20,793	0.04%	20,793	0.03%
Peter Lawrence	117,752	0.25%	131,618	0.20%
Michael Lawrence	42,012	0.09%	55,878	0.08%
Louise Lawrence	21,919	0.05%	35,785	0.05%
Sandra Lawrence	13,395	0.03%	13,395	0.02%
Charles Pinney	34,555	0.07%	34,555	0.05%
Elizabeth Pinney	13,881	0.03%	13,881	0.02%
Emma Macfarlane	8,611	0.02%	8,611	0.01%
Nicholas Pinney	14,046	0.03%	14,046	0.02%
Serena Loudon	11,331	0.02%	11,331	0.02%
James Pinney	8,611	0.02%	8,611	0.01%
Brian Scouler	13,552	0.03%	27,418	0.04%

*Assuming a NAV per Ordinary Share of 70.56p as at 24 January 2013, an Offer Price of 74.28p per New Ordinary Share, that the Offer is fully subscribed, that all subscriptions qualify for a rebate of 3% and 20% of the subscriptions qualify for a further 1% rebate in the "early bird" offer and that none of the subscriptions come through the ESBFRs.

- 4.3 There are no service contracts in existence between Amati VCT plc and any of the Directors nor are any such contracts proposed. However, Amati VCT plc has entered into letters of appointment with each of Simon Miller, Charles Pinney and Peter Lawrence on 7 February 2005, amended on 1 April 2007 and further amended in May 2009 and in May 2010, under the terms of which the Chairman is entitled to annual remuneration of £25,400 and the other Directors are entitled to annual remuneration of £18,925 each or such higher amount as the Directors may from time to time determine, subject to the limit contained in the Articles. Brian Scouler was appointed as

Director on 25 October 2011. No amount has been set aside or accrued by Amati VCT plc to provide pension, retirement or similar benefits. The services of Peter Lawrence are provided to Amati VCT plc through ECO Animal Health Group plc.

The initial period of each Director's appointment expired on the 6 June 2006 (being the date of the first annual general meeting). Their appointments were renewed and each Director is due for re-election by rotation. One director is due for re-election at each AGM. Simon Miller, Charles Pinney and Peter Lawrence were re-elected in 2012. Due to the length of their services they will be subject to retirement and re-election annually. Brian Scouler was re-elected in 2012 and will also be subject to retirement and re-election on an annual basis. Appointments may be terminated earlier by either party upon one month's written notice and may be renewed for a further period if the remaining Directors agree at that time. Directors may be removed from office under the terms of Amati VCT plc's articles of association and are not entitled to any compensation upon termination of office.

- 4.4 None of the Directors has or has had any interest in any transaction which is or was unusual in its nature or conditions or which is or was significant to the business of Amati VCT plc and which was effected by Amati VCT plc since its incorporation and which remains in any respect outstanding or unperformed.
- 4.5 For each of the financial periods ending 28 February 2010, 28 February 2011 and 29 February 2012, and for the current financial period up until the date of this document, Amati VCT plc has not entered into any related party transactions for the purposes of Regulation (EC) No. 1606/2002 other than the contracts referred to in paragraphs 7(iii), (iv), (v), (vi), (vii), (ix) and (x) below.
- 4.6 No loan or guarantee has been granted or provided by Amati VCT plc to or for the benefit of any Director.
- 4.7 It is estimated that the aggregate amount to be paid to the Directors for the financial year ending 28 February 2013 under the arrangements in force at the date of this document will not exceed £90,000 (plus out of pocket expenses). During the financial year ended 28 February 2012 the Directors received the following remuneration (including any contingent or deferred compensation, and benefits in kind granted by Amati VCT for services in all capacities to Amati VCT):

Simon Miller	£24,500
Peter Lawrence	£18,250
Charles Pinney	£18,250
Brian Scouler	£6,427
Total	£67,427

No amounts have been set aside or accrued by Amati VCT to provide pension, retirement or similar benefits.

- 4.8 Insofar as is known to Amati VCT plc, as at 5 February 2013 (the latest practicable date prior to the publication of the document), there is no party who is interested, directly or indirectly in 3% or more of the capital of Amati VCT plc. Amati VCT plc is not aware, as at 5 February 2013 (the latest practicable date prior to the publication of the document), of any person who can, will or could, directly or indirectly, jointly or severally, exercise control over Amati VCT plc or any arrangement, the operation of which may at a subsequent date result in a change of control of Amati VCT plc. All Shareholders have the same voting rights.
- 4.9 Amati VCT plc has directors' and officers' liability insurance for the protection of the Directors, renewable on an annual basis.
- 4.10 The current directorships and partnerships and the directorships and partnerships of the Directors during the last five years are listed below:

Director	Current directorships/ partnerships	Past directorships/ partnerships
Peter Anthony Lawrence	Amati VCT plc Petlove Limited Eco Animal Health Ltd Eco Animal Health Group plc Baronsmead VCT plc Higher Nature Limited Emmelle Developments Limited C-Corp Limited Anpario plc Aquatice Limited Kiotech Limited 7 Springfield Road Management Company Limited ICA In Israel JCA Charitable Foundation Emmelle Construction Limited Algatechnologies Ltd Lawrence plc Metranol Chemicals Ltd	Baronsmead VCT 5 plc Ellelle Developments Limited Lawrence 2006 Limited B.H. Products (Hanwell) Limited Blackfast Chemicals Ltd Ultrabite Ltd
Simon Edward Callum Miller	Amati VCT plc Dunedin LLP Dunedin Capital Partners Limited Dunedin Capital Holdings Limited Dunedin Capital Group Limited Dunedin Capital Partners (G.P.) Limited Dunedin Founder Partners (G.P.) Limited Alpha Securities Trading Limited Artemis Alpha Trust plc Brewin Dolphin Holdings plc Bruce Stevenson Limited Scoban plc Lt. Dougie Dalzell MC Memorial Trust Dunedin Capital Group Holdco Limited Dunedin Saltire Limited Blackrock North American Income Trust plc Weldex (International) Offshore Holdings plc Scottish Friendly Assurance Society Limited	Adam & Company Group Public Limited Company Adam & Company Public Limited Company Dunedin Enterprise Investment Trust plc Wemyss Development Company Ltd Capula Group Limited Bonhams UK Limited Bonhams Scotland Limited Practice Plan Holdings Limited Adam Investment Management Limited JP Morgan Elect plc ETC Venues ESOP Trustee Limited ETC Venues Group Limited Greenock Energy Services Limited
Brian Buchanan Scouler	Amati VCT plc	Dunedin Capital Partners Limited OSS Environmental Holdings Limited Dunedin Capital Group Limited Dunedin Capital Holdings Limited C.G.I. Group Limited NH Escrow Limited ABI (UK) Group Limited ABI (UK) Group EBT Limited Fernau Avionic Limited RSL Steeper Holdings Limited CET Group Holdings Limited Dunedin Capital Partners (GP II) Limited Dunedin (SAPE GP) Nominees Limited

Dunedin Enterprise Limited
Blaze Signs International Limited
New Horizons Child Care Holdings Limited

Charles Frederick Pinney	Amati VCT plc	199 Victoria Rise Management Limited
	Proven Health VCT plc	
	Baronsmead VCT 5 plc	

- 4.11 As at 5 February 2013, Amati VCT plc held 787,826 shares in Anpario plc ("Anpario"), an AIM traded company, of which Mr Peter Lawrence is a non-executive director. As at 5 February 2013 Mr Lawrence held 27,950 shares in Anpario in his own name, in addition to 43,478 share options in the same company and was appointed a non-executive director of Anpario on 24 August 2005.

As at 5 February 2013 Amati VCT plc held 3,000,000 shares in Asian Citrus Holdings Limited ("Citrus"). At the same date Paul Jourdan held 160,000 shares in Citrus and Doug Lawson held 8,108 shares.

As at 5 February 2013, Amati VCT plc held 1,133,956 shares and 1,046,728 convertible loan stock units in Polyhedra Group plc, an unlisted company, of which Douglas Lawson is a non-executive director. At the same date, Amati VCT plc held 2,440,000 shares and 551,700 convertible loan stock units in Fox Marble Holdings plc, an AIM traded company of which Paul Jourdan is a non-executive director.

Save as disclosed in this paragraph 4 there is no conflict of interest between Amati VCT plc, the duties of the Directors, the directors of the Manager and their private interests and other duties.

- 4.12 No Director has any convictions in relation to fraudulent offences during the previous five years.
- 4.13 Save as disclosed above, there were no bankruptcies, receiverships or liquidations of any companies or partnerships where any of the Directors were acting as (i) a member of the administrative, management or supervisory body, (ii) a partner with unlimited liability, in the case of a limited partnership with a share capital, (iii) a founder where Amati VCT plc had been established for fewer than five years or (iv) a senior manager during the previous five years.
- 4.14 There has been no official public incrimination and/or sanction of any Director by statutory or regulatory authorities (including designated professional bodies) and no Director has ever been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of a company or from acting in the management or conduct of the affairs of any company during the previous five years.

4.15 **The Audit Committee**

The Audit Committee comprises each member of the Board over which Mr Charles Pinney presides as Chairman.

The Audit Committee monitors the integrity of Amati VCT plc's financial statements and any formal announcements relating to Amati VCT plc's financial performance. The Committee is responsible for monitoring the effectiveness of the external audit process and making recommendations to the Board in relation to the appointment, reappointment and remuneration of the external auditors. It is also responsible for ensuring that an appropriate relationship between Amati VCT plc and the external auditors is maintained including reviewing non-audit services and fees. The Committee reviews its terms of reference and its effectiveness twice per year and recommends to the Board any changes required as a result of the review and also meets privately with the auditors.

4.16 **The Remuneration and Management Engagement Committee**

The Remuneration and Management Engagement Committee comprises each member of the Board over which Mr Peter Lawrence presides as Chairman.

The Remuneration and Management Engagement Committee is responsible for:

- considering levels and make up of remuneration, to ensure they are sufficient to attract, retain and motivate directors with the qualities required to run Amati VCT plc successfully;
- ensuring that provisions of the Listing Rules are fulfilled regarding disclosure of remuneration including pensions;

- iii. producing an annual report of the Committee's remuneration policy which forms part of Amati VCT plc's annual report and accounts; and
- iv. reviewing fees payable to Amati VCT plc's advisers (other than the auditors) and the other terms of the advisers contracts (including specifically the Management Agreement - see pages 91 to 93).

4.17 The Nomination Committee

The Nomination Committee comprises each member of the Board and Mr Peter Lawrence is appointed as chairman. The Nomination Committee is responsible for:

- i. regularly reviewing the Board structure, size and composition (including the knowledge, experience, skills and diversity) and making recommendations to the Board with regard to any changes;
- ii. drawing up plans for succession for the Board;
- iii. identifying and nominating candidates for the approval of the Board to fill vacancies;
- iv. producing a description of the role and capabilities required for a particular appointment;
- v. agreeing the formal letter of appointment to the Board;
- vi. making recommendations to the Board as to the suitability of any director for re-election or re-appointment based on performance appraisals; and
- vii. reviewing its own performance, constitution and terms of reference at least once a year.

4.18 Managers' Interests in Amati VCT plc

The number of Ordinary Shares (all of which are held beneficially) held by the Manager, certain members of the management team and their respective immediate families as at 5 February 2013 (the latest practicable date prior to publication of this document) are set out below, together with the number of Ordinary Shares currently intended to be held following the Offers (providing such applications are met in full) all of which beneficially owned by them are:

	Before the Offers*		Following the Offers*	
	No. of Ordinary Shares	% of issued share capital	No. of Ordinary Shares	% of issued share capital
Managers (and immediate family)				
Paul Jourdan	271,078	0.59%	265,952	0.40%
Douglas Lawson	6,326	0.01%	9,792	0.01%
Virginia Lawson	5,387	0.01%	5,270	0.01%
David Stevenson	-	-	13,866	0.02%

*Assuming a NAV per Ordinary Share of 70.56p as at 24 January 2013, an Offer Price of 74.28p per New Ordinary Share, that the Offer is fully subscribed, that all subscriptions qualify for a rebate of 3% and 20% of the subscriptions qualify for a further 1% rebate in the "early bird" offer and that none of the subscriptions come through the ESBFRs.

5. INVESTMENT POLICY, LISTING REQUIREMENTS AND INVESTMENT RESTRICTIONS

- i. Amati VCT plc's income is derived wholly or mainly from shares or other securities. Amati VCT plc intends to manage its own affairs in respect of each accounting period so as to maintain approval from HMRC as a VCT under the provisions of section 274 of ITA. Accordingly, none of Amati VCT plc's investments, other than in a venture capital trust or a company which would qualify as a venture capital trust if it were listed, will represent more than 15% by value of its investments.
- ii. Not more than 20% of Amati VCT plc's gross assets are invested in the securities of property companies, that is, in any companies primarily engaged in property activities which include:
 - a. the holding of properties or the development of properties for letting and retention as investments; or
 - b. the purchase or development of properties for subsequent sale.
- iii. It is intended that the following conditions will continue to be met:
 - a. that the Directors, and any investment manager of Amati VCT plc, will have sufficient and satisfactory experience in the management of investments of the type in which Amati VCT plc intends to invest;

- b. that the Directors of Amati VCT plc will act independently of the investment manager of the investments, and, in particular, a majority of the Board will not be directors or employees of, or former directors or employees of, or professional advisers to such investment manager or any other company in the same group as such investment manager;
 - c. that Amati VCT plc will not control the companies in which it invests in such a way as to render them subsidiary undertakings; and
 - d. that Amati VCT plc will adhere to the restrictions on investments set out in this paragraph 5.
- iv. Amati VCT plc is also subject to the investment restrictions in the listing rules of the FSA which specify that:
 - a. Amati VCT plc must, at all times, invest and manage its assets in a way which is consistent with its object of spreading investment risk and in accordance with its published investment policy;
 - b. Amati VCT plc must not conduct any trading activity which is significant in the context of its group as a whole;
 - c. Amati VCT plc may not invest more than 10% in aggregate, of the value of its total assets at the time an investment is made in other listed closed-ended investment funds; and
 - d. any material change to the investment policy of Amati VCT plc will require the approval of Shareholders.

6. OVERSEAS INVESTORS

No person receiving a copy of the Prospectus or a Subscription Form in any territory other than the UK may treat the same as constituting an invitation or offer to him nor should he in any event use such Subscription Form unless, in the relevant territory, such an invitation or offer could be lawfully made to him or such Subscription Form could be lawfully used without contravention of any registration or other legal requirements. It is the responsibility of any person outside the UK wishing to make an application to satisfy himself as to the full observance of the laws of the relevant territory in connection therewith, including obtaining any requisite governmental or other consents, observing any other formalities required to be observed in such territory and paying any issue, transfer or other taxes required to be paid in such territory. No action has been taken to permit the distribution of this document in any jurisdiction outside the UK where such action is required to be taken. All applicants under the Offers will be required to warrant that they are not a US person as defined under the United States Securities Act of 1933 nor a resident of Canada as set out in the terms and conditions of the Offers as set out in the Prospectus.

7. MATERIAL CONTRACTS

Save for the following contracts, as at the date of this document there were no contracts (being contracts entered into otherwise than in the ordinary course of business) entered into with Amati VCT plc (i) within two years immediately preceding the date of this document which are or may be material or (ii) which contain any provision under which Amati VCT plc has any obligation or entitlement which is material to Amati VCT plc as at the date of this document:

- i. an investment management and administration agreement (the “IMA”) dated 7 February 2005 between Amati VCT plc and the Manager whereby the Manager agreed to manage the investments and other assets of Amati VCT plc on a discretionary basis subject to the overall policy of the Directors. Amati VCT plc will pay to the Manager under the terms of the IMA a quarterly fee of 0.4375% of the net asset value of Amati VCT plc in arrears. The Manager will also be entitled to receive a performance related management fee on the achievement of certain performance criteria, including a hurdle rate of 8%. The amount of the performance related management fee shall be a sum equal to 20% of the amount by which any distribution made to shareholders exceeds a 20% return on the initial net asset value of Amati VCT plc, based on the net asset value of Amati VCT plc at the time of the relevant distribution. In terms of the IMA, the Manager has also agreed to provide certain company secretarial and administrative services to Amati VCT plc. Amati VCT plc agreed to pay to the Manager a fee of £50,000 (index linked from 7 February 2005)

annually in arrears in respect of the provision of these services. The appointment of the Manager as investment manager may be terminated by either party on one year's notice, provided that no notice of termination may be given in respect of the provision of investment management services prior to the third anniversary of the date of the IMA. The appointment of the Manager as administrator and company secretary may be terminated on one year's notice. The Manager's appointment may also be terminated at any time without compensation if at any time the Manager is, *inter alia*, unable to pay its debts or goes into receivership or administration or is guilty of any material breach of duty or negligence in relation to the performance of its duties under the IMA. The IMA may also be terminated at any time, without compensation being payable to the Manager if Paul Jourdan ceases to work on a day-to-day basis on the management of Amati VCT plc's investment portfolio, unless he is replaced with persons acceptable to the Board, in its sole discretion.

- ii. a supplemental agreement to the IMA dated 6 December 2005 between Amati VCT plc and the Manager ("Supplemental Agreement") under which the Manager's entitlement to a performance fee is amended so as to allow for the Further Offers. Pursuant to the Supplemental Agreement the Manager may become entitled to receive a performance fee from Amati VCT plc calculated as follows. The Adjusted Net Asset Value (the net asset value of Amati VCT plc plus the aggregate of all performance fees previously paid and all distributions of income or capital profits other than certain distributions by way of the purchase of Amati VCT plc's own Ordinary Shares made by Amati VCT plc ("Qualifying Distributions")) is calculated and then divided into pools. Each pool is the amount calculated by dividing the Adjusted Net Asset Value by the aggregate amount of Ordinary Shares issued under the Prior Offers (the "Pool A Shares") and the Ordinary Shares issued under the Further Offers (the "Pool B Shares") and multiplying the result by the amount of the Pool Shares. The amount of Pool B is the amount of the Adjusted Net Asset Value less the amount of Pool A. A performance fee is payable in respect of Pool A when a Qualifying Distribution is made and the net asset value of Amati VCT plc is equal to or exceeds a hurdle rate of 8%, simple interest per annum on the initial net asset value of Amati VCT plc calculated from the closing of the Prior Offers. If these conditions are satisfied, the Manager is entitled to a performance fee equal to 20% of the lesser of (1) the amount by which Pool A exceeds 120% of the initial net asset value of Amati VCT plc and (2) the amount of the relevant proportion of the Qualifying Distribution. The relevant proportion for these purposes is the proportion which the Pool A Shares bears to the aggregate of the Pool A Shares and the Pool B Shares. A performance fee is payable in respect of Pool B when a Qualifying Distribution is made and the net asset value of Amati VCT plc is equal to or exceeds a hurdle rate of 8%, simple interest per annum on the net amount subscribed under the Further Offers calculated from the closing of the Further Offers. If these conditions are satisfied, the Manager is entitled to a performance fee equal to 20% of the lesser of (1) the amount by which Pool B exceeds the amount calculated by multiplying £1.137 (i.e. 120% of the net issue price of shares under the Prior Offers) by the amount of the Pool B Shares and (2) the amount of the relevant proportion of the Qualifying Distribution. The relevant proportion for these purposes is the proportion which the Pool B Shares bears to the aggregate of the Pool A Shares and the Pool B Shares. The calculation of the performance fees payable in respect of Pool A and Pool B will be adjusted to take into account any purchases by Amati VCT plc of its own shares.
- iii. a side letter to the IMA dated 20 March 2007 between Amati VCT plc and the Manager under which it is agreed that the new ordinary shares pursuant to the placing form part of Pool B.
- iv. a novation agreement dated 3 April 2007 between Amati VCT plc, the Manager and First State Investment Management (UK) Limited ("FSIM") pursuant to which the rights and obligations of FSIM under the IMA were novated to the Manager with effect from 4 June 2007. In addition FSIM and the Manager agreed to co-operate over access to Amati VCT plc's records and FSIM agreed to wait until the next annual general meeting of Amati VCT plc for a proposal to be put to Shareholders to change Amati VCT plc's name to a name not including "First State Investments".
- v. the deed of variation to the IMA dated 21 November 2007 entered into between Amati VCT plc and the Manager pursuant to which the terms for calculation and payment of performance fees to the Manager were amended and restated. Under these arrangements the performance fee is calculated at the end of each performance period and becomes payable upon publication of the results of Amati VCT plc for that performance period. The first performance period commenced 1

March 2008, and thereafter performance periods correspond to Amati VCT plc's half yearly financial periods.

A generic formula was adopted in order to arrive at the amount of the total performance fee based on the initial subscription price of Ordinary Shares issued by Amati VCT plc and the relevant performance hurdles. Currently there are 21 pools and the formula envisages the creation of further pools, referred to as additional pools. Ordinary Shares issued under the Offers will be treated as a separate pool for this purpose. In addition, Ordinary Shares issued under the dividend re-investment scheme in force from time to time will be treated as separate pools on each date of issue.

For each pool, no performance fee is payable unless the lower of (i) the adjusted NAV per Ordinary Share on the last day of the relevant performance period and (ii) the adjusted NAV per Ordinary Share on the last day of the previous performance period (the "base adjusted NAV per share") is greater than the initial subscription price of that pool (after deducting costs and based on a weighted average of the subscription price under offers with more than one allotment date) plus a return of 8% per annum simple interest.

If this hurdle is met, then the amount of the performance fee in respect of each pool is calculated as 20% of the difference between the base adjusted NAV per Ordinary Share and the initial subscription price per share in March 2005, being 94.75p per share, multiplied by 120%, being 113.7p per share, to reflect the fact that no performance fee is payable on the first 20% of initial performance since inception. All previous payments of performance fee are deducted from the amount so calculated to arrive at the actual performance fee payment for the relevant performance period.

The adjusted NAV per Ordinary Share is the NAV per Ordinary Share adjusted to take account of any revenue in the relevant performance period, before any accrual of performance fee, and after adding back any performance fees previously paid to the Manager and any dividends paid in the past or payable in respect of that performance period. In addition, investments are valued at mid-market prices for the purpose of calculating the adjusted NAV per Ordinary Share.

Where the Manager negotiates and structures an investment directly with a company, most commonly as a convertible loan, the Manager retains the right to charge the investee company a fee. Any legal expenses incurred by the Manager will be paid out of this fee.

- vi. a facilitation agreement (the "Facilitation Agreement") dated 21 December 2007 between Amati VCT plc and the Manager in terms of which the Manager agreed to use all reasonable endeavours to facilitate the subscription for Ordinary Shares under the 2007 Offers to raise up to £14 million on behalf of Amati VCT plc. In terms of the Facilitation Agreement the Manager received a fee of 5% of the gross proceeds raised pursuant to the Further Offers, from which the Manager met the costs of the 2007 Offers, including all advisers' fees and commissions payable to financial intermediaries. In addition, Amati VCT plc gave the Manager an indemnity in respect of any loss suffered in its role facilitating the subscription for Ordinary Shares under the 2007 Offers other than loss which arises as a result of the negligence, fraud or wilful default of the Manager. The Facilitation Agreement could be terminated by either party upon the material breach by the other party of any of the warranties contained within the agreement.
- vii. a facilitation agreement (the "2009 Facilitation Agreement") dated 13 August 2009 between Amati VCT plc, the Manager and Howard Kennedy LLP in terms of which the Manager agreed to use all reasonable endeavours to facilitate the subscription for Ordinary Shares under the 2009 Offers to raise up to £14 million on behalf of Amati VCT plc, and for the allocation of £3 million of Ordinary Shares under the Dividend Re-investment Scheme.

Amati VCT plc agreed pursuant to the agreement that it would pay all costs of the 2009 Offers, including all advisers' fees and all initial commissions payable to financial intermediaries. The Manager agreed to pay any trail commissions payable to financial intermediaries (subject to limits in amount and duration). The Manager was not entitled to receive a fee in relation to the 2009 Offers under the agreement. In addition, Amati VCT plc gave the Manager and Howard Kennedy LLP warranties in relation to Amati VCT plc and the 2009 Offers, and gave the Manager and the Sponsor an indemnity in respect of any loss suffered in their respective roles in relation to the 2009 Offers (other than loss which arises as a result of their negligence, wilful default or their failure to comply with statutory requirements or their obligations under the agreement), all of which are customary provisions in an agreement of this nature. The 2009 Facilitation Agreement could

be terminated by either Amati VCT plc or the Manager upon the material breach by the other of any of the warranties, or the breach of their obligations contained within the agreement.

- viii. a Deed of Variation dated 2 July 2010 between Amati VCT plc and the Manager in which the IMA was amended by deleting the existing Clause 14.4.5 to the IMA and substituting therefor a key person clause in which the key person was identified as Paul Jourdan.
- ix. a facilitation agreement (the “2011 Facilitation Agreement”) dated 20 January 2011 between Amati VCT plc, the Manager and Howard Kennedy LLP in terms of which the Manager has agreed to use all reasonable endeavours to facilitate the subscription for New Ordinary Shares under the Offers to raise up to £18 million on behalf of Amati VCT plc, and for the allocation of £2 million of New Ordinary Shares under the Dividend Re-investment Scheme.

Amati VCT plc has agreed pursuant to the agreement that it will pay all costs of the Offers, including all advisers’ fees and all initial commissions payable to financial intermediaries. If funds raised under the Offers are insufficient to cover these costs in full, half of any deficit will be paid by the Manager. The Manager has agreed to pay any trail commissions payable to financial intermediaries. The Manager will not receive a fee in relation to the Offers under the agreement. In addition, Amati VCT plc has given the Manager and Howard Kennedy LLP warranties in relation to Amati VCT plc and the Offers, and has given the Manager and Howard Kennedy LLP an indemnity in respect of any loss suffered in their respective roles in relation to the Offers (other than loss which arises as a result of their negligence, wilful default or their failure to comply with statutory requirements or their obligations under the agreement), all of which are customary provisions in an agreement of this nature. The 2011 Facilitation Agreement may be terminated by either Amati VCT plc or the Manager upon the material breach by the other of any of the warranties, or the breach of their obligations contained within the agreement.

- x. The Companies and the Manager have entered into a costs agreement (the “Costs Agreement”) whereby they have agreed:
 - (i) The costs of the Offers (excluding any rebates) estimated at £231,393 will be shared and paid equally between the Companies;
 - (ii) if at the close of the Offers both Companies show a Deficit, an adjustment payment will be made between the Companies such that (1) this Deficit is equalised, and (2) the Manager pays half of the Deficit to each Company;
 - (iii) if at the close of the Offers one Company is showing a Deficit and the other one is showing a surplus, then the adjustment payment will be (1) the lesser of an amount which results in both Companies having the same deficit (and the Manager pays half of the Deficit to each Company), or (2) an amount which reduces both Companies’ Deficit to zero.

8. MISCELLANEOUS

- 8.1 The total expenses payable by Amati VCT plc in connection with the Offers (assuming the Offers are fully subscribed) are expected to be around £115,696 (including amounts paid by way of fees and irrecoverable VAT where applicable, but excluding commissions and rebates). If the maximum of £15m is raised by the respective VCTs, the net proceeds of the Offers will amount to £14,419,188 (assuming a NAV per Ordinary Share of 70.56p as at 24 January 2013, an Offer Price of 74.28p per New Ordinary Share, that the Offer is fully subscribed, that all subscriptions qualify for a rebate of 3% and 20% of the subscriptions qualify for a further 1% rebate in the “early bird” offer and that none of the subscriptions come through the ESBRFs). The net proceeds will be applied in accordance with Amati VCT plc’s investment policy. The Directors reserve the right to negotiate bespoke commission arrangements with particular distributors where they believe it is in the interests of Amati VCT plc to do so, anticipated not to exceed 3.5% in respect of initial commission.
- 8.2 The principal place of business and registered office of Amati VCT plc is at Thistle House, 21 Thistle Street, Edinburgh EH2 1DF (telephone number: 0131 243 7210). Amati VCT plc does not have, nor has it had since its incorporation, any subsidiaries, subsidiary undertakings or employees and it neither owns nor occupies any premises.

- 8.3 Amati VCT plc is not regulated to conduct investment business under the Financial Services and Markets Act 2000, nor authorised by the FSA.
- 8.4 DTR 5 of the Disclosure and Transparency Rules requires a Shareholder to notify Amati VCT plc of the percentage of its shares he holds if such percentage reaches, exceeds or falls below 3%, or subsequent 1% thresholds. Amati VCT plc will make such information public through a Regulatory News Service.
- 8.5 Amati Global Investors is the manager of Amati VCT plc. The principal place of business and registered office of Amati Global Investors is at 18 Charlotte Square, Edinburgh EH2 4DF (telephone number: 0131 503 9100). The Manager is regulated to conduct investment business under the Financial Services and Markets Act 2000, and is authorised by the FSA.
- 8.6 Where information set out in this document has been sourced from a third party the source has been identified at the relevant place in the document and Amati VCT plc confirms that this information has been accurately reproduced and, as far as Amati VCT plc is aware and able to ascertain from information published by the relevant third parties, no facts have been omitted which would render the reproduced information inaccurate or misleading.
- 8.7 The Manager, SPARK Advisory Partners Limited as sponsor, and Nimmo W.S. have given and not withdrawn their consent to the issue of the Prospectus with references to their names in the form and context in which such references appear.
- The Manager, Amati Global Investors, accepts responsibility for the information contained in the Summary, Risk Factors, Part I and Part VII of the Prospectus.
- The Manager declares, having taken all reasonable care to ensure that such is the case, the information contained in the Summary, Risk Factors, Part I and Part VII of the Prospectus, to the best of their knowledge, is in accordance with the facts and does not omit anything likely to affect the import of such information.
- 8.8 Amati VCT plc's registrar is Computershare Investor Services PLC.
- 8.9 There is no, and since its incorporation there has been no, governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which Amati VCT plc is aware), which may have, or have had in the recent past, significant effects on Amati VCT plc's financial position or profitability.
- 8.10 None of Amati VCT plc's capital is under option, nor are there any conditional or unconditional agreements for any of the Amati VCT plc's capital to be put under option.
- 8.11 Save in respect of the Offers, none of the New Ordinary Shares has been marketed or is available in whole or in part to the public in conjunction with the application for the New Ordinary Shares to be admitted to the Official List.
- 8.12 Dependent on the level of subscription in the Offers, the Directors believe that the Offer may constitute a significant gross change in Amati VCT.
- Broadly speaking if the Offer is fully subscribed a significant gross change will have occurred. Indeed if the cumulative level of subscription exceeds 25% of the NAV of Amati VCT plc as at the date of this document (which, if calculated using the NAV per Ordinary Share of 70.56p as at 24 January 2013, would be £8,156,710 at the date of this document), the Offers will constitute a significant gross change in Amati VCT plc by increasing the net assets of Amati VCT plc by the amount of the net funds raised under the Offers. An increase in net assets could have certain consequences, potentially including a reduction in the annual expense ratio of Amati VCT plc, increasing the size and range of investments which Amati VCT plc could undertake and increasing the number of investments Amati VCT plc would be required to make in order to meet the VCT eligibility rules. The effects of the Offers on the earnings of the holders of Ordinary Shares is expected to be positive since the fixed costs of operating Amati VCT plc will be spread over a larger asset base, thereby reducing the running cost per Ordinary Share.
- 8.13 None of Amati VCT plc's service providers has any conflict, or potential conflict, as between their duty to Amati VCT plc and duties owed by them to third parties and other interests.
- 8.14 Each Company and their respective Directors consent to the use of the Prospectus, and accept responsibility for the content of the Prospectus, with respect to subsequent resale or final placement of Shares by financial intermediaries. The offer period within which subsequent resale or final

placement of Shares by financial intermediaries can be made and for which consent to use the Prospectus is given is from the date of the Prospectus until 23 January 2014. There are no conditions attaching to this consent. The Prospectus can only be used within the United Kingdom.

Financial intermediaries must give investors information on the terms and conditions of the Offer at the time the Offer is made to them by the financial intermediary.

9. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection at the offices of SPARK Advisory Partners Limited, 33 Glasshouse Street, London W1B 5DG during business hours on any weekday from the date of this document (Saturdays and public holidays excepted) for as long as this Prospectus remains valid:

- 9.1 the memorandum and articles of association of Amati VCT plc;
- 9.2 the audited accounts for the periods ended 28 February 2010, 28 February 2011 and 29 February 2012 and the unaudited half-yearly accounts for the six months ended 31 August 2012; and
- 9.3 this document comprising the Prospectus.

A number of dates are used in this document as far as the financial information of the Companies are concerned including, principally, 31 December 2012, 3 January 2013, 24 January 2013 and 4 or 5 February 2013. These dates have been chosen in order to try and provide as up to date a picture as reasonably practicable of the Companies as at the date of this document combined with the requirement to process and check the relevant data.

B. AMATI VCT 2 PLC

1. INCORPORATION AND ADMINISTRATION

- 1.1 Amati VCT 2 plc was incorporated and registered in England and Wales on 10 January 2001 with limited liability as a public limited company under the Companies Act 1985 with the name Singer & Friedlander AIM 3 VCT plc and with registered number 04138683. On 29 January 2001, the Company gave notice to the Registrar of Companies of its intention to carry on business as an investment company under section 266 of the Companies Act 1985. The company revoked this status on 22 August 2006. The company changed its name to ViCTory VCT PLC on 16 June 2009. The company changed its name to Amati VCT 2 plc on 9 November 2011. VCTs are unregulated but are required to manage their affairs to obtain and maintain approval as a VCT under the provisions of section 274 of ITA. Amati VCT 2 plc operates, and the New Ordinary Shares will be created, under the 2006 Act and the regulations made under the 2006 Act. Amati VCT 2 plc's principal object is to carry on the business of a holding company, a VCT and an investment company. The objects of Amati VCT 2 plc are set out in article 3.2 of its articles of association, a copy of which is available for inspection at the address set out in section 9 below.
- 1.2 Amati VCT 2 plc was issued with a certificate of entitlement to do business and to borrow under section 117 of the 1985 Act by the Registrar of Companies on 16 January 2001.

2. SHARE CAPITAL

- 2.1 As at 5 February 2013 (being the latest practicable date prior to the publication of this document), the issued share capital of Amati VCT 2 plc was as follows:

Issued and fully paid

No. of shares	Nominal value £
27,289,574	£1,364,479

All the Ordinary Shares are listed on the premium segment of the Official List of the UK Listing Authority.

- 2.2 Following adoption of the current articles of association Amati VCT 2 plc has removed the requirement for authorised share capital.

2.3 Shareholders at the Annual General Meeting held on 14 June 2012 passed the following resolutions:

That, in substitution for existing authorities, the Company is empowered to make one or more market purchases within the meaning of Section 701 of the 2006 Act, of Ordinary Shares (either for cancellation or for retention of treasury shares for future re-issue or transfer) provided that:

- (i) the maximum aggregate number of Ordinary Shares authorised to be purchased is 4,185,828 being approximately 14.99% of the issued ordinary share capital of the Company as at 3 May 2012;
- (ii) the minimum price which may be paid per Ordinary Share is 5p per share, the nominal amount thereof;
- (iii) the maximum price (exclusive of expenses) which may be paid for an Ordinary Share is an amount equal to 105% of the middle market quotations for an Ordinary Share on the London Stock Exchange Daily Official List for the five business days immediately preceding the day on which that Ordinary Share is purchased,
- (iv) the authority hereby conferred shall (unless previously renewed, varied or revoked) expire on the earlier of the annual general meeting of the Company to be held in 2013 and the date which is 15 months after the date on which this Resolution is passed; and
- (v) the Company may make a contract or contracts to purchase its own Ordinary Shares under this authority before the expiry of the authority which will or may be executed wholly or partly after the expiry of this authority, and the Company may make a purchase in pursuance of any such contract.

2.4 Immediately following the Offers, the issued share capital of Amati VCT 2 plc will be as follows (assuming that the Offers are subscribed in full):

	Authorised No.	Nominal Value	Issued No.*	Nominal value*
Ordinary Shares	N/A	N/A	41,064,267	£2,053,213

*Assuming a NAV per Ordinary Share of 106.76p as at 24 January 2013, an Offer Price of 112.38p per New Ordinary Share, that all subscriptions qualify for a rebate of 3%, 20% of the subscriptions qualify for a further 1% rebate in the "early bird" offer and none of the subscriptions come through the ESBREFs.

2.5 There have been the following changes to the issued share capital of Amati VCT 2 since 31 July 2012:

Date	No. of Shares Allotted	No. of Shares Bought Back	Cumulative Total
10/08/2012		40,938	27,695,514
17/08/2012		10,495	27,685,019
24/08/2012		35,228	27,649,791
31/08/2012		8,038	27,641,753
07/09/2012		231,884	27,409,869
10/09/2012	221,459		27,631,328
28/09/2012		31,514	27,599,814
10/10/2012		75,406	27,524,408
19/10/2012		2,927	27,521,481
26/10/2012	20,440		27,541,921
02/11/2012		15,200	27,526,721
09/11/2012		9,353	27,517,368
16/11/2012		32,021	27,485,347
23/11/2012		46,150	27,439,197
30/11/2012		12,039	27,427,158
14/12/2012		35,144	27,392,014
24/12/2012		31,642	27,360,372

11/01/2013	23,489	27,336,883
21/01/2013	24,773	27,312,110
25/01/2013	22,536	27,289,574

2.6 Save as disclosed in this paragraph 2:

- i. no share or loan capital of Amati VCT 2 plc has been issued or agreed to be issued, or is now proposed to be issued, for cash or any other consideration, and no commissions, discounts, brokerages or other special terms have been granted by Amati VCT 2 plc in connection with the issue or sale of any such capital; and
- ii. other than as set out in paragraph 7 (b) below, no share or loan capital of Amati VCT 2 plc is under option or has been agreed, conditionally or unconditionally, to be put under option, nor does Amati VCT 2 plc hold any Ordinary Shares in treasury.

2.7 The provisions of Section 570 of the 2006 Act (which, to the extent not disapplied pursuant to Section 561 (1) of such Act, confer on the holders of Ordinary Shares rights of pre-emption in respect of the allotment of equity securities which are, or are to be, paid up in cash) apply to the authorised but unissued share capital of Amati VCT 2 plc except to the extent disapplied by Amati VCT 2 plc in general meeting. Subject to the provisions of the 2006 Act relating to authority, pre-emption rights and otherwise and of any resolution of Amati VCT 2 plc in general meeting passed pursuant thereto, all unissued shares shall be at the disposal of the Directors and they may allot (with or without conferring a right of renunciation), grant options over or otherwise dispose of them to such persons, at such times and on such terms as they think proper.

2.8 Subject to any special rights or restrictions attaching to any shares or any class of shares issued by Amati VCT 2 plc in the future, the holders of fully paid Ordinary Shares are entitled *pari passu* amongst themselves, but in proportion to the number of Ordinary Shares held by them, to share in the whole of the profits of Amati VCT 2 plc paid out as dividends and the whole of any surplus in the event of the liquidation of Amati VCT 2 plc. Although New Ordinary Shares (like Existing Ordinary Shares) will form part of separate “pools” for performance incentive purposes (see paragraph 1.1 (The Offers) on page 61), there will be no difference in economic interests between Ordinary Shares that form one pool from those of another. New Ordinary Shares issued will rank *pari passu* in respect of any dividends declared with a record date after the date of issue.

3. ARTICLES OF ASSOCIATION

The Articles provide that Amati VCT 2 plc’s principal object is to carry on the business of a holding company, a VCT and an investment company. The objects of Amati VCT 2 plc are set out in full in article 3.2 of the Articles which are available for inspection at the address specified in paragraph 8 below.

The Articles, contain, *inter alia*, provisions to the following effect:

3.1 Dividends

Amati VCT 2 plc may in general meeting by ordinary resolution declare dividends in accordance with the respective rights of the members, provided that no dividend shall be payable in excess of the amount recommended by the Directors. The Directors may pay such interim dividends as appear to them to be justified. No dividend or other monies payable in respect of a share shall bear interest as against Amati VCT 2 plc. All dividends unclaimed for a period of twelve years after being declared or becoming due for payment shall be forfeited and shall revert to Amati VCT 2 plc.

3.2 Voting

Subject to any disenfranchisement as provided in the Articles and subject to any special terms as to voting on which any shares may be issued, on a show of hands every member present in person (or, being a corporation present by a duly authorised representative) shall have one vote and, on a poll, every member present in person or by proxy shall have one vote for every share of which he is the holder.

3.3 General Meetings

An annual general meeting shall be held once a year (and specified as such in the notice

convening the meeting) at such time and place as may be determined by the Directors. An annual general meeting and any general meeting at which it is proposed to pass a special resolution or (except as provided by statute) a resolution of which special notice has been given to Amati VCT 2 plc, shall be called by at least 21 clear days' notice in writing. Any other general meeting shall be called by at least 14 clear days' notice given by Amati VCT 2 plc. Notice shall be given to all members, other than those who are not entitled under the Articles to receive notice. Every notice calling a general meeting shall specify the place, day and time of the meeting. Every notice must include a prominent statement that a member entitled to attend and vote is entitled to appoint a proxy or proxies to attend and, on a poll, vote instead of him and that a proxy need not be a member of Amati VCT 2 plc.

3.4 Variation of rights

Whenever the capital of Amati VCT 2 plc is divided into different classes of shares, the rights attached to any class may (unless otherwise provided by the terms of issue of that class) be varied or abrogated either with the consent in writing of the holders of three-quarters in nominal amount of the issued shares of the class or with the sanction of a special resolution passed at a separate general meeting of such holders.

3.5 Borrowing powers

The Directors may exercise all the powers of Amati VCT 2 plc to borrow money and to mortgage or charge its undertaking, property and assets and uncalled capital. The Directors shall restrict the borrowings of Amati VCT 2 plc and, by the exercise of Amati VCT 2 plc's voting and other rights or powers of control over its subsidiary undertakings (if any), secure that they restrict their borrowings, so that the aggregate amount at any time outstanding in respect of money borrowed by the group, being Amati VCT 2 plc and its subsidiary undertakings for the time being, shall not, without the previous sanction of an ordinary resolution of Amati VCT 2 plc, exceed the amount standing to the credit of the reserves of Amati VCT 2 plc (all as shown by the latest published audited balance sheet of the Company) subject to certain adjustments and deductions as set out in the Articles.

3.6 Alteration of capital

Without prejudice to any rights attached to any existing shares, any shares may be issued with such rights or conditions as Amati VCT 2 plc may by ordinary resolution determine or, in the absence of such determination, as the Directors may determine. Subject to the 2006 Act, Amati VCT 2 plc may issue shares which are, or at the option of Amati VCT 2 plc or the holder are, liable to be redeemed. Amati VCT 2 plc may by ordinary resolution increase its share capital, consolidate and divide all or any of its share capital into shares of a larger amount, sub-divide its shares or any of them into shares of smaller amounts, cancel or reduce the nominal value of any shares which have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount so cancelled or the amount of the reduction. Subject to the 2006 Acts, Amati VCT 2 plc may by special resolution reduce its share capital, any capital redemption reserve and any share premium account and may also, subject to the 2006 Acts, purchase its own shares (excluding any redeemable shares).

3.7 Transfer of shares

All transfers of shares must be effected by a transfer in writing in any usual form or any other form approved by the Directors. The instrument of transfer of a share shall be executed by or on behalf of the transferor and, in the case of a partly paid share, by or on behalf of the transferee. The Directors may refuse to register any transfer of a partly paid share, provided that such refusal does not prevent dealings taking place on an open and proper basis, and may also refuse to register any instrument of transfer unless:

- 3.7.1 it is duly stamped (if so required), is lodged with Amati VCT 2 plc's registrars or at such other place as the Directors may appoint and is accompanied by the certificate for the shares to which it relates and such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer,
- 3.7.2 it is in respect of only one class of share; and in the case of a transfer of joint holders the transferees do not exceed four in number.

3.8 Disclosure of interests in Shares and restrictions on Shares

If any member or other person appearing to be interested in shares of Amati VCT 2 plc is in default in supplying within 14 days after the date of service of a notice requiring such member or other person to supply to Amati VCT 2 plc in writing all or any such information as is referred to in section 793 of the 2006 Act, the Directors may, for such period as the default shall continue, impose restrictions upon the relevant shares. The restrictions available are the suspension of voting and rights of attendance at meetings of Amati VCT 2 plc in respect of the relevant shares and, additionally, in the case of a shareholder representing at least 0.25% by nominal value of any class of shares of Amati VCT 2 plc then in issue, the withholding of payment of any dividends on and the restriction of transfer of the relevant shares.

3.9 Directors' interest

3.9.1 A Director who is in any way, directly or indirectly, interested in any transaction or arrangement with Amati VCT 2 plc shall, at a meeting of the Directors, declare, in accordance with the 2006 Acts, the nature of his interest.

3.9.2 Provided that he has declared his interest in accordance with the Articles a Director may be a party to or otherwise interested in any transaction or arrangement with Amati VCT 2 plc or in which Amati VCT 2 plc is otherwise interested and may be a director or other officer of or otherwise interested in any body corporate promoted by Amati VCT 2 plc or in which the Company is otherwise interested. No Director so interested shall be accountable to the Company, by reason of his being a Director, for any benefit or remuneration which he derives from such office, interest, any such action or arrangement.

3.9.3 A Director shall not vote at a meeting of the Directors in respect of a matter in which he has any direct/indirect interest otherwise than by virtue of his interest in shares, debentures or other securities of, or otherwise in or through, Amati VCT 2 plc unless the Director has made a declaration disclosing the nature and extent of such interests and has obtained from the other Directors their authorisation for the above in accordance with the provisions of the statutes, and unless his interest arises only because the case falls within one or more of the following paragraphs:

- (a) the giving to him of any guarantee, security or indemnity in respect of money lent or an obligation incurred by him at the request of or for the benefit of the Company or any of its subsidiary undertakings;
- (b) the giving to a third party of any guarantee, security or indemnity in respect of a debt or an obligation of Amati VCT 2 plc or any of its subsidiary undertakings for which he has assumed responsibility in whole or in part under a guarantee or indemnity or by the giving of security; any proposal concerning the subscription by him of shares, debentures or other securities of Amati VCT 2 plc or any of its subsidiary undertakings or by virtue of his participating in the underwriting or sub-underwriting of an offer of such shares, debentures or other securities for subscription, purchase or exchange;
- (c) any proposal concerning any other company in which he is interested, directly or indirectly, whether as an officer or shareholder or otherwise, provided that he and any persons connected with him do not to his knowledge hold an interest in shares representing 1% or more of any class of the equity share capital of such company or of the voting rights available to members of the relevant company;
- (d) any proposal relating to an arrangement for the benefit of the employees of Amati VCT 2 plc or any subsidiary undertaking which does not award to any Director as such any privilege or advantage not generally awarded to the employees to whom such arrangement relates;
- (e) any proposal concerning insurance which Amati VCT 2 plc proposes to maintain or purchase for the benefit of directors of Amati VCT 2 plc or for the benefit of persons including directors of Amati VCT 2 plc.

Where proposals are under consideration concerning the appointment of two or more Directors to offices or employment with Amati VCT 2 plc or any company in which Amati VCT 2 plc is interested the proposals may be divided and considered in relation to each Director separately and (if not otherwise precluded from voting) each of the Directors

concerned shall be entitled to vote and be counted in the quorum in respect of each resolution except that concerning his own appointment.

3.10 Retirement of Directors

At the annual general meeting of Amati VCT 2 plc next following the appointment of a Director he shall retire from office. A Director shall also retire from office at or before the third annual general meeting following the annual general meeting at which he last retired and was re-elected. A retiring Director shall be eligible for re-election. A Director shall be capable of being appointed or reappointed a Director.

3.11 Remuneration of directors

The ordinary remuneration of the Directors (other than an executive director appointed under the Articles) shall be such amount as the Directors shall from time to time determine (provided that unless otherwise approved by Amati VCT 2 plc in general meeting, the aggregate of the ordinary remuneration of such Directors shall not exceed £90,000 per annum). The Directors shall also be paid by Amati VCT 2 plc all travelling, hotel and other expenses they may incur in attending meetings of the Directors or general meetings or otherwise in connection with the discharge of their duties. Any Director who, by request of the Directors, performs special services or goes or resides abroad for any purposes of Amati VCT 2 plc may be paid such extra remuneration as the Directors may determine.

The emoluments and benefits of any executive director for his services as such shall be determined by the Directors and may be of any description, including membership of any pension or life assurance scheme for employees or their dependants or, apart from membership of any such scheme, the payment of a pension or other benefits to him or his dependant on or after retirement or death.

3.12 Distribution of realised capital profits

Amati VCT 2 plc may, after the recommendation by the Board, resolve by ordinary resolution that it is desirable to capitalise all or any part of the profits of the Company.

At any time when Amati VCT 2 plc has given notice in the prescribed form (which has not been revoked) to the Registrar of Companies of its intention to carry on business as an investment company (a "Relevant Period"), distribution of Amati VCT 2 plc's capital profits (within the meaning of section 833 of the 2006 Act) shall be prohibited. The Board shall establish a reserve to be called the capital reserve. During a Relevant Period, all surpluses arising from the realisation or revaluation of investments and all other monies realised on or derived from the realisation, payment or other dealing with any capital asset in excess of the book value thereof and all other monies which are considered by the Board to be in the nature of accretion to capital shall be credited to the capital reserve. Subject to the 2006 Act, the Board may determine whether any amount received by Amati VCT 2 plc is to be dealt with as income or capital or partly one way and partly the other. During a Relevant Period, any loss realised on the realisation or payment or other dealing with any investments or other capital assets and, subject to the 2006 Act, any expenses, loss or liability (or provision therefor) which the Board considers to relate to capital or which the Board otherwise considers appropriate to be debited to the capital reserve shall be carried to the debit of the capital reserve. During a Relevant Period, all sums carried and standing to the credit of the capital reserve may be applied for any of the purposes for which sums standing to any revenue reserve are applicable except and provided that during a Relevant Period no part of the capital reserve or any other money in the nature of accretion to capital shall be transferred to the revenue reserves of Amati VCT 2 plc or be regarded or treated as profits of Amati VCT 2 plc available for distribution (as defined by section 829 of the 2006 Act) except to the extent that the requirements for investment company status under the 2006 Act do not require a company to prohibit the distribution of capital profits in its articles of association or be applied in paying dividends on any shares in Amati VCT 2 plc. In periods other than a Relevant Period any amount standing to the credit of the capital reserve may be transferred to the revenue reserves of the Company or be regarded or treated as profits of Amati VCT 2 plc available for distribution (as defined by section 829 of the 2006 Act) or be applied in paying distributions on any shares in Amati VCT 2 plc.

3.13 Duration and winding-up

The Articles contain provisions requiring the Board to propose an ordinary resolution at the annual general meeting of Amati VCT 2 plc to be held in 2018 and at the annual general meetings at five year intervals thereafter, proposing that Amati VCT 2 plc shall continue in being as a VCT. If such resolution is not passed, the Board shall within nine months of such meeting convene a general meeting where two special resolutions shall be proposed: 1) a special resolution for the reorganisation or reconstruction of Amati VCT 2 plc; and if such resolution is not passed, 2) a special resolution requiring the VCT to be wound up voluntarily. If neither resolution is passed, the Company shall continue as a venture capital trust.

4. DIRECTORS', MANAGERS' AND OTHER INTERESTS IN AMATI VCT 2 PLC

- 4.1 Amati VCT 2 plc is not aware of any person, not being a member of its administrative, management or supervisory bodies, who, as at the date of this document, is directly interested in 3% or more of the issued share capital of Amati VCT 2 plc and is required to notify such interest in accordance with the DTR.
- 4.2 The number of Ordinary Shares (all of which are held beneficially) held by the Directors and their respective immediate families as at 5 February 2013 (the latest practicable date prior to publication of this document) are set out below, together with the number of Ordinary Shares currently intended to be held following the Offers (providing such applications are met in full) all of which beneficially owned by them are:

	Before the Offers		Following the Offers*	
	No. of Ordinary Shares	% of issued share capital	No. of Ordinary Shares	% of issued share capital
Directors				
Julian Avery	63,752	0.23%	72,917	0.18%
Mike Killingley	36,151	0.13%	45,316	0.11%
Christopher Macdonald	27,409	0.10%	36,574	0.09%
Christopher Moorsom	37,680	0.14%	37,680	0.09%

*Assuming a NAV per Ordinary Share of 106.76p as at 24 January 2013, an Offer Price of 112.38p per New Ordinary Share, that the Offer is fully subscribed, that all subscriptions qualify for a rebate of 3% and 20% of the subscriptions qualify for a further 1% rebate in the "early bird" offer and that none of the subscriptions come through the ESBFRs.

- 4.3 Each of the Directors has entered into a letter of appointment with the Company, a copy of which is available for inspection at the address set out in paragraph 9 of this Part VIII below, for the provision of their services as directors for the fees disclosed in paragraph 4.7 below. These agreements entered into between the Company and James Hambro, Christopher Moorsom, David Page and Michael Killingley took effect from 29 February 2000, 13 June 2003, 1 August 2004 and 22 February 2006 respectively. James Hambro and David Page resigned as directors on 8 November 2011. Julian Avery and Christopher Macdonald were appointed as directors on 8 November 2011. Amati VCT 2 entered into letters of appointment with Julian Avery and Christopher Macdonald on 29 September 2011. The agreements are terminable by either party as prescribed by law and/or the Articles. There are no commission or profit sharing arrangements and no compensation is payable on termination of the agreements. No amounts have been put aside to provide pensions, retirement or similar benefits to any Directors. Save as disclosed in this paragraph, none of the Directors has entered into any service contract with the Company.
- 4.4 None of the Directors has or has had any interest in any transaction which is or was unusual in its nature or conditions or which is or was significant to the business of Amati VCT 2 plc and which was effected by Amati VCT 2 plc since its incorporation and which remains in any respect outstanding or unperformed.
- 4.5 For each of the three financial periods ending 31 January 2010, 31 January 2011 and 31 January 2012 and for the current financial period up to the date of this document, Amati VCT 2 plc has not entered into any related party transactions for the purposes of Regulation (EC) No. 1606/2002 other than the contracts referred to in paragraphs 7 (b), (c), (d), (e) and (f) below.
- 4.6 No loan or guarantee has been granted or provided by Amati VCT 2 plc to or for the benefit of any Director.

- 4.7 It is estimated that the aggregate amount to be paid to the Directors for the financial year ending 31 January 2013 under the arrangements in force at the date of this document will not exceed £70,000 (plus out of pocket expenses). During the financial year ended 31 January 2012 the Directors received the following remuneration (including any contingent or deferred compensation, and benefits in kind granted by Amati VCT 2 for services in all capacities to Amati VCT 2) (plus out of pocket expenses):

Julian Avery	£5,100
Mike Killingley	£15,500
Christopher Macdonald	£3,400
Christopher Moorsom	£17,300
Jamie Hambro (resigned 8 November 2011)	£11,500 (donated to charity)
David Page (resigned 8 November 2011)	£11,500
Total	£64,300

No amounts have been set aside or accrued by Amati VCT 2 to provide pension, retirement or similar benefits.

- 4.8 Insofar as is known to Amati VCT 2 plc, as at 5 February 2013 (the latest practicable date prior to the publication of the document), there is no party who is interested, directly or indirectly in 3% or more of the capital of Amati VCT 2 plc. Amati VCT 2 plc is not aware, as at 5 February 2013 (the latest practicable date prior to the publication of the document), of any person who can, will or could, directly or indirectly, jointly or severally, exercise control over Amati VCT 2 plc or any arrangement, the operation of which may at a subsequent date result in a change of control of Amati VCT 2 plc. All Shareholders have the same voting rights.
- 4.9 Amati VCT 2 plc has directors' and officers' liability insurance for the protection of the Directors, renewable on an annual basis.
- 4.10 The current directorships and partnerships and the directorships and partnerships of the Directors during the last five years are listed below:

Director	Current directorships/ partnerships	Past directorships/ partnerships
Christopher Moorsom	Amati VCT 2 plc Bath Building Society Royal Welsh College of Music and Drama	Chepstow Races Limited Northern Races Limited Bath Racecourse Company Limited Singer & Friedlander AIM 3 VCT Limited
Michael Killingley	Amati VCT 2 plc Falkland Islands Holdings PLC The Portsmouth Harbour Ferry Company Limited University of Southampton Holdings Limited	JE Beale plc Beale plc Singer & Friedlander AIM 3 VCT Limited
Julian Avery	Amati VCT 2 plc Charles Taylor plc EIG (Acquisitions) Limited EIG (Investments) Limited Fenchurch Partners LLP St Michaels Hospice (Trading) Limited St Michaels Hospice Lottery Limited St. Michael's Hospice (Hastings and Rother) Limited	Aspen Insurance Holdings Limited EIG (Finance) Limited IAG UK Holdings The High Sheriffs' Association of England & Wales Rye Golf Club Company Limited ViCTory VCT plc (formerly known as Invesco Perpetual AiM VCT plc)
Christopher Macdonald	Amati VCT 2 plc Braemar Group Limited Brooks Macdonald Asset Management (Tunbridge Wells) Limited Brooks Macdonald Asset	Moulsford Preparatory School Trust Limited ViCTory VCT plc (formerly known as Invesco Perpetual AiM VCT plc) Plastic Propaganda Limited

Management Limited
 Brooks Macdonald Financial
 Consulting Limited
 Brooks Macdonald Funds Limited
 Brooks Macdonald Group PLC
 Brooks Macdonald Nominees Limited
 Brooks Macdonald Tax Services Limited
 Brooks Macdonald Asset Management
 (International) Limited
 Brooks Macdonald Retirement Services
 (International) Limited

- 4.11 As at 5 February 2013, Amati VCT 2 plc held 90,000 shares in Brooks Macdonald Group plc (“Brooks”), an AIM traded company, of which Mr Christopher Macdonald is chief executive officer. As at 5 February 2013 Mr Macdonald held 827,889 shares in Brooks in his own name in addition to 985 options in the share save scheme and 16,002 deferred shares under the long term incentive scheme and employee benefit trust in the same company.

As at 5 February 2013 Amati VCT 2 plc held 2,730,000 shares in Asian Citrus Holdings Limited (“Citrus”). At the same date Paul Jourdan held 160,000 shares in Citrus and Douglas Lawson held 8,108 shares.

As at 5 February 2013, Amati VCT 2 plc held 1,032,711 shares and 953,272 convertible loan stock units in Polyhedra Group plc, an unlisted company, of which Douglas Lawson is a non-executive director. At the same date, Amati VCT 2 plc held 2,260,000 shares and 508,300 convertible loan stock units in Fox Marble Holdings plc, an AIM traded company of which Paul Jourdan is a non-executive director.

Save as disclosed in this paragraph 4 there is no conflict of interest between Amati VCT 2 plc, the duties of the Directors, the directors of the Manager and their private interests and other duties.

- 4.12 No Director has any convictions in relation to fraudulent offences during the previous five years.
- 4.13 Save as disclosed above, there were no bankruptcies, receiverships or liquidations of any companies or partnerships where any of the Directors were acting as (i) a member of the administrative, management or supervisory body, (ii) a partner with unlimited liability, in the case of a limited partnership with a share capital, (iii) a founder where Amati VCT 2 plc had been established for fewer than five years or (iv) a senior manager during the previous five years.
- 4.14 There has been no official public incrimination and/or sanction of any Director by statutory or regulatory authorities (including designated professional bodies) and no Director has ever been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of a company or from acting in the management or conduct of the affairs of any company during the previous five years.

4.15 **The Audit Committee**

The Audit Committee comprises each member of the Board, other than Julian Avery who is not a member of the Audit Committee, and over which Michael Killingley presides as Chairman. Although Julian Avery is not a member of the Audit Committee, he is invited to attend Audit Committee meetings.

The Audit Committee monitors the integrity of Amati VCT 2 plc’s financial statements and any formal announcements relating to Amati VCT 2 plc’s financial performance. The Committee is responsible for monitoring the effectiveness of the external audit process and making recommendations to the Board in relation to the appointment, reappointment and remuneration of the external auditors. It is also responsible for ensuring that an appropriate relationship between Amati VCT 2 plc and the external auditors is maintained including reviewing non-audit services and fees. The Committee reviews its terms of reference and its effectiveness twice per year and recommends to the Board any changes required as a result of the review and also meets privately with the auditors.

4.16 Managers' Interests in Amati VCT 2 plc

The number of Ordinary Shares (all of which are held beneficially) held by the Manager, certain members of the management team and their respective immediate families as at 5 February 2013 (the latest practicable date prior to publication of this document) are set out below, together with the number of Ordinary Shares currently intended to be held following the Offers (providing such applications are met in full) all of which beneficially owned by them are:

Directors	Before the Offers		Following the Offers*	
	No. of Ordinary Shares	% of issued share capital	No. of Ordinary Shares	% of issued share capital
Paul Jourdan	47,273	0.17%	93,099	0.23%
Douglas Lawson	9,739	0.04%	12,030	0.03%
David Stevenson	-	-	9,165	0.02%

*Assuming a NAV per Ordinary Share of 106.76p as at 24 January 2013, an Offer Price of 112.38p per New Ordinary Share, that the Offer is fully subscribed, that all subscriptions qualify for a rebate of 3% and 20% of the subscriptions qualify for a further 1% rebate in the "early bird" offer and that none of the subscriptions come through the ESBFRs.

5. INVESTMENT POLICY, LISTING REQUIREMENTS AND INVESTMENT RESTRICTIONS

Amati VCT 2 plc's income is derived wholly or mainly from shares or other securities. Amati VCT 2 plc intends to manage its own affairs in respect of each accounting period so as to maintain approval from HMRC as a VCT under the provisions of section 274 of ITA. Accordingly, none of Amati VCT 2 plc's investments, other than in a venture capital trust or a company which would qualify as a venture capital trust if it were listed, will represent more than 15% by value of its investments.

Not more than 20% of Amati VCT 2 plc's gross assets are invested in the securities of property companies, that is, in any companies primarily engaged in property activities which include:

- the holding of properties or the development of properties for letting and retention as investments; or
- the purchase or development of properties for subsequent sale.

It is intended that the following conditions will continue to be met:

- that the Directors, and any investment manager of Amati VCT 2 plc, will have sufficient and satisfactory experience in the management of investments of the type in which Amati VCT 2 plc intends to invest;
- that the Directors of Amati VCT 2 plc will act independently of the investment manager of the investments, and, in particular, a majority of the Board will not be directors or employees of, or former directors or employees of, or professional advisers to such investment manager or any other company in the same group as such investment manager;
- that Amati VCT 2 plc will not control the companies in which it invests in such a way as to render them subsidiary undertakings; and
- that Amati VCT 2 plc will adhere to the restrictions on investments set out in this paragraph 5.

Amati VCT 2 plc is also subject to the investment restrictions in the listing rules of the FSA which specify that:

- Amati VCT 2 plc must, at all times, invest and manage its assets in a way which is consistent with its object of spreading investment risk and in accordance with its published investment policy;
- Amati VCT 2 plc must not conduct any trading activity which is significant in the context of its group as a whole;
- Amati VCT 2 plc may not invest more than 10% in aggregate, of the value of its total assets at the time an investment is made in other listed closed-ended investment funds; and
- any material change to the investment policy of Amati VCT 2 plc will require the approval of Shareholders.

6. OVERSEAS INVESTORS

No person receiving a copy of the Prospectus or a Subscription Form in any territory other than the UK may treat the same as constituting an invitation or offer to him nor should he in any event use such Subscription Form unless, in the relevant territory, such an invitation or offer could be lawfully made to him or such Subscription Form could be lawfully used without contravention of any registration or other legal requirements. It is the responsibility of any person outside the UK wishing to make an application to satisfy himself as to the full observance of the laws of the relevant territory in connection therewith, including obtaining any requisite governmental or other consents, observing any other formalities required to be observed in such territory and paying any issue, transfer or other taxes required to be paid in such territory. No action has been taken to permit the distribution of this document in any jurisdiction outside the UK where such action is required to be taken. All applicants under the Offers will be required to warrant that they are not a US person as defined under the United States Securities Act of 1933 nor a resident of Canada as set out in the terms and conditions of the Offers as set out in the Prospectus.

7. MATERIAL CONTRACTS

Save for the following contracts, as at the date of this document, there were no contracts (being contracts entered into otherwise than in the ordinary course of business) entered into with Amati VCT 2 plc (i) within two years immediately preceding the date of this document which are or may be material or (ii) which contain any provision under which Amati VCT 2 plc has any obligation or entitlement which is material to Amati VCT 2 plc as at the date of this document:

- (a) Each of the Directors has entered into a letter of appointment on the terms described in paragraph 4.3 above.
- (b) A subscription share option agreement relating to ordinary shares dated 6 January 2006 between the Company and Singer & Friedlander Investment Management Limited (“SFIML”) in accordance with the arrangements agreed on the merger of the Company with Singer & Friedlander AIM VCT and Singer & Friedlander AIM2 VCT. The agreement provides that if by the date of payment of the final dividend in respect of the shares for the Company’s accounting year ending 31 January 2013, cumulative dividends declared and paid on each share (by reference to a record date after the merger) exceed a return of 8% (compounded annually) of the net asset value per share, SFIML will be entitled to subscribe at par for such number of additional Shares as shall in aggregate be equal to 15% of shares in the Company as enlarged by such subscriptions. If this target dividend rate is achieved by the payment of dividends in 2014 and 2015 SFIML will be entitled to subscribe for such number of additional shares as shall in aggregate be equal to 12.5% (2014) and 10% (2015) of shares in the Company as enlarged by such subscriptions.

The value of dividends paid since the merger is 28.14p per consolidated Share. In order to exceed the targeted return which triggers the entitlement of SFIML to subscribe for additional Shares, a further 83.76p of dividends would require payment by 31 January 2013. In the audited statutory accounts of the Company for the year ended 31 January 2012 the Directors stated that regardless of performance over this period, the Directors would not sanction this level of dividend within that period and, therefore, do not foresee any circumstances under which the option would crystallise.

- (c) An investment management and administration agreement (the “IMA”) dated 19 March 2010 between Amati VCT 2 plc and the Manager whereby the Manager agreed to manage the investments and other assets of Amati VCT 2 plc on a discretionary basis subject to the overall policy of the Directors. Amati VCT 2 plc will pay to the Manager under the terms of the IMA a quarterly fee of 0.4375% of the net asset value of the Company in arrears (i.e. 1.75% per annum).

The Manager will also be entitled to receive a performance related fee on the achievement of certain performance criteria. The performance fee is calculated at the end of each performance period (each being a period which corresponds to Amati VCT 2’s half yearly financial periods) and becomes payable upon publication of the results of Amati VCT 2 for that performance period. A formula is used in order to arrive at the amount of the total performance fee based on both (i) Amati VCT 2’s starting NAV as at 22 March 2010, in respect of shares in issue on that date, when the Manager took on the management of the portfolio (which NAV is adjusted for the write-downs for unquoted holdings within three months of that date, and also for the share consolidation of November 2011) and being 101.47p per Share (“Starting NAV per Share”), and (ii) in respect of

Shares issued after 22 March 2010, the weighted average subscription price (after deduction of costs) per Share (the “Subscription Price”) of any subsequent allotment of Shares (for instance, under any share offers or under a dividend re-investment scheme).

Returns (“Returns”) are defined by comparing the Starting NAV per Share or the relevant Subscription Price (as the case may be) against the Adjusted NAV per Share at the start of the relevant performance period or the end of the relevant performance period (whichever is the lower). The Adjusted NAV per Share is adjusted to add back any prior dividends or dividends payable in respect of that period, to include any revenue in the relevant performance period and before deduction of any accrual for performance fee in respect of the relevant period. At the date of this document there are six pools and the formula allows for the creation of further pools, referred to as additional pools. The ordinary shares issued under any subsequent share offer will each form separate pools for this purpose.

The principle followed is that no performance fees are payable on the first 20% of Returns from the Starting NAV per Share (i.e. on the first 20.29p, so the minimum threshold for NAV plus dividends paid is 121.76p per share), and that the Returns from each pool are also subject to a hurdle rate test of 8% simple interest. In addition, fees are only paid where the Returns are sustained for at least six months. The fee itself is based on 20% of the Returns per Share in excess of the first 20% of Returns, multiplied by the number of Shares in pools which have passed the 8% hurdle rate, less any previous performance fees paid.

Under the terms of the IMA, the Manager has also agreed to provide certain company secretarial and administrative services to Amati VCT 2 plc. Amati VCT 2 plc agreed to pay to the Manager a fee of £65,000 (subject to an annual increase in line with the retail prices index) annually in arrears in respect of the provision of these services. The appointment of the Manager as investment manager and/or administrator and company secretary may be terminated on one year’s notice.

Where the Manager negotiates and structures an investment directly with a company, most commonly as a convertible loan, the Manager retains the right to charge the investee company a fee. Any legal expenses incurred by the Manager will be paid out of this fee.

- (d) A facilitation agreement dated 28 September 2011 between Amati VCT 2 plc, the Manager and Howard Kennedy LLP in terms of which the Manager has agreed to use all reasonable endeavours to facilitate the subscription for Offer Shares under the Share Offers to raise up to £30 million on behalf of Amati VCT 2 plc, and for the allocation of £2 million of New Shares under the dividend re-investment scheme proposed at that time. Amati VCT 2 plc has agreed pursuant to the agreement that it will pay all costs of the Scheme and the Share Offers, including all advisers’ fees and all initial commissions payable to financial intermediaries. The Manager has agreed to pay any trail commissions payable to financial intermediaries. The Manager will not receive a fee in relation to the Share Offers under the agreement. In addition, Amati VCT 2 plc has given the Manager and Howard Kennedy LLP warranties in relation to Amati VCT 2 plc and the Prospectus, and has given the Manager and Howard Kennedy LLP an indemnity in respect of any loss suffered in their respective roles in relation to the Share Offers or the Scheme (other than loss which arises as a result of their negligence, wilful default or their failure to comply with statutory requirements or their obligations under the agreement), all of which are customary provisions in an agreement of this nature. The facilitation agreement may be terminated by either Amati VCT 2 plc or the Manager upon the material breach by the other of any of the warranties, or the material breach of their obligations contained within the agreement.
- (e) A deed of variation to the IMA dated 28 September 2011 between the Company and the Manager to the effect that, on the Scheme taking effect, the IMA shall be varied (i) to change the performance incentive fee arrangements so that Consideration Shares will be treated as a separate “Pool” for the purposes of those arrangements, and (ii) so that the Manager will cap the annual running costs of the Company at 3.5% of the Company’s net assets, with any excess being met by the Manager by way of a reduction in future management fees. The annual running costs include the Directors’ and Manager’s fees, professional fees and the costs incurred by the Company in the ordinary course of its business (but excluding any commissions paid by the Company in relation to any offers for subscription, any performance fees payable to the Manager, irrecoverable VAT and exceptional costs, including winding-up costs).

- (f) The Companies and the Manager have entered into a costs agreement (the “**Costs Agreement**”) whereby they have agreed:
- (i) the costs of the Offers (which if fully subscribed and excluding any commissions and rebates are estimated at £115,696 each) will be shared and paid equally between the Companies;
 - (ii) if at the close of the Offers one Company is showing a Deficit and the other one is showing a surplus, then the adjustment payment will be (1) the lesser of an amount which results in both Companies having the same Deficit (and the Manager pays half of the deficit to each Company), or (2) an amount which reduces both Companies’ Deficit to zero;
 - (iii) if at the close of the Offers both Companies show a Deficit, an adjustment payment will be made between the Companies such that (1) this Deficit is equalised, and (2) the Manager pays half of the Deficit to each Company.

8. MISCELLANEOUS

- 8.1 The total expenses payable by Amati VCT 2 plc in connection with the Offers (assuming the Offers are fully subscribed) are expected to be around £115,696 (including amounts paid by way of, fees and irrecoverable VAT where applicable, but excluding commissions and rebates). If the maximum of £15m is raised by the respective VCTs, the net proceeds of each Offer will amount to £14,419,181 (assuming a NAV per Ordinary Share of 106.76p as at 24 January 2013, an Offer Price of 112.38p per New Ordinary Share, that the Offer is fully subscribed, that all subscriptions qualify for a rebate of 3% and 20% of the subscriptions qualify for a further 1% rebate in the “early bird” offer and that none of the subscriptions come through the ESBFRs). The net proceeds will be applied in accordance with Amati VCT 2 plc’s investment policy. The Directors reserve the right to negotiate bespoke commission arrangements with particular distributors where they believe it is in the interests of Amati VCT 2 plc to do so, anticipated not to exceed 3.5%, in respect of initial commission. All initial commission is payable by Amati VCT 2 plc and trail commission is to be paid by the Manager.
- 8.2 The principal place of business of Amati VCT 2 plc is at Thistle House, 21 Thistle Street, Edinburgh EH2 1DF. The registered office of Amati VCT 2 plc is 27/28 Eastcastle Street, London W1W 8DH. Amati VCT 2 plc does not have, nor has it had since its incorporation, any subsidiaries, subsidiary undertakings or employees and it neither owns nor occupies any premises except that Amati VCT 2 plc had a subsidiary, Singer & Friedlander AIM 3 VCT Limited which was dissolved on 10 January 2012.
- 8.3 Amati VCT 2 plc is not regulated to conduct investment business under the Financial Services and Markets Act 2000, nor authorised by the FSA.
- 8.4 DTR 5 of the Disclosure and Transparency Rules requires a Shareholder to notify Amati VCT 2 plc of the percentage of its shares he holds if such percentage reaches, exceeds or falls below 3%, or subsequent 1% thresholds. Amati VCT 2 plc will make such information public, through a Regulatory News Service.
- 8.5 Amati Global Investors is the manager of Amati VCT 2 plc. The principal place of business and registered office of Amati Global Investors is at 18 Charlotte Square, Edinburgh EH2 4DF (telephone number: 0131 503 9100). The Manager is regulated to conduct investment business under the Financial Services and Markets Act 2000, and is authorised by the FSA.
- 8.6 Where information set out in this document has been sourced from a third party the source has been identified at the relevant place in the document and Amati VCT 2 plc confirms that this information has been accurately reproduced and, as far as Amati VCT 2 plc is aware and able to ascertain from information published by the relevant third parties, no facts have been omitted which would render the reproduced information inaccurate or misleading.
- 8.7 The Manager, SPARK Advisory Partners Limited, as sponsor, and Nimmo W.S. have given and not withdrawn their consent to the issue of the Prospectus with references to their names in the form and context in which such references appear.

The Manager, Amati Global Investors, accepts responsibility for the information contained in the Summary, Risk Factors, Part I and Part VII of the Prospectus.

The Manager declares, having taken all reasonable care to ensure that such is the case, the information contained in the Summary, Risk Factors, Part I and Part VII of the Prospectus, to the best of their knowledge, is in accordance with the facts and does not omit anything likely to affect the import of such information.

- 8.8 Amati VCT 2 plc's registrar is The City Partnership (UK) Limited.
- 8.9 There is no, and since its incorporation there has been no, governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which Amati VCT 2 plc is aware), which may have, or have had in the recent past, significant effects on Amati VCT 2 plc's financial position or profitability.
- 8.10 None of Amati VCT 2 plc's capital is under option, nor are there any conditional or unconditional agreements for any of Amati VCT 2 plc's capital to be put under option.
- 8.11 Save in respect of the Offers, none of the New Ordinary Shares has been marketed or is available in whole or in part to the public in conjunction with the application for the New Ordinary Shares to be admitted to the Official List.
- 8.12 Dependent on the level of subscription in the Offers, the Directors believe that the Offer may constitute a significant gross change in Amati VCT 2.

Broadly speaking if the Offer is fully subscribed a significant gross change will have occurred. Indeed if the cumulative level of subscription exceeds 25% of the NAV of Amati VCT 2 plc as at the date of this document (which, if calculated using the NAV per Ordinary Share of 106.76p as at 24 January 2013, would be £7,289,362 at the date of this document), the Offers will constitute a significant gross change in Amati VCT 2 plc by increasing the net assets of Amati VCT 2 plc by the amount of the net funds raised under the Offers. An increase in net assets could have certain consequences, potentially including a reduction in the annual expense ratio of Amati VCT 2 plc, increasing the size and range of investments which Amati VCT 2 plc could undertake and increasing the number of investments Amati VCT 2 plc would be required to make in order to meet the VCT eligibility rules. The effects of the Offers on the earnings of the holders of Ordinary Shares is expected to be positive since the fixed costs of operating Amati VCT 2 plc will be spread over a larger asset base, thereby reducing the running cost per Ordinary Share.

- 8.13 None of Amati VCT 2 plc's service providers has any conflict, or potential conflict, as between their duty to Amati VCT 2 plc and duties owed by them to third parties and other interests.
- 8.14 Each Company and their respective Directors consent to the use of the Prospectus, and accept responsibility for the content of the Prospectus, with respect to subsequent resale or final placement of Shares by financial intermediaries. The offer period within which subsequent resale or final placement of Shares by financial intermediaries can be made and for which consent to use the Prospectus is given is from the date of the Prospectus until 23 January 2014. There are no conditions attaching to this consent. The Prospectus can only be used within the United Kingdom.

Financial intermediaries must give investors information on the terms and conditions of the Offer at the time the Offer is made to them by the financial intermediary.

9. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection at the offices of The City Partnership (UK) Limited during business hours on any weekday from the date of this document (Saturdays and public holidays excepted) for as long as this Prospectus remains valid:

- 9.1 the articles of association of Amati VCT 2 plc;
- 9.2 the audited accounts for the periods ended 31 January 2010, 2011 and 2012, and the unaudited half-yearly accounts for the six months ended 31 July 2012;
- 9.3 this document comprising the Prospectus; and
- 9.4 Directors' letters of appointment.

A number of dates are used in this document as far as the financial information of the Companies are concerned including, principally, 31 December 2012, 3 January 2013, 24 January 2013 and 4 or 5 February 2013. These dates have been chosen in order to try and provide as up to date a picture as reasonably practicable of the Companies as at the date of this document combined with the requirement to process and check the relevant data.

6 February 2013

PART IX – NOTICES OF GENERAL MEETINGS

NOTICE OF GENERAL MEETING

Amati VCT plc
(registered in Scotland with registered number SC278722)

Notice is given that a general meeting of Amati VCT plc (the “**Company**”) will be held at Abchurch Communications, 125 Old Broad Street, London EC2N 1AR on 7 March 2013 at 1.00pm for the purpose of considering and, if thought fit, passing the following resolutions of which resolution 1 is an ordinary resolution and resolutions 2 and 3 are special resolutions:

Resolutions

1. That, in substitution for any existing authorities, but without prejudice to the exercise of any such authority prior to the date of the passing of this resolution, the Directors be and hereby are authorised in accordance with section 551 of the Companies Act 2006 (the “2006 Act”), as amended, to exercise all powers of the Company to allot shares of 10p each in the capital of the Company and to grant rights to subscribe for or to convert any security into shares up to an aggregate nominal amount of £3,500,000, provided that the authority conferred by this resolution shall 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, save that the Company may before such expiry make an offer or agreement which would or might require relevant securities to be allotted after such expiry and the board may allot relevant securities in pursuance of such an offer or agreement as if the authority conferred hereby had not expired, and that the terms of the Offer (including the ESBF) and DRIS and in particular the proposed issue price of the new shares issued pursuant to the Offer (including the ESBF) and DRIS as set out in and as such terms are defined in the prospectus and circular sent to shareholders of the Company and dated 6 February 2013 be and are specifically approved.
2. That in substitution for any existing authorities, the Directors be and hereby are empowered pursuant to sections 570 and 573 of the 2006 Act to allot or make offers or agreements to allot equity securities (which expression shall have the meaning ascribed to it in section 560 of the 2006 Act) for cash pursuant to the authority given in accordance with section 551 of the 2006 Act by resolution 1 above as if section 561(1) of the 2006 Act did not apply to such allotments, providing that the power provided by this resolution 2 shall expire on the first anniversary of the date of the passing of this resolution unless renewed, varied or revoked by the Company in general meeting and that such authority be restricted to:
 - a) the issue of shares pursuant to the Offer (including the ESBF) as set out in the prospectus and circular sent to shareholders of the Company and dated 6 February 2013 up to a maximum aggregate subscription amount of £15,000,000 and where the proceeds of such issue may be used in whole or in part to finance the purchase of shares pursuant to resolution 3 below; and
 - b) the issue of shares pursuant to the Dividend Re-investment Scheme as set out in the prospectus and circular sent to shareholders of the Company and dated 6 February 2013 up to a maximum aggregate subscription amount of £2,000,000.
3. That the Company be and hereby is empowered to make one or more market purchases within the meaning of Section 701 of the 2006 Act of its own shares for cancellation, including under the ESBF as defined in and on the terms set out in the prospectus and circular sent to shareholders of the Company and dated 6 February 2013, provided in each case that:
 - a) the maximum aggregate number of shares authorised to be purchased is such number of shares equal to 24.99% of the issued share capital of the Company as at the date of passing of this resolution;
 - b) the minimum price which may be paid per share is its nominal value (10p);
 - c) the maximum price which may be paid per share is an amount equal to 105% of the average of the middle market quotation of such share taken from the London Stock Exchange Daily Official List for the five business days immediately preceding the day on which that share is to be purchased;
 - d) the authority hereby conferred by this resolution 3 shall expire on the earlier of (i) the conclusion of the next annual general meeting of the Company and (ii) the expiry of 18 months following the passing of this resolution unless such authority is renewed prior to such time; and

- e) 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 pursuant to any such contract or contracts.

By order of the board

.....
Director/Secretary

Registered office:

Amati VCT plc,
c/o The City Partnership (UK) Limited,
Thistle House,
21 Thistle Street,
Edinburgh EH2 1DF

Date: 6 February 2013

NOTES TO THE NOTICE OF GENERAL MEETING OF AMATI VCT PLC

1. Entitlement to participate and votes

Only those members who are registered on the Company's register of members as at 1.00pm on 5 March 2013 or, should the meeting be adjourned, at 5.00pm on such day as falls 2 days before the date of the adjourned meeting.

A vote withheld is treated as void and will not be counted in the calculation of votes for or against the resolution. If no voting indication is given by an appointor any proxy appointed by them will vote or abstain at their discretion and in their sole judgement.

The Company's issued share capital as at 5 February 2013 was 46,224,714. The total number of voting rights in the Company was 46,224,714.

2. Proxies and power of attorney

Any member entitled to attend and vote at the general meeting to be held under section 1 above shall be entitled to appoint a proxy to attend on their behalf. The proxy shall enjoy the same rights to attend, speak and vote as would have been enjoyed by their appointor including, but not limited to, demanding or joining in the demand for a poll. A shareholder shall be entitled to appoint one or more additional proxies to attend a general meeting, provided that such additional proxies are appointed in respect of a different share or shares held by the appointor. A proxy need not be a member of the Company but they must attend the general meeting in person to exercise the rights under this section 2.

It shall be competent for a shareholder to appoint the Chairman as their proxy in respect of some or all of their shares. Where the Chairman is so appointed, the Chairman may not speak on behalf of the appointor.

Where a proxy speaks on behalf of their appointor at the general meeting, they should do so on the basis of instructions given to them by their appointor.

Those persons who have information rights in respect of the Company shall not have the right to appoint a proxy under the foregoing provisions.

In order for any Form of Proxy or a power of attorney (whether properly executed and certified in accordance with the Powers of Attorney Act 1971 or the Adults with Incapacity (Scotland) Act 2000) such document(s) must be delivered to The City Partnership (UK) Limited, Thistle House, 21 Thistle Street, Edinburgh EH2 1DF, or by email to proxies@city.uk.com, 2 business days prior to the date on which the general meeting is to be held. Where a poll is demanded and/or any vote requires to be taken more than 2 business days after the date of the general meeting, the Form of Proxy or power of attorney will require

to be redelivered not less than 24 hours (excluding weekends and public holidays) prior to the scheduled time of the poll or vote. The Company may accept production of a Form of Proxy or power of attorney at any time where they deem, in their sole discretion, there to have been extraordinary circumstances justifying the waiving of the usual notice period.

Where a shareholder has appointed another person as their proxy and wishes to revoke that appointment, the appointer shall require to notify the Company by:

- a. sending a written notice clearly stating the appointment they wish to terminate to The City Partnership (UK) Limited, Thistle House 21 Thistle Street, Edinburgh EH2 1DF. Where the notice of revocation of appointment is given by a company, the notice must be executed under the company seal or by an officer of the company or attorney acting on behalf of the company. Where a notice of revocation of appointment is given by an attorney, a copy of the power of attorney must be supplied along with the notice.
- b. By sending an email to proxies@city.uk.com in the above terms. For the avoidance of doubt, the company will not be able to accept an email notice of revocation from an attorney unless a copy of the power of attorney has been lodged with the company.

Any notice of revocation must be received by 48 hours prior to the start of the general meeting. Where such notice of revocation is received after the start of the general meeting, the appointment of the proxy shall remain valid for the duration of the general meeting.

The attendance of any appointor at the general meeting shall immediately terminate the appointment of the proxy, unless the proxy has been appointed pursuant to a power of attorney.

3. Statutory provisions

Under s.319A of the 2006 Act:

- a. The company must cause to be answered any question relating to the business being dealt with by a member attending the meeting.
- b. No such answer need be given:
 1. if to do so would interfere unduly with the preparation of the meeting, or involve the disclosure of confidential information;
 2. if the answer has already been given on a website in the form of an answer to a question; or
 3. if it is undesirable in the interests of the Company or the good order of the meeting that the question be answered.

Copies of the Directors' Letters of Appointment and the Register of Directors' Interests, will be available for inspection at the registered office of the Company between 9 and 5 on any business day (being a day when banks in England are open for regular business) from the date of this notice, until the end of the General Meeting for at least 15 minutes prior to and during the meeting.

Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, the Company has specified that only those shareholders registered on the Company's register of members as at 1.00pm on 5 March 2013, and only in respect of those shares that are then registered, shall be entitled to attend, speak and vote in the general meeting or appoint a proxy to do so. Where the general meeting is adjourned, the relevant time shall be 48 hours prior to the start of the adjourned meeting. Any changes to the register of members requested to be made after 1.00pm on 5 March 2013, or within the 48 hour window preceding the start of an adjourned meeting, shall confer no rights to attend, speak and vote in respect of those shares until after the general meeting.

4. Information Rights

The following provisions apply to those persons who have information rights under s. 146 of the 2006 Act.

A shareholder of the Company (the “Relevant Shareholder”) may nominate a person to have information rights pursuant to an agreement between them (the “Agreement”). The nominated person (“Nominated Person”) may have the right to be appointed as proxy for the Relevant Shareholder at the general meeting. Where the Nominated Person does not wish to exercise their rights under the Agreement, they may have a further right to give instructions to the Relevant Shareholder as to how any voting rights are to be exercised. In such an event, the Nominated Person should liaise with the Relevant Member, and not the Company, regarding their interest in the Company. For the avoidance of doubt, where the Company requests or requires input from the Nominated Person and contacts them directly, the Nominated Person should deal with the Company in the first instance.

5. Corporate shareholders

A corporation which is a shareholder can appoint one or more corporate representatives to exercise, on their behalf, all their rights as a shareholder provided that no more than one corporate representative exercises those rights over the same share.

6. Miscellaneous

Except as otherwise provided, members who have general queries about the general meeting should write to the Chairman at the company’s registered office and are asked to write in good time ahead of the general meeting.

Except as otherwise expressly agreed in writing between a shareholder and the Company, shareholders may not use any electronic mail address provided either in this notice of General Meeting, or any related documents, to communicate with the Company unless expressly stated otherwise.

NOTES TO ORDINARY RESOLUTION 1 GRANTING AUTHORITY TO ALLOT SHARES

This resolution deals with the Directors’ authority to allot Relevant Securities in accordance with section 551 of the 2006 Act.

This resolution will, if passed, authorise the Directors to allot equity securities (as defined by section 560 of the 2006 Act) up to a maximum nominal amount of £3,500,000 which represents approximately 75.7% of the Company’s issued ordinary shares as at 6 February 2013. This maximum is reduced by the nominal amount of any Relevant Securities allotted under the authority set out in ordinary resolution 1.

Therefore, the maximum nominal amount of Relevant Securities (including equity securities) which may be allotted under this resolution is £3,500,000.

As at close of business on 6 February 2013, the Company did not hold any treasury shares.

The authority granted by this resolution will expire on the fifth anniversary of the date of passing of the Resolution.

The Directors intend to exercise the authority under this resolution to raise up to £15,000,000 by the offer of new ordinary shares to existing and new investors.

In this resolution, **Relevant Securities** means:

- shares in the Company, other than shares allotted pursuant to:
- an employee share scheme (as defined in section 1166 of the 2006 Act);
- a right to subscribe for shares in the Company where the grant of the right itself constituted a Relevant Security; or
- a right to convert securities into shares in the Company where the grant of the right itself constituted a Relevant Security; and
- any right to subscribe for or to convert any security into shares in the Company other than rights to subscribe for or convert any security into shares allotted pursuant to an employee share scheme (as defined in section 1166 of the 2006 Act). References to the allotment of Relevant Securities in this resolution include the grant of such rights.

NOTES TO SPECIAL RESOLUTION 2 DISAPPLYING PRE-EMPTION RIGHTS

This resolution will, if passed, give the Directors power, pursuant to the authority to allot granted by ordinary resolution 1, to allot equity securities (as defined by section 560 of the 2006 Act) for cash without first offering them to existing shareholders in proportion to their existing holdings in relation to the Offer, the DRIS and the ESBRF as explained and set out in the prospectus and circular dated 6 February 2013 and circulated with this notice.

The authority granted by this resolution will expire on the first anniversary of the date of passing of the Resolution.

The Directors intend to exercise this authority as required pursuant to:

1. any applications for New Ordinary Shares received in respect of the Offer;
2. as may be required by Shareholders under the DRIS; and
3. as may be required by Shareholders under the ESBRF.

NOTES TO SPECIAL RESOLUTION 3 AUTHORISING THE COMPANY TO MAKE MARKET PURCHASES

This resolution seeks authority for the Company to make market purchases of its own ordinary shares and is proposed as a special resolution. If passed, the resolution gives authority for the Company to purchase up to 24.99% of the Company's issued ordinary share capital as at the date of the resolution which would be 11,555,716 shares as at 6 February 2013.

The resolution specifies the minimum and maximum prices which may be paid for any ordinary shares purchased under this authority. The authority will expire on the earlier of (i) the conclusion of the next annual general meeting of the Company and (ii) the expiry of 18 months following the passing of this Resolution unless such authority is renewed prior to such time.

The directors currently intend to cancel all shares purchased under this authority.

NOTICE OF GENERAL MEETING

Amati VCT 2 plc
(registered in England and Wales with registered number 4138683)

Notice is given that a general meeting of Amati VCT 2 plc (the “**Company**”) will be held at Abchurch Communications, 125 Old Broad Street, London EC2N 1AR on 7 March 2013 at 1.30pm for the purpose of considering and, if thought fit, passing the following resolutions of which resolution 1 is an ordinary resolution and resolutions 2 and 3 are special resolutions:

Resolutions

1. That, in substitution for any existing authorities, but without prejudice to the exercise of any such authority prior to the date of the passing of this resolution, the Directors be and hereby are authorised in accordance with section 551 of the Companies Act 2006 (the “2006 Act”), as amended, to exercise all powers of the Company to allot shares of 5p each in the capital of the Company and to grant rights to subscribe for or to convert any security into shares up to an aggregate nominal amount of £1,250,000, provided that the authority conferred by this resolution shall 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, save that the Company may before such expiry make an offer or agreement which would or might require relevant securities to be allotted after such expiry and the board may allot relevant securities in pursuance of such an offer or agreement as if the authority conferred hereby had not expired, and that the terms of the Offer (including the ESBF) and DRIS and in particular the proposed issue price of the new shares issued pursuant to the Offer (including the ESBF) and DRIS as set out in and as such terms are defined in the prospectus and circular sent to shareholders of the Company and dated 6 February 2013 be and are specifically approved.
2. That in substitution for any existing authorities, the Directors be and hereby are empowered pursuant to sections 570 and 573 of the 2006 Act to allot or make offers or agreements to allot equity securities (which expression shall have the meaning ascribed to it in section 560 of the 2006 Act) for cash pursuant to the authority given in accordance with section 551 of the 2006 Act by resolution 1 above as if section 561(1) of the 2006 Act did not apply to such allotments, providing that the power provided by this resolution 2 shall expire on the first anniversary of the date of the passing of this resolution unless renewed, varied or revoked by the Company in general meeting and that such authority be restricted to:
 - a) the issue of shares pursuant to the Offer (including the ESBF) as set out in the prospectus and circular sent to shareholders of the Company and dated 6 February 2013 up to a maximum aggregate subscription amount of £15,000,000 and where the proceeds of such issue may be used in whole or in part to finance the purchase of shares pursuant to resolution 3 below; and
 - b) the issue of shares pursuant to the Dividend Re-investment Scheme as set out in the prospectus and circular sent to shareholders of the Company and dated 6 February 2013 up to a maximum aggregate subscription amount of £2,000,000.
3. That the Company be and hereby is empowered to make one or more market purchases within the meaning of Section 701 of the 2006 Act of its own shares for cancellation, including under the ESBF as defined in and on the terms set out in the prospectus and circular sent to shareholders of the Company and dated 6 February 2013, provided in each case that:
 - a) the maximum aggregate number of shares authorised to be purchased is such number of shares equal to 24.99% of the issued share capital of the Company as at the date of passing of this resolution;
 - b) the minimum price which may be paid per share is its nominal value (5p);
 - c) the maximum price which may be paid per share is an amount equal to 105% of the average of the middle market quotation of such share taken from the London Stock Exchange Daily Official List for the five business days immediately preceding the day on which that share is to be purchased;
 - d) the authority hereby conferred by this resolution 3 shall expire on the earlier of (i) the conclusion of the next annual general meeting of the Company and (ii) the expiry of 18 months following the passing of this resolution unless such authority is renewed prior to such time; and

- (e) 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 pursuant to any such contract or contracts.

By order of the board

.....
Director/Secretary

Registered office:
Amati VCT 2 plc,
27-28 Eastcastle Street,
London W1W 8DH

Date: 6 February 2013

NOTES TO THE NOTICE OF GENERAL MEETING OF AMATI VCT 2 PLC

1. Entitlement to participate and votes

Only those members who are registered on the Company's register of members as at 1.30pm on 5 March 2013 or, should the meeting be adjourned, at 5.00pm on such day as falls 2 days before the date of the adjourned meeting.

A vote withheld is treated as void and will not be counted in the calculation of votes for or against the resolution. If no voting indication is given by an appointor any proxy appointed by them will vote or abstain at their discretion and in their sole judgement.

The Company's issued share capital as at 6 February 2013 was 27,289,574. The total number of voting rights in the Company was 27,289,574.

2. Proxies and power of attorney

Any member entitled to attend and vote at the general meeting to be held under section 1 above shall be entitled to appoint a proxy to attend on their behalf. The proxy shall enjoy the same rights to attend, speak and vote as would have been enjoyed by their appointor including, but not limited to, demanding or joining in the demand for a poll. A shareholder shall be entitled to appoint one or more additional proxies to attend a general meeting, provided that such additional proxies are appointed in respect of a different share or shares held by the appointor. A proxy need not be a member of the Company but they must attend the general meeting in person to exercise the rights under this section 2.

It shall be competent for a shareholder to appoint the Chairman as their proxy in respect of some or all of their shares. Where the Chairman is so appointed, the Chairman may not speak on behalf of the appointor.

Where a proxy speaks on behalf of their appointor at the general meeting, they should do so on the basis of instructions given to them by their appointor.

Those persons who have information rights in respect of the Company shall not have the right to appoint a proxy under the foregoing provisions.

In order for any Form of Proxy or a power of attorney (whether properly executed and certified in accordance with the Powers of Attorney Act 1971 or the Adults with Incapacity (Scotland) Act 2000) such document(s) must be delivered to The City Partnership (UK) Limited, Thistle House, 21 Thistle Street, Edinburgh EH2 1DF, or by email to proxies@shareregistrars.uk.com, 2 business days prior to the date on which the general meeting is to be held. Where a poll is demanded and/or any vote requires to be taken more than 2 business days after the date of the general meeting, the Form of Proxy or power of

attorney will require to be redelivered not less than 24 hours (excluding weekends and public holidays) prior to the scheduled time of the poll or vote. The Company may accept production of a Form of Proxy or power of attorney at any time where they deem, in their sole discretion, there to have been extraordinary circumstances justifying the waiving of the usual notice period.

Where a shareholder has appointed another person as their proxy and wishes to revoke that appointment, the appointer shall require to notify the Company by:

- a. sending a written notice clearly stating the appointment they wish to terminate to The City Partnership (UK) Limited, Thistle House, 21 Thistle Street, Edinburgh EH2 1DF. Where the notice of revocation of appointment is given by a company, the notice must be executed under the company seal or by an officer of the company or attorney acting on behalf of the company. Where a notice of revocation of appointment is given by an attorney, a copy of the power of attorney must be supplied along with the notice.
- b. By sending an email to proxies@shareregistrars.uk.com in the above terms. For the avoidance of doubt, the company will not be able to accept an email notice of revocation from an attorney unless a copy of the power of attorney has been lodged with the company.

Any notice of revocation must be received by 48 hours prior to the start of the general meeting. Where such notice of revocation is received after the start of the general meeting, the appointment of the proxy shall remain valid for the duration of the general meeting.

The attendance of any appointor at the general meeting shall immediately terminate the appointment of the proxy, unless the proxy has been appointed pursuant to a power of attorney.

3. Statutory provisions

Under s.319A of the 2006 Act:

- a. The company must cause to be answered any question relating to the business being dealt with by a member attending the meeting.
- b. No such answer need be given:
 1. if to do so would interfere unduly with the preparation of the meeting, or involve the disclosure of confidential information;
 2. if the answer has already been given on a website in the form of an answer to a question; or
 3. if it is undesirable in the interests of the Company or the good order of the meeting that the question be answered.

Copies of the Directors' Letters of Appointment and the Register of Directors' Interests, will be available for inspection at the registered office of the Company between 9.00am and 5.00pm on any business day (being a day when banks in England are open for regular business) from the date of this notice, until the end of the General Meeting for at least 15 minutes prior to and during the meeting.

Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, the Company has specified that only those shareholders registered on the Company's register of members as at 1.30pm on 5 March 2013, and only in respect of those shares that are then registered, shall be entitled to attend, speak and vote in the general meeting or appoint a proxy to do so. Where the general meeting is adjourned, the relevant time shall be 48 hours prior to the start of the adjourned meeting. Any changes to the register of members requested to be made after 1.30pm on 5 March 2013, or within the 48 hour window preceding the start of an adjourned meeting, shall confer no rights to attend, speak and vote in respect of those shares until after the general meeting.

4. Information Rights

The following provisions apply to those persons who have information rights under s. 146 of the 2006 Act.

A shareholder of the Company (the "Relevant Shareholder") may nominate a person to have information rights pursuant to an agreement between them (the "Agreement"). The nominated person ("Nominated

Person”) may have the right to be appointed as proxy for the Relevant Shareholder at the general meeting. Where the Nominated Person does not wish to exercise their rights under the Agreement, they may have a further right to give instructions to the Relevant Shareholder as to how any voting rights are to be exercised. In such an event, the Nominated Person should liaise with the Relevant Member, and not the Company, regarding their interest in the Company. For the avoidance of doubt, where the Company requests or requires input from the Nominated Person and contacts them directly, the Nominated Person should deal with the Company in the first instance.

5. Corporate shareholders

A corporation which is a shareholder can appoint one or more corporate representatives to exercise, on their behalf, all their rights as a shareholder provided that no more than one corporate representative exercises those rights over the same share.

6. Miscellaneous

Except as otherwise provided, members who have general queries about the general meeting should write to the Chairman at the company’s registered office and are asked to write in good time ahead of the general meeting.

Except as otherwise expressly agreed in writing between a shareholder and the Company, shareholders may not use any electronic mail address provided either in this notice of General Meeting, or any related documents, to communicate with the Company unless expressly stated otherwise.

NOTES TO ORDINARY RESOLUTION 1 GRANTING AUTHORITY TO ALLOT SHARES

This resolution deals with the Directors’ authority to allot Relevant Securities in accordance with section 551 of the 2006 Act.

This resolution will, if passed, authorise the Directors to allot equity securities (as defined by section 560 of the 2006 Act) up to a maximum nominal amount of £1,250,000 which represents approximately 91.6% of the Company’s issued ordinary shares as at 6 February 2013. This maximum is reduced by the nominal amount of any Relevant Securities allotted under the authority set out in ordinary resolution 1.

Therefore, the maximum nominal amount of Relevant Securities (including equity securities) which may be allotted under this resolution is £1,250,000.

As at close of business on 6 February 2013, the Company did not hold any treasury shares.

The authority granted by this resolution will expire on the fifth anniversary of the date of passing of the Resolution.

The Directors intend to exercise the authority under this resolution to raise up to £15,000,000 by the offer of new ordinary shares to existing and new investors.

In this resolution, **Relevant Securities** means:

- shares in the Company, other than shares allotted pursuant to:
- an employee share scheme (as defined in section 1166 of the 2006 Act);
- a right to subscribe for shares in the Company where the grant of the right itself constituted a Relevant Security; or
- a right to convert securities into shares in the Company where the grant of the right itself constituted a Relevant Security; and
- any right to subscribe for or to convert any security into shares in the Company other than rights to subscribe for or convert any security into shares allotted pursuant to an employee share scheme (as defined in section 1166 of the 2006 Act). References to the allotment of Relevant Securities in this resolution include the grant of such rights.

NOTES TO SPECIAL RESOLUTION 2 DISAPPLYING PRE-EMPTION RIGHTS

This resolution will, if passed, give the Directors power, pursuant to the authority to allot granted by ordinary resolution 1, to allot equity securities (as defined by section 560 of the 2006 Act) for cash without first offering them existing shareholders in proportion to their existing holdings in relation to the Offer, the DRIS and the ESBRF as explained and set out in the prospectus and circular dated 6 February 2013 and circulated with this notice.

The authority granted by this resolution will expire on the first anniversary of the date of passing of the Resolution.

The Directors intend to exercise this authority as required pursuant to:

1. any applications for New Ordinary Shares received in respect of the Offer;
2. as may be required by Shareholders under the DRIS; and
3. as may be required by Shareholders under the ESBRF.

NOTES TO SPECIAL RESOLUTION 3 AUTHORISING THE COMPANY TO MAKE MARKET PURCHASES

This resolution seeks authority for the Company to make market purchases of its own ordinary shares and is proposed as a special resolution. If passed, the resolution gives authority for the Company to purchase up to 24.99% of the Company's issued ordinary share capital as at the date of the resolution which would be 6,819,664 shares as at 6 February 2013.

The resolution specifies the minimum and maximum prices which may be paid for any ordinary shares purchased under this authority. The authority will expire on the earlier of (i) the conclusion of the next annual general meeting of the Company and (ii) the expiry of 18 months following the passing of this Resolution unless such authority is renewed prior to such time.

The directors currently intend to cancel all shares purchased under this authority.

PART X – DEFINITIONS

In this document, the following words and expressions have the following meanings (references to “the Company” apply to Amati VCT or Amati VCT 2 as the context demands):

“2006 Act”	the Companies Act 2006 (as amended)
“2012/2013 Offer”	the Offers for subscription of New Ordinary Shares in relation to the 2012/2013 tax year
“2013/2014 Offer”	the Offers for subscription of New Ordinary Shares in relation to the 2013/2014 tax year
“1985 Act”	the Companies Act 1985 (as amended)
“Admission”	admission of the New Ordinary Shares to the premium segment of the Official List and to trading on the London Stock Exchange becoming effective
“AIM”	the Alternative Investment Market of the London Stock Exchange
“Amati VCT”	Amati VCT plc
“Amati VCT 2”	Amati VCT 2 plc
“Applicant”	a Shareholder participating in the Dividend Re-investment Scheme or where a shareholder holds Ordinary Shares as nominee, the person, being the beneficial owner of the Ordinary Shares registered in the name of that Shareholder, participating in the Dividend Re-investment Scheme
“Articles”	the articles of association of the relevant Company
“Associate”	an associate as defined in paragraph 5(5) of Section 332 of ITA
“Companies” or “VCTs”	Amati VCT plc and Amati VCT 2 plc, and “Company” shall mean either of them as relevant
“CREST”	the computerised settlement system to facilitate the transfer of title to securities in uncertified form operated by Euroclear
“Deficit”	the amount by which the costs of the Offer to the relevant company exceed the contribution to the costs of that Company by new subscribers in the Offer as a result of the operation of the Offer Price and after any applicable commissions, rebates or additional allocations of shares
“Directors” or “Board”	the directors of the Company
“Disclosure and Transparency Rules”	the Disclosure and Transparency Rules of the FSA
“Dividend Re-investment Scheme” or “DRIS”	the Amati VCT or Amati VCT 2 dividend re-investment scheme established in accordance with the Scheme Terms and Conditions
“Enhanced Share Buyback and Re-investment Facility” or “ESBRF”	the facility for Shareholders to sell Ordinary Shares back to the Company where Shareholders wish to use the proceeds from sale to make a new subscription for New Ordinary Shares as described in more detail in Part V
“Existing Ordinary Shares”	Ordinary Shares in existence as at the date of this document
“Euroclear”	means Euroclear UK and Ireland Limited, the operator of CREST
“Existing Ordinary Shares”	the Ordinary Shares currently in issue
“FSA”	the Financial Services Authority and any successor body or bodies
“FSMA”	Financial Services and Markets Act 2000 (as amended)
“General Meetings”	the general meetings of Amati VCT and Amati VCT 2 convened in accordance with the notices set out in this document and General Meeting shall mean the relevant one
“HMRC”	HM Revenue and Customs

“IFRS”	International Financial Reporting Standards
“IMA”	in relation to Amati VCT, the investment management and administration agreement between the Company and Amati Global Investors, and, in relation to Amati VCT 2, means the investment management and administration agreement entered into between Amati VCT 2 and Amati Global Investors
“IPO”	Initial Public Offering
“ISDX”	the ICAP Securities and Derivatives Exchange (formerly the PLUS quoted and PLUS-traded markets)
“ITA”	Income Tax Act 2007 (as amended)
“Listing Rules”	the Listing Rules of the FSA
“Manager” or “Amati Global Investors”	Amati Global Investors Limited
“Net Asset Value” or “NAV”	the aggregate of the gross assets of the relevant Company less its current liabilities calculated in accordance with the Company’s accounting policies
“NAV per Share”	the aggregate of the gross assets of the relevant Company less its current liabilities calculated in accordance with the Company’s accounting policies on a per share basis
“New Ordinary Shares”	Ordinary Shares to be issued pursuant to the Offers and (including the ESBRF), under the Dividend Re-investment Scheme
“Non-Qualifying Investment”	not a Qualifying Investment
“Notices of Meeting”	the notices convening the General Meetings set out on pages 110-119 of this document
“Offer(s)” or “Linked Offers”	the Offer or Offers for subscription by Amati VCT and/or Amati VCT 2 as described in this document and including the ESBRF
“Offer Price(s)”	the offer prices per share as described in Part III of this document
“Official List”	the Official List maintained by the UKLA
“Ordinary Shares” or “Shares”	in the case of Amati VCT, ordinary shares of 10 pence each in the capital of the Company; and in the case of Amati VCT 2, ordinary shares of 5 pence each in the capital of the Company
“Proposals”	the Offers, (including, for the avoidance of doubt, and the Enhanced Share Buyback Facilities) and the Dividend Re-Investment Schemes as described in this document
“Prospectus Rules”	the Prospectus Rules of the FSA
“Prospectus”	this document dated 6 February 2013
“Qualifying Company”	a listed (including AIM traded or ISDX traded) company or group carrying on a qualifying trade wholly or mainly in the UK satisfying the conditions in Chapter 4 of Part 6 of ITA
“Qualifying Holding”	shares in, or securities of a Qualifying Company held by a VCT which meets the requirements described in Chapter of Part 6 of ITA
“Qualifying Investment”	an investment in a Qualifying Holding
“Qualifying Limit”	the investor’s subscription limit of £200,000 per tax year
“Qualifying Purchaser”	an individual, aged 18 or over, who purchases Ordinary Shares within the Qualifying Limit, otherwise than by way of subscription
“Qualifying Subscriber”	an individual, aged 18 or over, who subscribes for Ordinary shares within the Qualifying Limit

“Receiving Agent”	The City Partnership (UK) Limited of Thistle House, 21 Thistle Street, Edinburgh EH2 1DF
“Registrar”	Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS99 6ZZ
“Regulatory Information Service” or “RIS”	a regulatory information service (such as RNS)
“Re-investment Day”	a day on which any interim or final dividend on Ordinary Shares is credited to the account of the Scheme Manager on behalf of any of the Applicants or, if such day is not dealing on the London Stock Exchange, the next dealing day thereafter
“Resolutions”	the Shareholder resolutions to be proposed at the General Meetings of the Companies and set out on pages 110-119 of this document
“Scheme Administrator”	Computershare Investor Services Plc in respect of Amati VCT and The City Partnership (UK) Limited in respect of Amati VCT 2, or such other person or persons who may from time to time be appointed by the Company to administer the Dividend Re-investment Scheme on its behalf
“Scheme Terms and Conditions”	the terms and conditions relating to the Dividend Re-investment Scheme referred to in Part IV of this document
“Shareholder(s)”	holder(s) of Ordinary Shares
“Subscription Form(s)”	the subscription form(s) for use in respect of the Offers, set out at the end of the document
“UK Listing Authority” or “UKLA”	the Financial Services Authority acting in its capacity as the competent authority for listing in the United Kingdom for the purposes of Part VI of the Financial Services and Markets Act 2000 and any successor body or bodies
“VAT”	value added tax
“Venture Capital Trust” or “VCT”	a venture capital trust as defined in section 259 of ITA

PART XI – TERMS AND CONDITIONS OF SUBSCRIPTION

TERMS AND CONDITIONS OF SUBSCRIPTION

Save where the context otherwise requires, words and expressions defined in the Prospectus have the same meanings when used in these terms and conditions of subscription and in the Subscription Form and the section headed “Notes on how to complete the Subscription Form” set out below.

1. The contract created by the acceptance of a subscription (in whole or in part) will be conditional on Admission of the New Ordinary Shares conditionally allotted pursuant to the subscription becoming effective.
2. The right is reserved by the Companies to present all cheques and bankers’ drafts for payment on receipt by the Receiving Agent and to retain share certificates and subscription monies, pending clearance of successful subscribers’ cheques and bankers’ drafts. The Companies and their agents may treat subscriptions as valid and binding even if not made in all respects in accordance with the prescribed instructions or not complying fully with these terms and conditions of subscription and the Companies and their agents may, at their discretion, accept a subscription in respect of which payment is not received by the Companies prior to the closing of the Offers. The Companies and their agents reserve the right to waive in whole or in part any of the provisions of these terms and conditions of subscription, either generally or in respect of one or more applications. In particular, but without limitation, the Companies may accept an application made otherwise than by completion of a Subscription Form where the subscriber has agreed in some other manner satisfactory to the Companies and their agents to apply in accordance with these terms and conditions of subscription. If any subscription is not accepted in full or any contract created by acceptance does not become unconditional, the subscription monies or, as the case may be, the balance thereof will be returned (without interest) in Sterling by returning each relevant subscriber’s cheque or bankers’ draft or by crossed cheque in favour of the subscriber, through the post at the risk of the person(s) entitled thereto. In the meantime, subscription monies will be retained by the Companies in separate accounts. The Companies may require the subscriber to pay interest or its other resulting costs (or both) if the cheque or bankers’ draft accompanying his or her application is not honoured on first presentation. If the subscriber is required to pay interest he or she will be obliged to pay the full amount determined by the Companies to be the interest on the amount of the cheque or bankers’ draft from the date on which such remittance is not honoured until the date of receipt of cleared funds. The rate of interest will be the then published base rate of a clearing bank selected by the Companies plus 2% per annum.
 - i. The right is reserved to change the basis of allocation under the Offers at the discretion of the Directors after consultation with Nimmo W.S., and to reject in whole or in part and scale down and/or ballot any subscription or any part thereof. Subscriptions which are not accompanied by cheques available for immediate presentation or by other valid payment means will be dealt with at the Directors’ discretion. If any dispute arises as to the date or time at or on which a subscription is received, the Directors’ determination shall be final and binding.
 - ii. The right is reserved for the Companies to scale down the number of New Ordinary Shares available for subscription under the Offers at any time prior to the closing of the Offers.
 - iii. The Companies reserve the right to change the stated closing date of the Offers to an earlier date than 5 April 2013 in respect of the 2012/2013 Offer and 23 January 2014 in respect of the 2013/2014 Offer.
 - iv. The Companies reserve the right to accept Subscription Forms and to allot and arrange for the listing of New Ordinary Shares in respect of applications received under the Offers on or prior to the stated closing date of the Offers as the Directors see fit.
3. By completing and delivering a Subscription Form, you as the subscriber (and, if you sign the Subscription Form on behalf of somebody else, that person, except as referred to in paragraph (3) (xx) below):
 - i. offer to subscribe for the number of New Ordinary Shares as will be determined by the amount specified in your Subscription Form (or such lesser number for which your Subscription is accepted) divided by the price of the New Ordinary Shares resulting from the application of the Pricing Formula on the terms, and subject to the conditions set out in the Prospectus including these terms and conditions, and subject to the Memorandum and Articles of Association of the Company;

- ii. agree that, in consideration of the Companies and their agents agreeing to process your application, your subscription will not be revoked until after (in the case of a subscription in respect of the 2012/2013 Offer) 5 April 2013 and (in case of a subscription in respect of the 2013/2014 Offer) 23 January 2014 and that this paragraph shall constitute an irrevocable collateral contract between you and the Companies and their agents which will become binding upon despatch by post to, or (in the case of delivery by hand) on receipt by, the Receiving Agent of your Subscription Form; provided that, in the event that a supplementary prospectus is required to be published, you may be entitled to withdraw within two working days of the publication of the supplementary prospectus in accordance with section 87Q of the FSMA;
- iii. agree and warrant that your cheque or bankers' draft may be presented for payment on receipt and will be honoured on first presentation and agree that if it is not so honoured you will not be entitled to the New Ordinary Shares applied for or to enjoy or receive any rights or distributions in respect of such New Ordinary Shares until you make payment in cleared funds for such New Ordinary Shares and such payment is accepted by the Companies in their absolute discretion (which acceptance shall be on the basis that you indemnify the Companies, Nimmo W.S. and the Receiving Agent against all costs, damages, losses, expenses and liabilities arising out of or in connection with the failure of your remittance to be honoured on first presentation) and you agree that, at any time prior to the unconditional acceptance by the Companies of such late payment, the Companies may (without prejudice to its other rights) avoid the agreement to allocate New Ordinary Shares to you, without liability to you, and may issue or allot such New Ordinary Shares to some other person, in which case you will not be entitled to any refund or payment in respect of such New Ordinary Shares, other than the refund to you, at your risk, of the proceeds (if any) of the cheque or bankers' draft accompanying your Subscription Form without interest;
- iv. agree that in respect of those New Ordinary Shares for which your subscription has been received and is not rejected, your subscription may be accepted at the election of the Companies either by notification to the UK Listing Authority of the basis of allocation or by notification of acceptance thereof to the Receiving Agent;
- v. agree that the Companies will hold any monies in respect of your subscription together with other monies received in respect of all subscriptions on trust for the payment of New Ordinary Shares you have subscribed for or failing such payment to be returned to you without interest and that any interest earned in respect of such monies will be paid to the Companies;
- vi. agree that any share certificate to which you may become entitled and any monies refundable to you may be retained by the Companies pending clearance of your remittance and any investigation of any suspected breach of these terms and conditions of subscription and pending any verification of identity which is, or which the Companies or the Receiving Agent may consider to be, required for the purposes of the Money Laundering Regulations 2007 as amended, updated, replaced or superseded from time to time that and such monies will not bear interest;
- vii. authorise Computershare Investor Services PLC as Registrar on behalf of the Amati VCT and The City Partnership (UK) Limited on behalf of Amati VCT 2 to send share certificate(s) in respect of the New Ordinary Shares for which your subscription is accepted and/or a crossed cheque for any monies returnable by post without interest to your address set out in the Subscription Form and to procure that your name is placed on the register of members of the Companies in respect of such New Ordinary Shares for which your subscription is accepted;
- viii. agree that all subscriptions, acceptances of subscriptions and contracts resulting therefrom under the Offers shall be governed by and construed in accordance with English law, and that, for the benefit of the Companies, Nimmo W.S., and the Receiving Agent, you submit to the non-exclusive jurisdiction of the English Courts and agree that nothing shall limit the right of the Companies, Nimmo W.S. or the Receiving Agent to bring any action, suit or proceeding arising out of or in connection with any such subscriptions, acceptances of subscriptions and contracts in any other manner permitted by law or in any court of competent jurisdiction;
- ix. confirm that, in making such subscription, you are not relying on any information or representation in relation to the Companies and the New Ordinary Shares other than the information contained in the Prospectus (as may be supplemented by a supplementary prospectus), or any part thereof and accordingly you agree that no person responsible solely or jointly for the Prospectus or any

part thereof or involved in the preparation thereof shall have any liability for any such other information or representation and you acknowledge that no person is authorised in connection with the Offers to give any information or make any representation other than as contained in the Prospectus (as may be supplemented by a supplementary prospectus) and, if given or made, any information or representation must not be relied upon as having been authorised by the Companies or any of their agents;

- x. irrevocably authorise the Receiving Agent and/or Nimmo W.S. or any person authorised by any of them, as your agent, to do all things necessary to effect registration of any New Ordinary Shares subscribed by or issued to you into your name and authorise any representative of the Receiving Agent or Nimmo W.S. to execute and/or complete any document required therefor;
- xi. agree that, having had the opportunity to read the Prospectus, you shall be deemed to have had notice of all information and statements concerning the Companies, the New Ordinary Shares, the Risk Factors and all other matters contained therein;
- xii. confirm that you have reviewed the restrictions contained in paragraphs 4 and 5 below and warrant that you are not a "US Person" as defined in the United States Securities Act of 1933, as amended, nor a resident of Canada, Australia or Japan and that you are not applying for any New Ordinary Shares with a view to their offer, sale or delivery to or for the benefit of any US person or a resident of Canada, Australia or Japan;
- xiii. agree that all documents and cheques sent by post, by or on behalf of the Companies or the Receiving Agent will be sent at the risk of the person entitled thereto;
- xiv. agree on request by the Companies or Nimmo W.S. or the Receiving Agent on behalf of the Companies to disclose promptly in writing to any of them such information as the Companies or Nimmo W.S. or the Receiving Agent may reasonably request in connection with your subscription including, without limitation, satisfactory evidence of identity to ensure compliance with the Money Laundering Regulations 2007 as amended, updated, replaced or superseded from time to time and authorise the Companies, Nimmo W.S. and the Receiving Agent to retain and disclose any information relating to your subscription as it considers appropriate;
- xv. agree that Nimmo W.S. will neither treat you as its customer or client by virtue of your subscription being accepted nor owe you any duties or responsibilities concerning the price of the New Ordinary Shares or the suitability for you of New Ordinary Shares or be responsible to you for providing the protections afforded to its customers or clients;
- xvi. declare that the Subscription Form has been completed to the best of your knowledge and that the details relating to you as set out in your Subscription Form are correct;
- xvii. undertake that you will notify the Companies if you are not, or cease to be, either a Qualifying Subscriber or beneficially entitled to the New Ordinary Shares;
- xviii. declare that a loan has not been made to you or any associate of you, which would not have been made, or would not have been made on the same terms, but for you offering to subscribe for, or acquiring, New Ordinary Shares and that the New Ordinary Shares are being acquired for bona fide commercial purposes and not as part of a scheme or arrangement the main purpose of which, or one of the main purposes of which, is the avoidance of tax;
- xix. declare that you are aged 18 or over on the date of your application;
- xx. warrant that, if you sign the Subscription Form on behalf of somebody else, you have due authority to do so on behalf of that other person, and such person will also be bound accordingly and will be deemed also to have given the confirmations, warranties, undertakings and authorities contained herein and undertake to enclose your power of attorney (or a copy thereof duly certified by a solicitor or bank) with the Subscription Form;
- xxi. agree that a failure to receive, process or accept your application for New Ordinary Shares does not give rise to any right of action by any person against the Companies, Nimmo W.S., the Receiving Agent or any other person;
- xxii. agree that any error in the register of members of the Companies arising as a result of your remittance not being honoured on first presentation or as a result of any other error in connection with your application for New Ordinary Shares, or as a result of termination or avoidance of any

agreement to allocate New Ordinary Shares pursuant to these terms and conditions of subscription may be rectified and, in addition and without prejudice to the foregoing, you hereby irrevocably authorise the Companies, or any person appointed by it for this purpose, to execute on your behalf any instrument of transfer which may be necessary to effect any re-allocation or sale of New Ordinary Shares to any other person arising as a result of the foregoing. The right to rectify the register of members of the Companies and/or the power to re-allocate or sell New Ordinary Shares contained in this paragraph are in addition to any other rights, powers and remedies which would otherwise be available to the Companies in the event of a breach by you of these terms and conditions of Subscription;

- xxiii. agree that if evidence of identity satisfactory to the Companies and their agents is not provided to the Companies or their agents within a reasonable time (in the opinion of the Companies) following a request therefor, any agreement with you to allocate New Ordinary Shares may be terminated and, in such case, the New Ordinary Shares which would otherwise have been allocated to you may be re-allocated and your application monies will be returned to the bank or other account on which the cheque or bankers' draft accompanying your Subscription Form was drawn without interest;
 - xxiv. agree that you are not applying on behalf of a person engaged in money laundering nor would any of your actions or a person you are applying on behalf of fall within the provisions of the Bribery Act 2010;
 - xxv. undertake to pay interest at the rate prescribed in paragraph 2 above if the remittance accompanying your Subscription Form is not honoured on first presentation;
 - xxvi. agree that your Subscription Form is addressed to the Companies, Nimmo W.S. and the Receiving Agent; and
 - xxvii. agree that you will not be entitled to exercise any remedy of rescission for innocent misrepresentation at any time after acceptance of your subscription (provided that this does not affect any other right you may have).
4. No person receiving a copy of the Prospectus or a Subscription Form in any territory other than the United Kingdom may treat the same as constituting an invitation or offer to him, nor should he in any event use such Subscription Form unless in the relevant territory such an invitation or offer could lawfully be made to him or such Subscription Form could lawfully be used without contravention of any regulation or other legal requirements. It is the responsibility of any person outside the United Kingdom wishing to make a subscription to satisfy himself as to full observance of the laws of any relevant territory in connection therewith, including obtaining any requisite governmental or other consents, observing any other formalities requiring to be observed in such territory and paying any issue, transfer or other taxes required to be paid in such territory. The Companies reserves the right, in their absolute discretion, to reject any application received from outside the United Kingdom.
 5. The New Ordinary Shares have not been and will not be registered under the United States Securities Act of 1933, as amended, and may not be offered or sold in the United States of America, its territories or possessions or other areas subject to its jurisdiction (the "USA"). In addition, the Company has not been and will not be registered under the United States Investment Advisers Act of 1940, as amended. No subscription will be accepted if it bears an address or post mark in the USA.
 6. Dealings prior to the issue of certificates for New Ordinary Shares will be at the risk of Subscribers. A person so dealing must recognise the risk that a subscription may not have been accepted to the extent anticipated or at all.
 7. Authorised financial intermediaries who, acting on behalf of their clients on an execution only basis, return valid Subscription Forms bearing their name and FSA number and confirming their execution only status and eligibility to receive commission, will be paid the following, based on the amount paid in respect of the New Ordinary Shares allocated for each such Subscription Form: initial commission from the Company of 3.00% and an annual trail commission of 0.375% (limited to five years) which will be paid by the Manager. Such payments are conditional in all circumstances upon them being consistent with all applicable law and regulation including the FSA COBS Handbook.

Where an existing investor invests directly in one or both of the Offers and he or she previously invested through an authorised financial intermediary, and that financial intermediary may accept trail commission

in respect of the further investment, the Manager will use reasonable efforts to identify that financial intermediary and pay trail commission of 0.375% per annum (limited to five years) to that financial intermediary in respect of the amount invested in the Offers.

Existing investors investing directly in the Offers through the Enhanced Share Buyback and Re-investment Facilities or without an authorised financial intermediary are entitled to receive an additional issue of Shares equal to 3% of the amount subscribed reinvested in the Company through application for additional New Ordinary Shares under the Offers resulting in the investor paying effective costs of 2% (being the 5% issue costs applicable to investors under the Offer less the 3% reinvested in additional shares).

Investors investing in the Offers through an authorised financial intermediary on an advised basis are entitled to receive an additional issue of Shares equal to 3% of the amount subscribed reinvested in the Company through application for additional New Ordinary Shares under the Offers resulting in the investor paying effective costs of 2% (being the 5% issue costs applicable to investors under the Offer less the 3% reinvested in additional shares).

The additional share issues referred to above also apply to investors selling their shares and reinvesting through the Enhanced Share Buyback and Re-investment Facilities. New investors investing directly in the Offers without an authorised financial intermediary are not entitled to participate in the additional share issues referred to above.

Any investor other than an investor selling their shares and reinvesting through the Enhanced Share Buyback and Re-investment Facilities is also entitled to the benefit of the “early bird” additional issue of Shares. The “early bird” additional issue applies in respect of any application received before close of business on 8 March 2013 and entitles the investor to receive a further issue of Shares equal to 1% of the amount subscribed reinvested in the Company through application for additional New Ordinary Shares under the Offers (in addition to any other additional issue of Shares referred to above).

Any trail commission payable is expected to be calculated each year, based on holdings on the Company’s year end date and paid annually in June of each year, or as otherwise determined by the Manager (the first such payment being expected to be made in June 2014). The Manager will be entitled to rely on a notification from an investor that he has changed his adviser, in which case the trail commissions will cease to be payable. In the event of the termination of the Manager’s appointment as investment manager to the Company, any continued obligation of the Manager to pay further annual trail commissions will also terminate. The Manager’s calculation of trail commissions shall be conclusive.

Authorised financial intermediaries may agree to waive part or all of their commission in respect of an application and authorise the Company to apply an amount equal to the amount of commission that would otherwise be payable to the authorised financial intermediary in a subscription for further Ordinary Shares in the Company for the account of their clients. If this is the case, then such application will be treated as an application to apply for the number of New Ordinary Shares as determined by the amount stated in Box 1 of the Subscription Form together with a number of additional New Ordinary Shares as determined by the amount of commission waived, which waived commission will be applied in paying for such New Ordinary Shares. No commission will be paid in respect of such additional New Ordinary Shares. Financial intermediaries should keep a record of Subscription Forms submitted bearing their stamp to substantiate any claim for introductory commission. Claims for introductory commission must be made and substantiated on subscription.

8. To the extent permitted by law, all representations, warranties and conditions, express or implied and whether statutory or otherwise (including, without limitation, pre-contractual representations but excluding any fraudulent representations), are expressly excluded in relation to the New Ordinary Shares and the Offers.
9. The rights and remedies of the Companies and their agents under these terms and conditions of subscription are in addition to any rights and remedies which would otherwise be available to them and the exercise of partial exercise of one will not prevent the exercise of others.
10. Completed Subscription Forms, together with payment, must be returned by post or by hand to The City Partnership (UK) Limited, Thistle House, 21 Thistle Street, Edinburgh EH2 1DF so as to be received by 12.00 noon on 5 April 2013 in respect of the 2012/2013 Offer and 12.00 noon on 23 January 2014 in respect of the 2013/2014 Offer. Multiple subscriptions by investors are permitted in relation to each of the 2012/2013 Offer and the 2013/2014 Offer.

DIRECTORS, MANAGER AND ADVISERS

Amati VCT plc

Directors

Simon Edward Callum Miller (Chairman)
Peter Anthony Lawrence
Charles Frederick Pinney
Brian Buchanan Scouler

All non-executive and of:

Thistle House
21 Thistle Street
Edinburgh EH2 1DF

Amati VCT plc

Thistle House
21 Thistle Street
Edinburgh EH2 1DF
which is the registered office

Manager

Amati Global Investors Limited
18 Charlotte Square
Edinburgh EH2 4DF

Secretary

The City Partnership (UK) Limited
Thistle House
21 Thistle Street
Edinburgh EH2 1DF

Sponsor

SPARK Advisory Partners Limited
33 Glasshouse Street
London W1B 5DG

Solicitors

Nimmo W.S.
8 Walker Street
Edinburgh EH3 7LH

VCT Status Adviser

PricewaterhouseCoopers LLP
1 Embankment Place
London WC2N 6RH

Custodians

Citibank
N.A. Citigroup Centre
Canada Square
Canary Wharf
London E14 5LB

Auditors

KPMG Audit plc
Saltire Court
20 Castle Terrace
Edinburgh EH1 2EG

Registrar

Computershare Investor Services PLC
The Pavilions
Bridgwater Road
Bristol BS99 6ZZ

Receiving Agents

The City Partnership (UK) Limited
Thistle House
21 Thistle Street
Edinburgh EH2 1DF

Amati VCT 2 plc**Directors**

Julian Avery (Chairman)
Michael Killingley
Christopher Macdonald
Christopher Moorsom

All non-executive and of:
27/28 Eastcastle Street
London
W1W 8DH

Amati VCT 2 plc

27/28 Eastcastle Street
London
W1W 8DH
which is the registered office

Manager

Amati Global Investors Limited
18 Charlotte Square
Edinburgh EH2 4DF

Secretary

The City Partnership (UK) Limited
Thistle House
21 Thistle Street
Edinburgh EH2 1DF

Sponsor

SPARK Advisory Partners Limited
33 Glasshouse Street
London W1B 5DG

Solicitors

Nimmo W.S.
8 Walker Street
Edinburgh EH3 7LH

VCT Status Adviser

PricewaterhouseCoopers LLP
1 Embankment Place
London WC2N 6RH

Auditors

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

Custodian

The Bank of New York Mellon SA/NV
London Branch
160 Queen Victoria Street
London EC4V 4LA

Registrar and Receiving Agents

The City Partnership (UK) Limited
Thistle House
21 Thistle Street
Edinburgh EH2 1DF

NOTES ON HOW TO COMPLETE THE SUBSCRIPTION FORM

Please complete all relevant parts of the Subscription Form in accordance with the instructions in these notes.

Box 1:

Insert (in figures) in the boxes the amounts you wish to invest in each tax year and the total amount of your investment. This amount, divided by the price of the New Ordinary Shares resulting from the application of the Pricing Formula, will determine the number of New Ordinary Shares to which you will be entitled. Your subscription for each tax year must be for a minimum of £3,000 if you invest in one VCT or £2,500 each if you invest in both VCTs.

Pin a cheque or banker's draft to the Subscription Form for the total amount to be invested. Your cheque or banker's draft must be made payable to "The City Partnership" and crossed "A/C Payee only". Your payment must relate solely to the subscription. An acknowledgement of receipt of your Subscription Form will be issued. Cheques may be presented for payment on receipt.

Subscriptions under the Offers will be processed upon receipt where this is possible to do so. Subscriptions accompanied by a post dated cheque will not be processed until the cheque can be presented and will not be treated as being received by the Receiving Agent until that date.

The right is reserved to reject any subscription in respect of which the subscriber's cheque or banker's draft has not been cleared on first presentation. Any monies returned will be sent by cheque crossed "A/C Payee only" in favour of the subscriber without interest.

Payments must be made by cheque or bankers' draft in pounds sterling drawn on a United Kingdom bank or building society or European Union regulated credit institution. Such cheques or banker's drafts must bear the appropriate sort code in the top right hand corner and be in the sole or joint name of the subscriber. Cheques, which must be drawn on the personal account of the individual investor where they have a sole or joint title to the funds, should be made payable to "The City Partnership" which account is valid for investments in either of the Companies. Third party cheques will not be accepted with the exception of building society cheques or banker's drafts where the building society or bank has confirmed the name of the account holder by stamping and endorsing the cheque/banker's draft to such effect.

Money Laundering Notice - Important Procedures for Applications of the Sterling equivalent of €15,000 (approximately £12,700) or more. The verification requirements of the Money Laundering Regulations 2007 will apply and verification of the identity of the applicant may be required. Failure to provide the necessary evidence of identity may result in your application being treated as invalid or in delay of confirmation. If you are an existing Shareholder of Amati VCT plc and/or Amati VCT 2 plc you will not need to provide the documents again.

If the application is for the Sterling equivalent of €15,000 or more (or is one of a series of linked subscriptions the value of which exceeds that amount) and:

A is made through an IFA, then verification of the Subscriber's identity may be provided by a "Letter of Introduction" from an IFA or other regulated person (such as a solicitor or accountant) who is a member of a regulatory authority and is required to comply with the Money Laundering Regulations 2007 or a UK or EC financial institution (such as a bank). The City Partnership (UK) Limited will supply specimen wording on request;

or

B is made direct (not through an IFA), you must ensure that the following documents are enclosed with the Subscription Form:

1. the original or a certified copy of either your passport or driving licence; and
2. the original or a certified copy of a recent (no more than 3 months old) original bank or building society statement, or utility bill, or recent tax bill, in your name.

Copies should be certified by a solicitor or bank. Original documents will be returned by post at your risk. If a cheque is drawn by a third party, the above will also be required from that third party.

Box 2:

Insert in Box 2 your full name, full address, daytime telephone number, National Insurance number, date of birth and e-mail address (if you have one). Please tick the box to confirm how you would like the receiving agent to acknowledge receipt of your application.

Box 3:

Sign and date Box 3

Box 4:

Tick Box 4 if you would like to receive information about the Dividend Re-investment Scheme.

Dividends that are not reinvested under the Dividend Re-investment Scheme will be paid by cheque sent to the Shareholder's registered address. Alternatively, dividends paid in cash may be paid directly into bank or building society accounts. In order to facilitate this, please complete the mandate form in Box 5. Do not complete the mandate form if you wish to participate in the Dividend Re-investment Scheme.

Box 5:

Insert required details in Box 5 if you would like to have dividends paid directly into bank or building society accounts.

Box 6, 6A, 6B and 7:

Intermediaries who are entitled to receive commission should complete Box 6, giving their contact name and address, FSA Number, email address and telephone number.

Authorised financial intermediaries who, acting on behalf of their clients on an execution only basis, return valid Subscription Forms bearing their name and FSA number and confirming their execution only status and eligibility to receive commission, will be paid the following, based on the amount paid in respect of the New Ordinary Shares allocated for each such Subscription Form: initial commission from the Company of 3.00% and an annual trail commission of 0.375% (limited to five years) which will be paid by the Manager. Such payments are conditional in all circumstances upon them being consistent with all applicable law and regulation including the FSA COBS Handbook.

Where an existing investor invests directly in one or both of the Offers and he or she previously invested through an authorised financial intermediary, and that financial intermediary may accept trail commission in respect of the further investment, the Manager will use reasonable efforts to identify that financial intermediary and pay trail commission of 0.375% per annum (limited to five years) to that financial intermediary in respect of the amount invested in the Offers.

Existing investors investing directly in the Offers without an authorised financial intermediary are entitled to receive an additional issue of Shares equal to 3% of the amount subscribed reinvested in the Company through application for additional New Ordinary Shares under the Offers resulting in the investor paying effective costs of 2% (being the 5% issue costs applicable to investors under the Offer less the 3% reinvested in additional shares).

Investors investing in the Offers through an authorised financial intermediary on an advised basis are entitled to receive an additional issue of Shares equal to 3% of the amount subscribed reinvested in the Company through application for additional New Ordinary Shares under the Offers resulting in the investor paying effective costs of 2% (being the 5% issue costs applicable to investors under the Offer less the 3% reinvested in additional shares).

The additional share issues referred to above also apply to investors selling their shares and reinvesting through the Enhanced Share Buyback and Re-investment Facilities. New investors investing directly in the Offers without an authorised financial intermediary are not entitled to participate in the additional share issues referred to above.

Any investor other than an investor selling their shares and reinvesting through the Enhanced Share Buyback and Re-investment Facilities is also entitled to the benefit of the "early bird" additional issue of Shares. The "early bird" additional issue applies in respect of any application received before close of business on 8 March 2013 and entitles the investor to receive a further issue of Shares equal to 1% of the amount subscribed reinvested in the Company through application for additional New Ordinary Shares under the Offers (in addition to any other additional issue of Shares referred to above).

Any trail commission payable is expected to be calculated each year, based on holdings on the Company's year end date and paid annually in June of each year, or as otherwise determined by the Manager (the first

such payment being expected to be made in June 2014). The Manager will be entitled to rely on a notification from an investor that he has changed his adviser, in which case the trail commissions will cease to be payable. In the event of the termination of the Manager's appointment as investment manager to the Company, any continued obligation of the Manager to pay further annual trail commissions will also terminate. The Manager's calculation of trail commissions shall be conclusive.

Authorised financial intermediaries may agree to waive part or all of their commission in respect of an application and authorise the Company to apply an amount equal to the amount of commission that would otherwise be payable to the authorised financial intermediary in a subscription for further Ordinary Shares in the Company for the account of their clients. If this is the case, then such application will be treated as an application to apply for the number of New Ordinary Shares as determined by the amount stated in Box 1 of the Subscription Form together with a number of additional New Ordinary Shares as determined by the amount of commission waived, which waived commission will be applied in paying for such New Ordinary Shares. No commission will be paid in respect of such additional New Ordinary Shares. Financial intermediaries should keep a record of Subscription Forms submitted bearing their stamp to substantiate any claim for introductory commission. Claims for introductory commission must be made and substantiated on subscription.

Authorised financial intermediaries can waive all or any part of this initial commission and invest it in additional New Ordinary Shares for the account of their clients. The amount to which the waiver applies should be stated in the relevant box. If all the initial commission is to be waived, 'ALL' or the appropriate amount or percentage should be stated in the box.

Once Subscription Forms have been received:

1. the Receiving Agent will send an acknowledgement of receipt of a Subscription Form; and
2. successful applicants will receive their share certificates and income tax relief certificates approximately 10 business days after allotment and subject to the Terms and Conditions of Subscription. The date of allotments of New Ordinary Shares are at the Manager's discretion.

Box 7

Intermediaries who wish to have payments of commissions or one-off advisers fees paid directly into a bank account should insert the required details in Box 7.

Amati VCT and Amati VCT 2 Linked Offer Subscription Form

Pin or staple your
cheque(s)
and/or banker's
draft(s) here.

☐

If you are in any doubt about the action you should take you are recommended to consult a person authorised under the Financial Services and Markets Act 2000 who specialises in advising on the acquisition of shares and other securities.

IMPORTANT: before completing this form please read the Terms and Conditions of Subscription and the accompanying notes. PLEASE USE BLOCK CAPITALS TO COMPLETE THIS FORM.

The 2012/13 Offer closes at noon on 5 April 2013 (or earlier if the maximum subscription has been reached). The 2013/14 Offer closes at noon on 23 January 2014 or such earlier date as the Directors may determine in their absolute discretion.

Make your cheque or banker's draft out to "The City Partnership" as appropriate and cross it with the words "A/C payee only". Return this form by post or by hand (during normal business hours) to The City Partnership (UK) Limited, Thistle House, 21 Thistle Street, Edinburgh EH2 1DF.

1

I offer to subscribe the following amount or such lesser amount for which this subscription may be accepted, on the terms and conditions set out in the Prospectus dated 6 February 2013 ("Prospectus").

	Amati VCT plc	Amati VCT 2 plc	Total
Tax year 2012/2013 Offers	£	£	£
Tax year 2013/2014 Offers	£	£	£
Total	£	£	£

The minimum amount which may be subscribed is £3,000 in respect of a subscription in one company only and £2,500 in each of the VCTs in respect of an investment in both.

Please tick the box if you are an existing shareholder in either Amati VCT or Amati VCT 2

☐

NB: No declaration had been made at the date of this Prospectus as to what tax reliefs, if any, will be available in respect of investments during the tax year 2013/14.

2

Title:	First Name:	Surname:
Address:		
Postcode:	Daytime Telephone Number:	
Date of Birth:		National Insurance Number:
Email Address:		

Please confirm below how you would like the Receiving Agent to acknowledge receipt of your application

Post: ☐ Email: ☐

3

By signing this form I HEREBY DECLARE THAT I have read the terms and conditions of subscription contained in the Prospectus and agree to be bound by them. I understand that this is a LONG-TERM investment and have read the RISK FACTORS.

Signature	Date
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4

Dividend Re-investment Scheme

Tick the box if you would like to receive information about the Dividend Re-investment Scheme for each Company in which you are investing

☐

5

Dividend Mandate

All dividends on any Ordinary Shares held in Amati VCT plc or Amati VCT 2 plc may be paid directly into bank and building society accounts. In order to facilitate this, please complete the mandate instruction form below.

Dividends paid directly into your account will be cleared funds on the dividend payment date. Your bank or building society statement will identify details of the dividends as well as the dates and amounts.

Please forward, until further notice, all dividends that may from time to time become due on any Ordinary Shares now standing, or which may hereafter stand, in my name in the register of members of Amati VCT plc or Amati VCT 2 plc to:

Name of bank:	
Address of bank:	
Postcode:	
Account Number: <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>	Sort code: <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>
Signature:	Date:
Shareholder title and full name (BLOCK CAPITAL PLEASE)	

6

Intermediaries to complete. FSA number must be quoted.

All intermediaries MUST advise their clients of the Risk Factors set out on pages 19 to 23 of the Prospectus.

IFA contact name:	
Email address:	
Telephone No:	FSA number:
Firm Name:	
Address:	
Postcode:	
Fax Number:	

Please confirm below how you would like the Receiving Agent to acknowledge receipt of your client's application

Post ☐

Email ☐

6A

Investors who *do not* receive advice from, and submit their application through an intermediary

Initial and annual trail commission can continue to be paid to financial intermediaries who **do not** provide advice i.e those who provide "execution only" services.

Initial and trail commission (to the extent possible) will be paid only to financial intermediaries who provide "execution only" services. You and the intermediary undertake to inform the relevant Company if advice is subsequently given in respect of a holding and trail should no longer be paid.

To apply for the 3% initial commission and annual trail commission option, place a tick in this box

☐

Insert "ALL" or an amount or percentage in respect of the initial 3% commission which you wish to be waived and invested in additional New Ordinary Shares for your client

6B**Investors who receive advice from, and submit their application through, an intermediary**

Initial and annual trail commission is no longer permissible where financial intermediaries have provided advice after 30 December 2012.

- (A) I have agreed to pay fees directly to my adviser for advice relating to my investment on the basis agreed between us. I therefore do not require the facilitation of any payment from my investment.

☐

OR

- (B) I have agreed to pay the adviser detailed in Section 6 the one-off fee detailed below for advice relating to my investment. I hereby instruct the deduction of this amount from my subscription and its remittance to that adviser on my behalf.

☐

One-off fee to be deducted

£

I understand that tax relief will only be available on the amount subscribed net of this fee.

I also understand that if my adviser's fee includes VAT I may remain liable for the VAT element thereof, even where arrangements have been made to pay the deduction mentioned above.

Signature by Applicant

Signature by adviser

Name of Intermediary

7**Direct payments of commissions or one-off adviser's fees, if any, to a bank account** (to be completed by intermediaries whose details are in Section 6)

Account name:

Name of bank:

Address of bank:

Postcode:

Account number (please quote all digits including zeros)

Sort code:

Amati VCT plc, Amati VCT 2 plc and The City Partnership (UK) Limited cannot accept responsibility if any details quoted by you are incorrect.

For assistance on the completion of this Subscription Form, please contact The City Partnership (UK) Limited on weekdays between 9.00 a.m. and 5.30 p.m. on 0131 243 7210 or email vct-enquiries@amatiglobal.com. No investment advice can be given.



Amati
Global Investors

Finely crafted investments