



Amati VCTs Top Up Share Issues 2016/2017 and 2017/2018

Information Document

Target to raise, in aggregate,
up to £8,000,000 by way of an issue
of New Shares in the Companies

Amati VCT plc and Amati VCT 2 plc
(together the "Amati VCTs", the "Companies"
or "Company" as the context requires)

If you are in any doubt about the contents of this document, you should seek your own financial advice from a person authorised under the Financial Services and Markets Act 2000 (“FSMA”).

Your attention is drawn to the Risk Factors set out on pages 6 to 10 of this document.

This document (the “Information Document”), which is a financial promotion and not a prospectus, is issued by the Companies and has been approved for the purposes of section 21 of the Financial Services and Markets Act 2000 by Amati Global Investors Limited (“Amati”, the “Investment Manager” or “Manager”), which is authorised and regulated by the Financial Conduct Authority (“FCA”) (registration number FRN198024), on behalf of the Companies. Any decision to invest in either or both of the Companies should be based on a reading of the whole of this document.

This document contains details of invitations to apply to subscribe for shares in the Amati VCTs' Top Up Share Issues for 2016/2017 and 2017/2018 (the “Invitations” or “Share Issues”, which consist of an individual “Invitation” from each of the Amati VCTs in each tax year) for new ordinary shares (the “New Shares”) in the Companies.

The Share Issues are not being made, directly or indirectly, in or into the United States, Canada, Australia, Japan or the Republic of South Africa or their respective territories or possessions, and documents related to the Share Issues should not be distributed, forwarded or transmitted in or into such territories. The New Shares have not been and will not be registered under the United States Securities Act of 1933 (as amended) or the US

Investment Company Act of 1940 (as amended) or the US Investment Advisers Act of 1940 (as amended) and may not be offered, sold or delivered, directly or indirectly, in or into the United States, Canada, Australia, Japan or the Republic of South Africa.

Amati is acting exclusively for the Companies in connection with the Share Issues and will not be responsible to anyone other than the Companies for providing the protections afforded to clients in accordance with the rules of the Financial Conduct Authority or for advising any such person in connection with the Share Issues.

Application will be made to the UK Listing Authority for all the New Shares issued to be admitted to the premium segment of the Official List of the UK Listing Authority (the “Official List”). Application will also be made to the London Stock Exchange for all such shares to be admitted to trading on the London Stock Exchange's Main Market for Listed Securities. It is expected that admission of those shares will become effective and dealings will commence no later than 10 business days following allotment.

In this document Amati VCT plc is referred to as “Amati VCT” and Amati VCT 2 plc is referred to as “Amati VCT 2”.

This document as well as an Investor Guide can be viewed on Amati's website, www.amatiglobal.com, and can be requested free of charge by calling Amati Global Investors on 0131 503 9115, or by sending an email request to vct-enquiries@amatiglobal.com.

Issued: 8 November 2016

The Terms and Conditions are set out on pages 33 to 36 of this document, together with the application procedure and an Application Form for use in connection with the Share Issues. The minimum application per investor is £3,000 per tax year per Company or £5,000 (£2,500 in each Company) if applying for both Amati VCT plc and Amati VCT 2 plc. These applications are subject to and restricted by the rules governing non-prospectus offers, which place strict limits and constraints on the capacity and timing of allotments made during the share issuance period. While Amati will use its reasonable endeavours to manage the allotment process fairly and efficiently, it cannot guarantee that shares in respect of successful applications will be allotted at the earliest opportunity during the relevant tax year or that the Companies will have capacity to issue shares applied for at the desired times or at all. **Applications will be accepted on a first come, first served basis, subject to the discretion of the Directors, and in the event that the Share Issues are oversubscribed your application may be scaled back or returned without being processed. Where the next allotment following receipt of your application is oversubscribed, your application will be held for processing until a later allotment in the**

same tax year that is expected to have available capacity. This however is no guarantee that your application will be satisfied in full or in part during the course of the Share Issues. The Companies' respective indicative share allotment capacities under this document are set out on page 14 of the Letter from the Chairmen and further details of the allotment process are given in the Terms and Conditions. These allotment capacities are linked to the Net Asset Value of the Companies, and will therefore vary through the course of the Share Issues. Updated indicative allotment capacities will be provided via Amati's website as the Share Issues proceed.

The completed Application Form should be sent by post or delivered by hand to the address below by no later than noon on Tuesday 4 April 2017 in respect of the 2016/2017 tax year and noon on Friday 14 July 2017 in respect of the 2017/2018 tax year. Amati may at its absolute discretion close the Share Issues earlier than indicated or decide to extend the Share Issues.

Share Registrars Limited
The Courtyard
17 West Street
Farnham
Surrey GU9 7DR

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Timetable

Applications close in respect of tax year 2016/17	Noon on Tuesday 4 April 2017
Applications close in respect of tax year 2017/18	Noon on Friday 14 July 2017
Expected allotment dates in respect of tax year 2016/17	Monday 12 December 2016 Monday 30 January 2017 Monday 27 February 2017 Monday 27 March 2017 Wednesday 5 April 2017
Expected allotment dates in respect of tax year 2017/18	Monday 22 May 2017 Monday 19 June 2017 Monday 17 July 2017
Listing and dealings commence	Within 10 business days of allotment
Share certificates issued	Within 10 business days of allotment

The Share Issues will close earlier than indicated in respect of each tax year if the maximum subscriptions are received. Amati cannot guarantee a specific allotment date during the relevant tax year and applications which cannot be satisfied at one allotment date will be held for processing until a later allotment date. The Share Issues may also be extended at Amati's absolute discretion.

Details of the Share Issues

Issue Costs	3%
Issue Price	Last published net asset value per share, divided by 0.97
Issue Costs for existing Shareholders and applications via Authorised Financial Intermediaries	1%
Issue Price for existing Shareholders and applications via Authorised Financial Intermediaries	Last published net asset value per share, divided by 0.99
Adviser Charging	Fees for initial advice can be facilitated through the application process
Trail commission for applications via Authorised Financial Intermediaries acting in an Execution Only capacity (non-platform)	0.375% per annum payable by the Manager for five years
Minimum Subscription Level	In each tax year, £3,000 per Company or £5,000 if applying for shares in both Companies (£2,500 in each Company)
Issue Capacity	£8.0m in aggregate, managed under non-prospectus rules. Capacity is limited and applications will be accepted on a first come, first served basis, subject to the discretion of the Directors. In the event that Amati VCT is oversubscribed, investors may elect to subscribe automatically to Amati VCT 2, and vice versa, without having to submit a new application.
Minimum size of the Share Issues	There is no minimum size of the Share Issues, as both VCTs are already well established
Annual Management Fee	1.75% of net assets
Annual cap on running costs	3.5% of net assets
Performance Fees	Nil

For full details please see the Terms and Conditions on page 33.

In considering an investment in one or both of the Companies, prospective investors should review the following risk factors which, at the date of this document, the Directors of the Amati VCTs (the “Directors”) believe to be material, and 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 this document 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 an 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 a suitably qualified financial adviser authorised under the FSMA before deciding whether to, and how much to, invest in either of the Companies.

GENERAL RISKS

The market price of the ordinary shares in the Companies or either of them (the “Ordinary Shares”) may not fully reflect their underlying net asset value (“Net Asset Value” or “NAV”).

Although the 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. Potential 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 Shares because of the tax reliefs which attach to new subscriptions.

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

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 and the value of any dividends received.

An investor may lose his or her entire investment and his or her capital is at risk.

Under the Prospectus Rules and the FSMA, the VCTs are not required to issue a full prospectus for the Share Issues provided that the number of New Shares offered by the relevant company in any twelve month period does not exceed the lower of 10 per cent of the issued share capital of the Company, or EUR 5m. The Share Issues will be managed in such a way as to make the maximum use of this allowance, and this means that it is not possible to determine in advance the exact maximum number of shares that may be issued for each Company under the Share Issues, and that it may be necessary to reject applications made, or delay applications until a subsequent allotment date (in the same tax year), where accepting them would mean breaching the limits imposed by these restrictions. It should be noted that the two tests referred to are “rolling” 12 month tests, so that additional capacity may become available in due course and the full capacity may not become available immediately (or indeed at any particular date in the calendar).

INVESTMENT RISKS

The rules regarding qualifying investments (“Qualifying Investments”), as set out in the Income Tax Act 2007 as amended (“ITA”), 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.

The fact that a share is traded on the Alternative Investment Market, operated by the London Stock Exchange (“AIM”), or the ICAP Securities Derivatives Exchange (“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. Realisations of investments in AIM-traded or ISDX-traded companies and unquoted investments can sometimes be more difficult and can take more time than realisations of investments in companies quoted on the Official List. The valuation of a Company’s portfolio and opportunities for realisation will 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 Investments).

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 Companies are not achieved and/or the Companies are unable to identify, acquire and realise investments in accordance with their investment policies, the impact on the Companies' value and performance may be negative. In particular (i) the Companies may be left with a larger cash pool than they would wish which may act as a drag on investment returns, (ii) the Companies may be forced to make Qualifying Investments which they 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 Companies would be required to obtain Shareholders' approval in a general meeting to allow them to undertake this), (iii) the Companies may be forced to sell attractive investments which are liquid, in preference to less attractive investments which are illiquid, (iv) the Companies may not be able to realise enough cash or create enough distributable reserves to support their target dividend payments, and (v) the Companies may not be able to sell investments at times they believe most opportune. In any of these cases, the impact on the Companies may include a reduction in the value of their assets, a reduction in their 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 that Company's underlying NAV per share and/or the trading price of Ordinary Shares in that Company.

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.

In relation to unquoted 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 detail 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.

The ability of the Amati VCTs to manage the discount to NAV at which the shares trade through share buybacks is dependent on the availability of distributable reserves. In the absence of such buybacks, it is likely that there will not be a liquid market in the Ordinary Shares, and 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.

In addition, the ability of the Companies to buy back shares may be affected by the Companies' respective requirements in relation to financing their target annual dividend payments (please see Dividend Policy and Share Buyback Risks below).

The value of Ordinary Shares in Amati VCT or Amati VCT 2 depends on the performance of their underlying assets.

VCT STATUS TAXATION 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 Shareholder 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.

A VCT may lose its VCT status if it or one of its investee companies ceases to comply with the VCT rules. New rules and conditions were introduced with effect from November 2015, with the intention of ensuring that state aided funding is fully compliant with EU competition rules and to establish the overriding principle that such funding is used primarily for the growth and development of a qualifying business activity. These conditions in effect impose stricter limits on the nature and extent of investments which may be made by VCTs, which in turn could impact on the tax-advantaged status of the shareholdings of individual investors. How these conditions apply to the Companies can be broadly summarised as follows:

- a. no investment may be made by a VCT in a company that causes that company to receive more than £5m of State Aid Risk Finance (including from VCTs) over the twelve months prior to and including the date of investment, or more than a total of £12m (£20m if the company is deemed to be a Knowledge Intensive Company) over the company's lifetime. A subsequent acquisition by the investee company of another company that has previously received State Aid Risk Finance can cause the lifetime limit to be exceeded;
- b. no investment can be made by a VCT in a company whose first commercial sale was more than 7 years prior to the date of investment (10 years in the case of a Knowledge Intensive Company), except where previous State Aid Risk Finance was received by the company within the relevant age limit, or where a turnover test is satisfied and the funds raised are to be used to enter a new product or geographical market. A subsequent acquisition by the investee company of another company whose first commercial sale was more than 7 years prior to the date of investment can result in a breach of the VCT rules; and
- c. no investment can be made by a VCT in a company where the funds received are to be used by that company for the acquisition of another existing business or trade.

A new primary condition was added with effect from 6 April 2016 with the provision that VCTs must not make any "non-qualifying" investments except for certain specified investments held for liquidity purposes and redeemable within seven days (previously VCTs could make a wider range of "non-qualifying" investments so long as the aggregate held did not exceed the 30% limit). The "non-qualifying investments condition" lists these exemptions, which include investments in UCITS funds and in shares and securities purchased on a Regulated Market. Non-qualifying investments in AIM-quoted shares, however, will be subject to the new restrictions, as AIM is not a Regulated Market.

The exemptions to the non-qualifying investments condition referred to above are important because it means that the Amati VCTs can broadly maintain their non-qualifying investment strategy, central to which is investment in the TB Amati UK Smaller Companies Fund and investments in larger, more liquid individual companies listed on the Main Market of the London Stock Exchange.

Please note that this is not an exhaustive summary and should not be relied upon when considering an investment in one of the VCTs.

For further details please refer to the Venture Capital Schemes Manual published by HMRC, which can be found at <https://www.gov.uk/hmrc-internal-manuals/venture-capital-schemes-manual>.

If at any time VCT status is lost, the relevant Company may request that dealings in its 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. Individuals who had claimed income tax relief on subscriptions made over the preceding five years would also have this relief withdrawn, and dividends would become taxable in the normal way.

PERSONAL TAXATION RISKS

The current tax legislation applicable to individual investors provides for income tax relief of up to 30% of the amount subscribed in VCTs subject to an annual investment limit of £200,000 per tax year.

Investors who exceed the annual investment limit of £200,000 per tax year will not be able to obtain income tax relief for investment above this level, and will not benefit from the tax advantages enjoyed on shares bought within this investment limit, such as tax free dividends and freedom from capital gains tax.

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.

The UK Government has introduced legislation to restrict an individual's entitlement to VCT income tax relief where the investment is conditional upon or linked in any way to a VCT share buyback or has been made within 6 months of a disposal of shares in the same VCT.

VCT status may also be lost where the VCT returns any capital to investors where that capital was subscribed for shares after 6 April 2014 and the share capital is returned within 3 years of the end of the accounting period in which the funds were raised. This prohibition should not apply to the VCTs' ability to pay dividends from realised profits nor to funds used to purchase or redeem shares or to assets distributed in a winding up.

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.

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 REINVESTMENT SCHEMES RISKS

The continued availability of the Dividend Reinvestment Schemes 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 reinvestment of the dividends at the relevant time. In the event that any of these ceases to be the case, the relevant Dividend Reinvestment Scheme may no longer function temporarily or longer term or be available and a Shareholder may, perhaps unexpectedly, end up receiving a cash dividend.

The Dividend Reinvestment Schemes contain provisions in relation to notice which must be given in order to exit the relevant scheme. Members of the Schemes may not be able to exit the relevant scheme shortly before a dividend is paid if sufficient notice is not given and a Shareholder may therefore receive further Ordinary Shares when he or she desired a cash dividend.

DIVIDEND POLICY AND SHARE BUYBACK RISKS

Legislative changes relating to the Companies' ability to pay dividends from distributable reserves, including those introduced in the 2014 Finance Act preventing VCTs returning capital subscribed by investors within 3 years of the end of the accounting period in which the shares were issued (in respect of shares issued post 5 April 2014), could remove or impair the Companies' ability to target a dividend yield of 5-6% of year end NAV.

The absence or diminution of distributable reserves could prevent one or both of the Companies from continuing their current buyback and/or dividend distribution policy. Amati VCT is currently proposing to undergo a conversion of the share premium account which, subject to Shareholder approval and the consent of the Court of Session, would create a special reserve which could be used for any purposes which distributable reserves can be used under the Companies Act 2006. If that approval or consent is not given then such special reserve would not be available for buybacks or distributions.

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 are permitted to do so by the borrowing powers in their Articles. Were they to use a borrowing facility, this would enhance the NAV of the Ordinary Shares where the value of that Company's underlying assets is rising in excess of the Company's costs and expenses, but would have the opposite effect where the value of the underlying assets 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 derivatives policy as outlined in the Prospectus is no longer applicable due to the introduction of a new primary condition to Section 274 of the Income Tax Act 2007, as amended by the Finance (No. 2) Act 2015 and the Finance Act 2016. From 6 April 2016, VCTs are only permitted to make "qualifying investments" and investments in certain specified liquid instruments, namely alternative investment funds, undertakings for collective investments in transferable securities (UCITS) funds, as well as shares and securities purchased on a Regulated Market such as the Main Market of the London Stock Exchange. Any such investments must be redeemable within seven days. Subject to the approval of Shareholders the Companies' investment policies will be amended accordingly in due course.

FUND MANAGER RISKS

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.

Letter from the Chairmen of the Amati VCTs

Amati VCT plc

Incorporated in Scotland under the Companies Act 1985, with registered number SC278722

Directors:

Peter Lawrence (Chairman)
Julia Henderson
Charles Pinney
Brian Scouler

Registered office:

Thistle House, 21 Thistle Street,
Edinburgh, EH2 1DF

Amati VCT 2 plc

Incorporated in England and Wales under the Companies Act 1985, with registered number 04138683

Directors:

Julian Avery (Chairman)
Mike Killingley
Christopher Macdonald
Susannah Nicklin

Registered office:

27-28 Eastcastle Street,
London, W1W 8DH

Dear Investor,

We are pleased to invite existing investors and new investors to apply to subscribe for shares in the Amati VCTs' Top Up Share Issues for 2016/2017 and 2017/2018.

The Amati VCTs offer exposure to a well-diversified portfolio of small and medium sized businesses, with a particular focus on companies whose shares are traded on the Alternative Investment Market (AIM) in London. AIM is one of the world's most successful growth markets, where smaller companies seeking access to capital provide opportunities for investments that are eligible for inclusion in VCT portfolios ("Qualifying Investments").

The Share Issues will be managed in accordance with the limits determined by non-prospectus rules and applications will be accepted on a first come, first served basis, subject to the discretion of the Directors. An indicative table of allotment capacity on a cumulative basis is set out at the end of this letter, but please note that the number of shares available to be issued on each allotment date will be reduced by the total number and value of shares issued in earlier allotments. However, any spare capacity at each allotment date will be carried over to the next available allotment date, thereby increasing subsequent capacity during the course of the Share Issues. Please see the Terms and Conditions on page 33 for further details of the allotment process.

The form to apply for subscription is on page 39 (the "Application Form").

Investors are reminded that new rules and conditions introduced with effect from November 2015, which impose stricter limits on the nature and extent of investments by VCTs, could reduce the number of qualifying investments available and might mean that fund raisings by high quality companies could be oversubscribed in respect of qualifying shares. This in turn could limit the Manager's ability to take larger positions in the most sought after fund raisings. The Boards and the Manager have therefore given careful consideration to the impact of the rule changes in determining the investment and fund raising strategies for the Amati VCTs.

After seeing strong levels of new qualifying investment opportunities for much of the past three years, deal activity slowed towards the end of 2015 and during the first half of 2016, as the industry awaited guidance from HMRC on the application of the new rules and because of the inevitable uncertainty for capital markets created by the EU referendum. However, there has been a marked increase in deal activity in recent months and, while we do not expect the level of activity to return to that of the past few years, we believe that we will be presented with a number of attractive qualifying investment opportunities over the next twelve months.

The Directors believe that the Amati VCTs represent an attractive investment proposition for the following reasons:

- (i) The Amati VCTs provide access to a wide-ranging portfolio of investments, offering exposure to companies at various stages of maturity and which operate in a variety of industry sectors. Amati Global Investors ("Amati" or the "Manager") has adopted a policy of holding on to the most successful investments, which have now become large holdings in the portfolio, believing that this long-term approach is both good for the investee companies and good for Shareholder returns.
- (ii) Eligible investors are entitled to attractive tax reliefs, including, providing certain conditions are met, income tax relief of 30% of the amount invested and tax free dividends. See page 31 for further details.
- (iii) The Amati VCTs target annual dividend payments in the range of 5% to 6% of year end NAV, subject to the availability of distributable reserves¹. All dividends paid by a VCT are tax free. Where an investor is able to take advantage of the full 30% initial income tax relief available to eligible subscribers and adjusting for undiscounted up-front costs of 3%, assuming NAV per share remains flat, the tax free yield on the net cost of investment is expected to be in the range of 6.9% - 8.3%.
- (iv) The Directors believe that a portfolio focused primarily on companies quoted on AIM, rather than on private unquoted companies, provides flexibility when realising portfolio holdings because of the greater liquidity of publicly traded companies, as well as providing valuation transparency.
- (v) The Amati VCTs make non-qualifying investments for the purposes of liquidity management and risk diversification. These are predominantly in the TB Amati UK Smaller Companies Fund, an award winning collective investment fund of around 50-70 companies. Non-qualifying investments can also be made in individual small and mid cap companies fully listed in London. These companies are larger than those typically found in the qualifying portfolios. This strategy brings greater diversity to the portfolio as a whole and seeks to lower the risk profile of the VCTs whilst optimising performance.
- (vi) The Amati VCTs are currently very fully invested in qualifying holdings; as a percentage of total assets they represent 83% for Amati VCT and 87% for Amati VCT 2, as at 30 September 2016. This means that neither VCT is under pressure to make further qualifying investments and will only do so where compelling opportunities arise. The Top Up Share Issues will not change that position and will also not restrict the manager from selling holdings where it is desirable to do so.
- (vii) The Amati VCTs maintain a share buyback policy aimed at managing the discount to net asset value at which the shares trade (although the policy is subject to the availability of distributable reserves and may be varied by the Directors). See page 29 for further details.
- (viii) Amati Global Investors brings together an award winning team of highly experienced investment professionals focusing on smaller companies listed on AIM and the Main Market of the London Stock Exchange. The fund managers and staff at Amati and the Directors of the Amati VCTs have significant shareholdings in the Amati VCTs.

¹ Dividends are subject to the relevant Company having sufficient distributable reserves and sufficient cash receipts in the period and no profit forecast is to be inferred or implied by this statement (please see Risk Factors on pages 6 to 10). Dividend policy is not a reliable indicator of future performance. Amati VCT (but, for the avoidance of doubt, not Amati VCT 2) is currently undergoing a conversion of the share premium and capital redemption account which is subject to Shareholder consent and the consent of the Court of Session. If either consent is not obtained then Amati VCT's ability to buy back shares and/or make distributions may be impaired.

Dividend Reinvestment Schemes

The Amati VCTs operate dividend reinvestment schemes ("Dividend Reinvestment Schemes") to enable shareholders ("Shareholders") of each Company to use all of their dividends to subscribe for further Ordinary Shares, in lieu of cash, in the relevant Company in a cost effective manner. The price at which the Ordinary Shares are issued is the Net Asset Value per share at a date as close as possible to the dividend payment date. The relevant Company bears all the costs of operating the Dividend Reinvestment Scheme. Dividend reinvestment enables Shareholders to increase their total holding in the Company without incurring dealing costs, issue costs or stamp duty. Subject to the limits on investments in VCTs, any shares issued in lieu of a cash dividend would qualify for the same tax reliefs that are applicable to shares issued under the main Share Issues. Shareholders wishing to participate in one or both of the Dividend Reinvestment Schemes in respect of New Shares issued to them under the Top Up Share Issues should tick the relevant boxes in Section 5 of the Application Form. The terms of the Dividend Reinvestment Schemes are available on Amati's website (www.amatiglobal.com) or you can contact Amati by telephone on 0131 503 9115 or by email at vct-enquiries@amatiglobal.com. Please note that any instruction given in respect of one of the Dividend Reinvestment Schemes will be applied to any existing holdings in the same Company.

Risk Factors

Persons considering acquiring Ordinary Shares in either of the Companies are referred to the Risk Factors set out on pages 6 to 10 of this document.

Action to be taken

Before making a decision to invest in either Company we recommend that you seek advice from a financial adviser authorised under the FSMA. If you have any questions about the application process please contact Share Registrars Limited on 01252 821390 or email enquiries@shareregistrars.uk.com. The fund managers at Amati Global Investors also welcome calls from existing and prospective investors and can be contacted on 0131 503 9115. The suitability (or otherwise) of any investment in the Companies will depend on your individual circumstances and neither Amati Global Investors Limited nor Share Registrars Limited will be able to provide investment advice in connection with the Companies.

Yours faithfully

Peter Lawrence
Chairman, Amati VCT plc

Julian Avery
Chairman, Amati VCT 2 plc

Indicative timetable for cumulative share issuance capacity

Expected Allotment Date	Amati VCT Share Issue Capacity (cumulative)	Running Total Shares	Amati VCT 2 Share Issue Capacity (cumulative)	Running Total Shares
12/12/2016	£960,490	1,426,424	£903,943	795,518
30/01/2017	£1,306,378	1,935,747	£1,501,162	1,293,554
27/02/2017	£2,294,587	3,346,064	£2,093,690	1,787,679
27/03/2017	£2,636,347	3,833,805	£2,668,056	2,266,658
05/04/2017	£3,717,825	5,377,230	£3,668,086	3,100,609
22/05/2017	£3,717,825	5,377,230	£3,695,795	3,158,077
19/06/2017	£3,990,584	5,766,497	£3,971,748	3,390,733
17/07/2017	£4,000,000	5,779,935	£4,000,000	3,414,552
Total	£4,000,000	5,779,935	£4,000,000	3,414,552

The above timetable is indicative only and is based on certain assumptions made at the last practicable date prior to the publication of this document. These assumptions include (but are not limited to) the following: that the NAVs as at 30 September 2016 remain the same throughout the period (70.07p for Amati VCT and 118.61p for Amati VCT 2); that there are no share buybacks; and that the EUR/GBP exchange rate is constant at 0.86. The share issuance capacity given above will be reduced by shares issued to applicants during earlier allotments under the Share Issues. Any spare capacity at a given allotment date will be carried over to the next available allotment date. The above timetable may be amended at the discretion of the Companies and Amati. To see the most up to date version of the table above please visit Amati's website: www.amatiglobal.com.

Background to the Amati VCTs

Amati VCT and Amati VCT 2 are established venture capital trusts which are managed by an award winning investment management team. 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 according to the provisions 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.

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 the name First State Investments AIM VCT plc, and with registered number SC278722. The company changed its name to Noble AIM VCT plc on 2 July 2007, and changed its name to Amati VCT plc on 6 July 2010.

Amati VCT intends to carry on its business such that its VCT status will be maintained.

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 the name Singer & Friedlander AIM 3 VCT plc and with registered number 04138683. 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.

Amati VCT 2 intends to carry on its business such that its VCT status will be maintained.

Both the Amati VCTs conduct their affairs so that the shares issued to them can be recommended to ordinary retail investors in accordance with the FCA's rules in relation to non-mainstream pooled investments and intend to do so for the foreseeable future. The shares are excluded from the FCA's restrictions which apply to non-mainstream pooled investments because they are shares in a VCT.

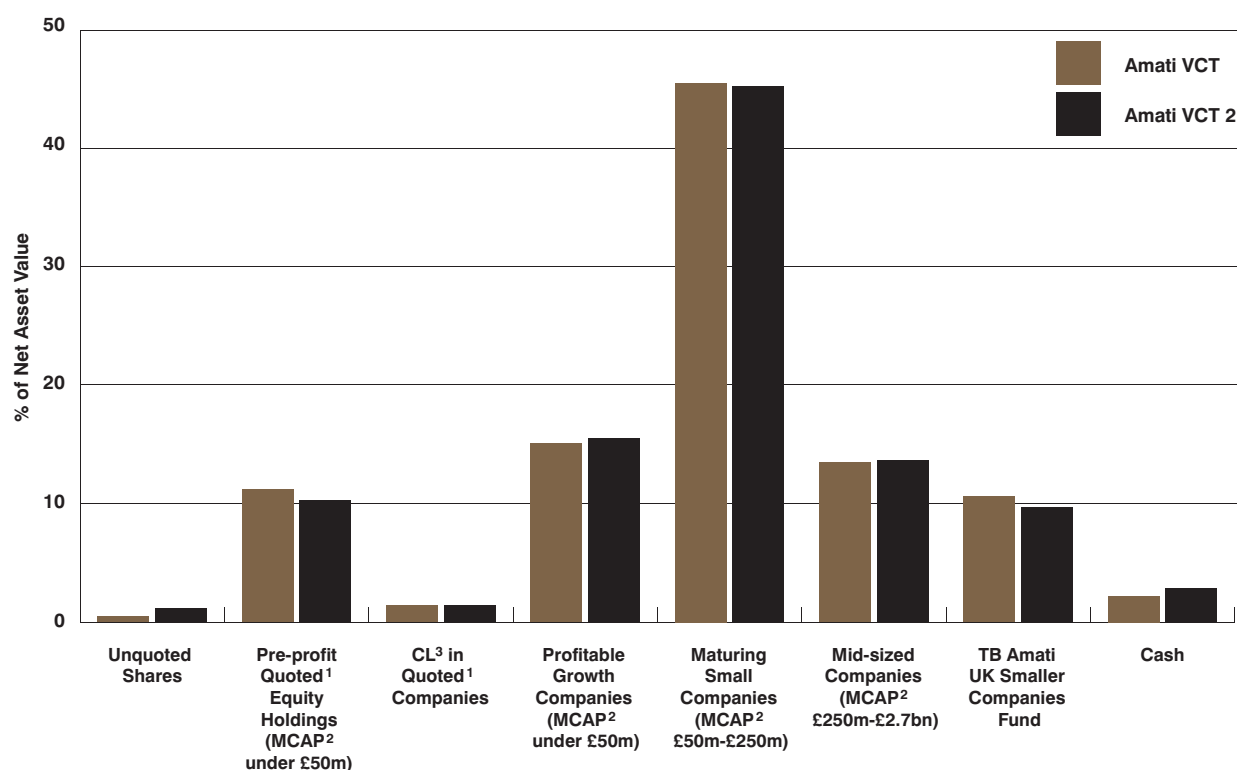
As at 30 September 2016 the issued share capital of Amati VCT was £5,722,950.10, made up of 57,229,501 Ordinary Shares of 10p each, and the issued share capital of Amati VCT 2 was £1,596,582.60, made up of 31,931,652 Ordinary Shares of 5p each.

Investing on AIM

Since its launch in 1995, over 3,000 companies have joined AIM. Throughout this time, AIM has been a crucial source of finance for ambitious UK growth companies. This was especially true during the global economic downturn, when conventional sources of finance, principally bank debt, became harder for smaller companies to procure. In many circumstances, banks remain unwilling to lend to small companies. In addition to providing a source of capital, AIM brings credibility to small growth companies due to the regulatory requirements placed upon businesses wishing to join. For investors, this provides an added degree of comfort as AIM-quoted companies must comply with more onerous reporting and corporate governance requirements than private businesses. The status of AIM companies also allows fund managers flexibility in managing portfolios due to the potential liquidity that comes with a stock market quote. This means that, subject to this level of liquidity, AIM VCTs can reduce exposure to quoted holdings by selling on the market. Conversely, there is no pressure to sell a holding that the managers believe continues to have good prospects for growth and share price appreciation.

Prospective investors should note that new rules introduced under the Finance (no. 2) Act 2015 place restrictions on the extent and nature of AIM-quoted investments by VCTs. Qualifying investments in AIM-quoted companies are subject to reduced investment limits and narrower criteria relating to the age of the investee company and the use of funds raised. Non-qualifying investments in AIM-quoted companies are no longer permitted. See 'VCT Taxation Risks' on page 8 and 'Investment Policy of the Amati VCTs' on pages 25 to 29.

Style Analysis – Amati VCT and Amati VCT 2



Source: Amati Global Investors as at 30 September 2016

1. Quoted Traded on ISDX, AIM or the Main Market of the London Stock Exchange. Note that for the purposes of the VCT legislation ISDX and AIM traded stocks are treated as "unquoted".
2. MCAP Market Capitalisation - the total value of the issued shares of a publicly traded company; it is equal to the share price multiplied by the number of shares outstanding.
3. CL Convertible Loan - a debt instrument issued by a company which contains an option to convert the loan into ordinary shares at an agreed price.

The chart above outlines the categories of investments in each portfolio, by value as at 30 September 2016. Although the VCTs are now broadly aligned, until relatively recently there were significant differences between them in terms of the proportion of the net asset values of the VCTs held in two categories: Convertible Loans in Quoted Companies; and Maturing Small Cap Companies (defined as those with market capitalisations between £50 million and £250 million). These differences arose for historical reasons.

The significant differences which remain between the two VCTs now relate almost exclusively to historical investments which have performed well and grown significantly in size. Amati VCT has holdings in Craneware and Sprue Aegis, which are not held by Amati VCT 2. Amati VCT 2 has holdings in Accesso Technology Group, Brooks Macdonald Group, Tasty, Netcall and Dods Group, which are not held by Amati VCT.

The Amati VCTs are now managed under near identical mandates so that new investments and sales are allocated pro-rata between the portfolios unless there is a clear reason to diverge from this process. Any exceptions to this process are logged and monitored by the VCT Boards. While the composition of the portfolios may change over time in response to the changing investment and regulatory landscape, we expect the Amati VCTs to remain closely aligned in the future.

The weighted average market capitalisation of qualifying investments held by Amati VCT was £133m and by Amati VCT 2 was £144m, as at 30 September 2016.

Examples of Investments by the Amati VCTs

LoopUp Group (“LoopUp”)



LoopUp is a provider of remote meetings, with headquarters in London and offices in San Francisco, New York, Hong Kong and Barbados, employing a total of 96 people. The company facilitates conference calls and remote meetings for around 1,850 customers globally from data centres in the US, Europe and Asia, and is focused on eliminating the common frustrations experienced by users of conference call software, such as the constant interruptions when a participant joins or leaves the call. An estimated \$14bn is lost in global productivity every year owing to the time wasted through problems with conference calling, and LoopUp's user-friendly interface and seamless and secure document collaboration tools are key differentiators in their attempt to disrupt the global conferencing market, which is growing at 15% per annum and worth an estimated \$5bn. LoopUp uses an innovative 'Pod' structure for sales, consisting of small self-contained teams covering the entire sales, implementation and service process, which is driving rapid customer acquisition and strong revenue growth.

The investment case was built on the following attributes:

- Impressive client list and high levels of customer satisfaction;
- Relatively mature business with repeat revenues and very little customer churn;
- Differentiated product makes it less vulnerable to commoditisation;
- Opportunity for growth in a huge but poorly served and fragmented market;
- Financing in place to double the number of 'Pods' to drive sales growth and establish new routes to market.

Premier Technical Services Group (“PTSG”)



PTSG is the UK's leading provider of building access and safety services. It is also a specialist in the design, installation and testing of lightning protection and electrical systems, and in high level cleaning services. The company operates in regulated markets, driven by annual inspection and insurance requirements. Customers are a diverse range of corporations and facilities managers in the UK, with international clients now also being won. PTSG was founded in 2007 by an experienced management team, which previously built up and sold facilities services provider, MacLellan Group plc, to Interserve plc for an enterprise value of £130m. To date, PTSG has achieved a broadly equal split of organic and acquisitive growth and it listed on AIM in February 2015 to continue the consolidation of its end markets.

The investment case was built on the following attributes:

- Demand for PTSG's services is mainly non-discretionary;
- The company has market leadership in a number of areas, but with significant scope for expansion against highly fragmented competition;
- Over 90% of customers currently take only one service, which offers cross-selling opportunities;
- With nationwide coverage it has an operational advantage over regionally focused competitors;
- In addition to organic potential, the company has an extensive acquisition track record, where its tight operational management has achieved strong synergies, and this will continue to be a feature of the future growth strategy.



LTG is a specialist provider of online training, referred to as “e-learning”. The corporate market for e-learning is highly fragmented and is estimated to be worth \$255bn globally, growing at over 20% per annum, albeit with some cyclical characteristics. LTG’s customers encompass both governments and large corporations, who either commission bespoke training courses for their staff, or who are able to create tailored e-learning packages themselves using LTG’s authoring software package. This is sold on a Software as a Service (“SaaS”) basis, generating recurring revenues. Amati’s investment was made as part of a fund raising for increased investment in growth and for the acquisition of Eukleia, a financial services training provider with a focus on compliance. LTG is aiming to build a group with sufficient scale and product range to meet the needs of a global client base.

The investment case was built on the following attributes:

- LTG provides leading exposure to a growing, global e-learning market where scale will become an increasingly important barrier to entry;
- Following a series of strategic acquisitions, LTG has already built a group with the scale to deal with both large international corporations and governmental bodies;
- It is an established business which is profitable, cash generative and dividend paying;
- The management team are experienced, with the CEO having built and sold a competitor company in the past.

INVESTOR RETURNS

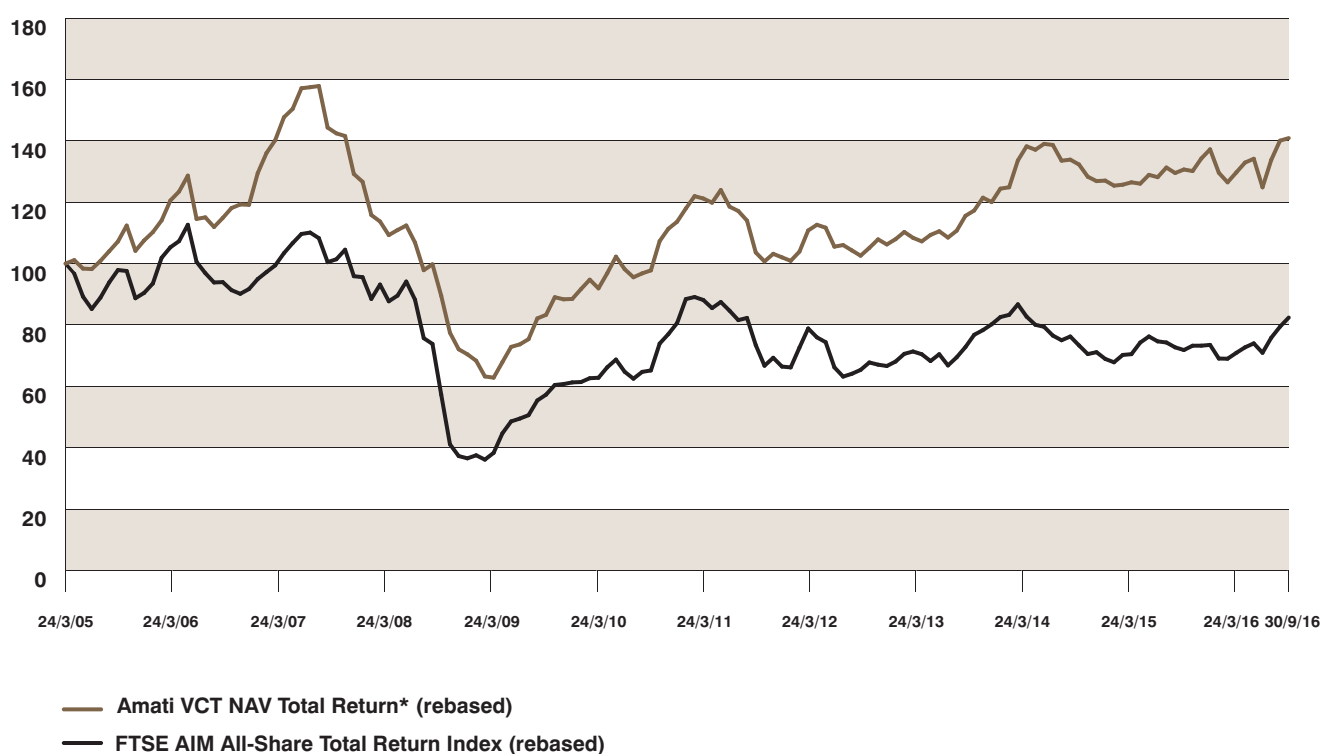
The following figures are an indication of past performance. **Past performance is not a reliable indicator of future performance.** The information has been compiled by Amati which is the source of the information and is based on the time periods indicated on each table and graph.

Amati VCT plc track record

The following table and graph show the NAV Total Return performance of Amati VCT over certain periods to 30 September 2016 (assuming that dividends are reinvested 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*
Amati VCT NAV Total Return	7.8%	20.1%	39.9%	40.9%
FTSE AIM All-Share Total Return Index	14.7%	7.3%	23.5%	-17.6%

* Return since launch is calculated from 24/03/05 (date of first allotment of shares)



* Net Asset Value per share Total Return, assuming dividends are reinvested on the ex-dividend date, excluding tax reliefs and upfront costs.

Source: Amati Global Investors as at 30 September 2016

Below is a table indicating the returns to Shareholders in Amati VCT as at 30 September 2016 for representative allotments by Amati VCT of 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	100.0p	94.8p	60.0p	40.9%	122.5%
4 April 2006	123.5p	117.0p	74.1p	14.1%	80.2%
21 March 2007	133.0p	130.3p	93.1p	0.5%	40.7%
4 April 2008	96.5p	91.7p	67.6p	28.9%	75.0%
3 April 2009	54.5p	51.8p	38.2p	123.4%	203.1%
3 April 2010	79.2p	75.2p	55.4p	45.5%	97.4%
5 April 2011	93.2p	88.1p	65.2p	17.3%	58.4%
5 April 2012	81.8p	77.7p	57.3p	24.8%	69.3%
5 April 2013	72.6p	69.0p	50.8p	31.0%	77.7%
4 April 2014	85.8p	81.5p	60.0p	3.4%	40.3%
2 April 2015	71.6p	70.8p	50.1p	11.4%	57.5%

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

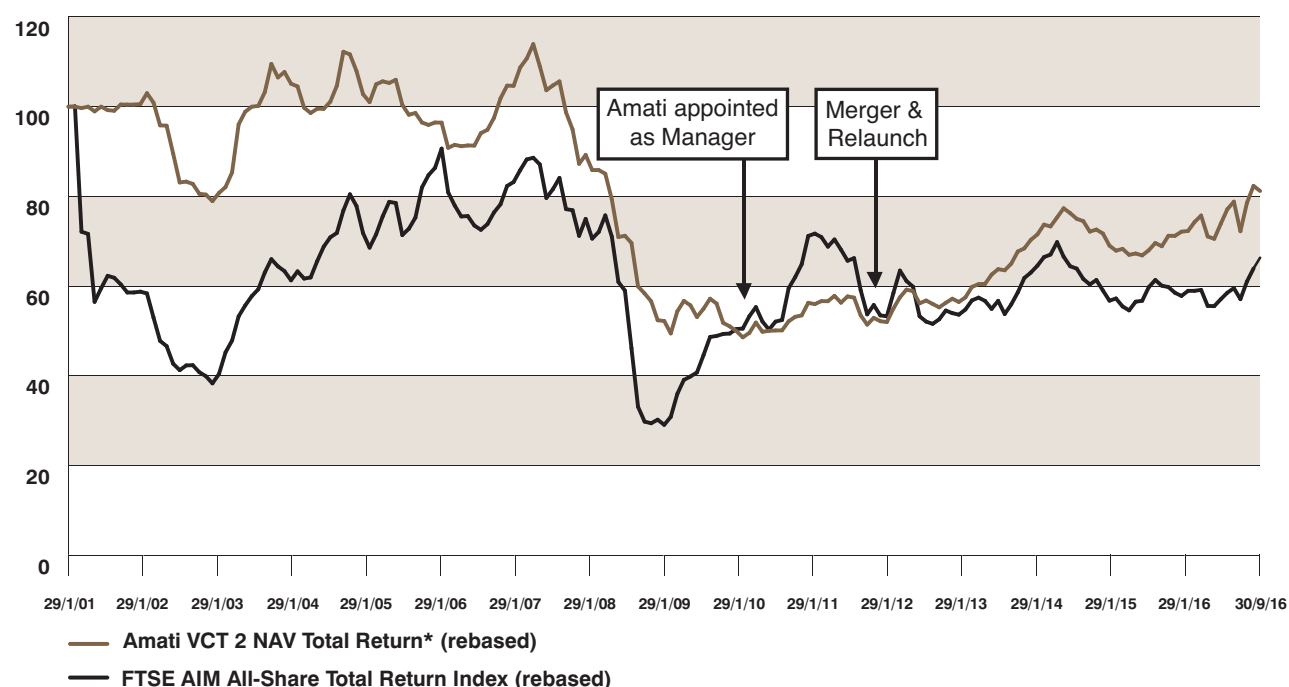
Source: Amati Global Investors as at 30 September 2016

Amati VCT 2 plc track record

The following table and graph show the NAV total return performance of Amati VCT 2 over certain periods to 30 September 2016 (and assuming that dividends are reinvested on the ex-dividend date), showing a comparison against the FTSE AIM All-Share Index. They split out the performance since Amati became the manager of Amati VCT 2 on 25 March 2010 (then called ViCTory VCT Plc), and since the merger with Invesco Perpetual AIM VCT PLC and relaunch as Amati VCT 2 on 8 November 2011. At inception Amati VCT 2 was called Singer & Friedlander AIM VCT 3.

Time Period	Since Being Managed by Amati	Since Merger	1yr	3yr	5yr	Since Launch*
Amati VCT 2 NAV Total Return	61.0%	53.4%	12.6%	18.7%	58.0%	-18.8%
FTSE AIM All-Share Total Return Index	23.1%	18.3%	14.7%	7.3%	23.5%	-33.7%

* Return since launch is calculated from 29/01/2001 (date of first allotment of shares)



* Net Asset Value per share Total Return, assuming dividends are reinvested on the ex-dividend date, excluding tax reliefs and upfront costs.

Source: Amati Global Investors as at 30 September 2016

Below is a table indicating the returns to Shareholders in Amati VCT 2 as at 30 September 2016 for representative allotments by Amati VCT 2 of Ordinary Shares since the merger and relaunch on 8 November 2011.

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*
21 November 2011	105.6p	100.4p	73.9p	52.4%	106.8%
10 September 2012	106.5p	101.2p	74.6p	46.7%	99.1%
2 October 2013	124.4p	118.2p	87.1p	18.7%	61.1%
4 April 2014	136.6p	129.8p	95.6p	5.7%	43.4%
2 April 2015	107.7p	106.6p	75.4p	21.5%	71.8%

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

Source: Amati Global Investors as at 30 September 2016

Investment Portfolios

The following table shows the investment portfolios of Amati VCT and Amati VCT 2 with value shown as at 30 September 2016*, being the last practicable date before publication.

Security Description	Sector	Type	Amati VCT			Amati VCT 2		
			Book Cost £	Market Value £	% of NAV	Book Cost £	Market Value £	% of NAV
AB Dynamics	Industrials	Equity	304,371	1,639,815	4.1%	259,465	1,382,861	3.7%
Accesso Technology	Technology	Equity	-	-	-	233,200	3,381,400	8.9%
Allergy Therapeutics	Health Care	Equity	-	-	-	28,536	50,436	0.1%
Anpario	Health Care	Equity	276,649	860,411	2.1%	271,575	755,036	2.0%
Antenova	Telecommunications	Equity	-	-	-	0	61,080	0.2%
Antenova	Telecommunications	Preference Shares	-	-	-	100,117	35,705	0.1%
Belvoir Lettings	Financials	Equity	404,181	592,901	1.5%	339,495	500,847	1.3%
Bilby	Industrials	Equity	676,055	1,133,214	2.8%	574,260	940,263	2.5%
Brady	Technology	Equity	331,299	438,962	1.1%	-	-	-
Brighton Pier	Consumer Services	Equity	314,086	262,557	0.7%	292,314	237,505	0.6%
Brooks Macdonald	Financials	Equity	205,620	321,475	0.8%	1,153,823	1,668,306	4.4%
Craneware	Technology	Equity	297,872	2,731,501	6.8%	-	-	-
Crawshaw	Consumer Services	Equity	431,896	341,743	0.9%	368,964	285,338	0.8%
Dods	Consumer Services	Equity	-	-	-	595,868	270,000	0.7%
EU Supply	Technology	Equity	350,434	168,627	0.4%	330,052	156,994	0.4%
FairFX	Financials	Equity	537,251	350,984	0.9%	462,749	294,549	0.8%
Faron Pharmaceuticals	Health Care	Equity	409,905	417,693	1.0%	390,095	382,293	1.0%
Fox Marble	Basic Materials	Equity	761,066	430,370	1.1%	696,311	394,303	1.0%
Fox Marble 8% 2017	Basic Materials	Convertible Loan	551,700	565,314	1.4%	508,300	520,843	1.4%
Frontier Developments	Consumer Goods	Equity	594,230	1,116,696	2.8%	549,423	1,005,379	2.7%
GB Group	Technology	Equity	236,453	1,975,896	4.9%	223,707	1,814,655	4.8%
Genedrive	Health Care	Equity	326,201	253,825	0.6%	298,799	205,424	0.5%
Hardide	Basic Materials	Equity	373,374	735,177	1.8%	500,000	531,250	1.4%
Hiscox	Financials	Equity	565,140	691,526	1.7%	-	-	-
Ideagen	Technology	Equity	564,866	1,371,620	3.5%	496,278	1,182,357	3.1%
Idox	Technology	Equity	298,961	2,580,547	6.5%	238,511	2,178,397	5.8%
Ilika	Technology	Equity	207,922	177,314	0.4%	192,080	161,413	0.4%
Invocas	Financials	Equity	332,285	35,880	0.1%	-	-	-
Kalibrate Technologies	Technology	Equity	363,154	382,691	1.0%	350,044	354,475	0.9%
Keywords Studios	Industrials	Equity	487,549	1,662,558	4.1%	437,037	1,473,321	3.9%

* Excluding holdings valued at nil
Companies within the portfolio as at 30 September 2016: Amati VCT, 56; Amati VCT 2, 57

Security Description	Sector	Type	Amati VCT			Amati VCT 2		
			Book Cost £	Market Value £	% of NAV	Book Cost £	Market Value £	% of NAV
Learning Technologies	Industrials	Equity	870,525	1,357,603	3.5%	746,476	1,137,487	3.0%
LoopUp	Technology	Equity	490,000	599,025	1.5%	470,000	564,000	1.5%
MartinCo	Financials	Equity	154,502	244,170	0.6%	140,914	218,094	0.6%
Microsaic Systems	Industrials	Equity	422,834	106,698	0.3%	419,125	94,276	0.2%
Mirada	Consumer Services	Equity	483,450	177,429	0.4%	416,550	147,000	0.4%
Mirriad	Technology	Equity	524,529	148,286	0.4%	485,846	137,351	0.4%
Mycelx Technologies	Oil & Gas	Equity	440,349	72,867	0.2%	425,026	53,479	0.1%
Netcall	Technology	Equity	-	-	-	110,217	324,260	0.9%
Nujira	Technology	Equity	126,987	4,939	0.0%	117,227	4,560	0.0%
Premier Technical Services Group	Industrials	Equity	73,537	621,222	1.5%	402,433	518,229	1.4%
Quixant	Technology	Equity	418,701	2,515,525	6.3%	385,629	2,255,627	6.0%
Rosslyn Data Technologies	Technology	Equity	384,601	118,260	0.3%	365,387	104,114	0.3%
Sabien Technology	Industrials	Equity	697,753	199,088	0.5%	500,449	154,487	0.4%
Science in Sport	Consumer Goods	Equity	810,581	1,129,686	2.8%	710,090	981,434	2.6%
Solid State	Industrials	Equity	258,717	517,199	1.3%	242,801	470,550	1.2%
Sportsweb	Industrials	Equity	-	-	-	352,128	316,915	0.8%
Sprue Aegis	Industrials	Equity	106,565	1,020,198	2.5%	-	-	-
SRT Marine Systems	Technology	Equity	708,731	784,896	2.0%	579,500	750,500	2.0%
Synectics	Industrials	Equity	-	-	-	341,953	280,210	0.7%
Tasty	Consumer Services	Equity	-	-	-	319,949	696,488	1.8%
TB Amati UK Smaller Companies Fund	Financials	Equity	3,252,504	4,270,385	10.6%	2,801,336	3,672,594	9.7%
TLA Worldwide	Consumer Services	Equity	349,252	729,063	1.8%	329,952	676,402	1.8%
Tristel	Health Care	Equity	543,490	1,528,923	3.8%	439,578	1,360,748	3.6%
Universe	Industrials	Equity	283,985	1,125,126	2.8%	266,598	1,012,861	2.7%
Venn Life Sciences	Health Care	Equity	311,179	339,468	0.8%	274,122	299,042	0.8%
Water Intelligence	Industrials	Equity	180,466	351,155	0.9%	170,167	316,296	0.8%
Total Investments			22,095,758	39,200,508	97.8%	21,704,456	36,771,434	97.1%
Net Current Assets				899,337	2.2%		1,104,196	2.9%
NET ASSET VALUE				40,099,845	100%		37,875,630	100%

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 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 2010, having joined Noble in 2007 as Head of Equities. His fund management career began in 1998 with Stewart Ivory, which was taken over by First State in 2000 at which time Paul became manager of what is now TB Amati UK Smaller Companies Fund. In early 2005 he launched what is now Amati VCT and he also manages Amati VCT 2 after the investment management contract moved to Amati Global Investors in 2010. In September 2014 Amati launched the Amati AIM IHT Portfolio Service, which Paul co-manages with Douglas Lawson and David Stevenson.

Prior to 1998 Paul worked as a professional violinist, including a four year period with the City of Birmingham Symphony Orchestra. He is CEO of Amati and a Director of Sistema Scotland.

Douglas Lawson co-founded Amati Global Investors with Paul Jourdan. Prior to this he worked in corporate finance and private equity, initially focusing on middle market UK private equity and listed company M&A at British Linen Advisors, and latterly as an investment manager in the private equity team at Noble. Douglas has co-managed the TB Amati UK Smaller Companies Fund and Amati VCT since 2009, Amati VCT 2 since 2010 and the Amati AIM IHT Portfolio Service since 2014. Douglas started his career at Ernst & Young in London, where he qualified as a Chartered Accountant in 2002. He is a Director of Amati.

David Stevenson joined Amati in 2012. In 2005 he was a co-founding partner of investment boutique Cartesian Capital, which managed a range of retail and institutional UK equity funds in long only and long/short strategies. Prior to that he was Assistant Director at SVM, where he also managed equity products including the UK Opportunities small/midcap fund which was ranked top decile for the 5 year period from inception to 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. David has co-managed the TB Amati UK Smaller Companies Fund and the Amati VCTs since 2012 and the Amati AIM IHT Portfolio Service since 2014.

Financial Calendars

	Amati VCT plc	Amati VCT 2 plc
Financial year end	February	January
Annual results announcement	May	April
Annual General Meeting	June	June
Dividends paid	August and December	July and November
Half year results announcement	October	September

Investment Policy of the Amati VCTs

VCT Rule Changes and Investment Policy

New rules and conditions were introduced with effect from November 2015 which impose stricter limits on the nature and extent of investments by VCTs, with the intention of bringing state aided funding in line with EU competition rules and ensuring that funds raised by investee companies are used for the growth and development of a qualifying business activity. These new rules and conditions are summarised in 'VCT Status Taxation Risks' on pages 8-9. The Investment Policy and Strategy as outlined in the Prospectus is therefore no longer applicable and what follows has been amended to reflect the *effective* policy according to which the Amati VCTs are required to operate under the new legislation. As this legislation is narrower in scope than that in force previously, the Amati VCTs will as a consequence remain at all times within the existing investment policy and strategy, which subject to the approval of Shareholders will be amended in due course.

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.

Risk Diversification

Portfolio risk will be mitigated through appropriate diversification of holdings within each Ordinary Share portfolio. As at 30 September 2016, Amati VCT held investments in 56 companies and Amati VCT 2 held investments in 57 companies.

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 (ITA) and as amended by the Finance (No. 2) Act 2015 in which assets are valued on the basis of the last purchase price rather than by market price) will be approximately:

- 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.
- Between 0% and 30% in Non-Qualifying Investments in (a) the TB Amati UK Smaller Companies Fund, or (b) small and mid-sized companies listed on the Main Market of the London Stock Exchange.
- Between 0% and 30% in cash or cash equivalents (including money market funds).

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).

Investment Policy, Listing Requirements and Investment Restrictions

Each of the VCTs' income is derived wholly or mainly from shares or other securities. The Companies 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 the 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:

- 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.

Each of the Companies is also subject to the investment restrictions in the Listing Rules of the FCA 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.

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 of 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 do not have borrowing facilities in place, and there is no current intention to put such facilities in place.

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.

Qualifying Investments Strategy

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; and

- 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 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.

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. investment in the TB Amati UK Smaller Companies Fund;
- ii. direct equity investments in small and mid-sized companies listed on the Main Market of the London Stock Exchange; and
- iii. cash or cash equivalents (including money market funds).

If the Manager holds a negative outlook on equity markets then the portfolios may carry higher cash levels as outlined above. Asset allocation between these categories will remain flexible.

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. 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; and
- Review of 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; and
- 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

The large majority of the Companies' non-qualifying investment is held through a holding in the TB Amati UK Smaller Companies Fund, which is an award winning open-ended investment company investing in companies listed in London. The team at Amati also manages this fund, which complies with the Investment Association (IA) sector classification requiring that 80% of the portfolio is invested in the bottom 10% by value of listed companies domiciled in the UK, giving a target universe ranging from the Alternative Investment Market ("AIM") to fully listed constituents of the Small Cap and Mid 250 indices. 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.

Where non-qualifying investments are made in individual companies, such investments are likely to be held or to be bought by this fund too. In these cases 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.

If a company is selected for the non-qualifying portfolios at the same time as TB Amati UK Smaller Companies Fund 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.

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" or "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

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 FCA 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.

Valuation Policy

Quoted investments are valued at bid price in accordance with International Financial Reporting Standards. Amati VCT uses the London Stock Exchange Daily Official Closing Bid prices and Amati VCT 2 uses the closing quoted 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 Share Issues. 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, discounted cash flow, 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.

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.

Share Buyback Policy

Each of the Companies wishes to ensure that there is liquidity in the Ordinary Shares and each intends to pursue an active discount management policy, subject to sufficient levels of distributable reserves, cash receipts and other requirements in the relevant accounting period.

The Directors of each of the Companies intend that each Company buy back those Ordinary Shares which Shareholders wish to sell, subject to legislation governing the Companies (including the recent European Union Market Abuse Regulations), 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 share issues 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 of each Company. 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.

Duration of the Companies

Although investments in VCTs are of a long term nature, with the full benefit of their tax reliefs being available to subscribers only where they hold their investments for more than 5 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 association of Amati VCT provide that a continuation vote is to be proposed at the 2020 AGM and at every fifth AGM thereafter. If that vote is not passed, the articles provide that the Company would cease to make further share issues (except explicitly on the basis that such further shares may not be eligible for full VCT reliefs or that they may be withdrawn on such further shares), and the board is obliged to bring forward proposals for the Company to cease to be a

VCT after the fifth anniversary of the latest share allotment prior to the vote, with a further vote being held annually in the meantime to confirm or overturn this decision. This will mean that the continuation vote can be held without jeopardising the tax status of recent investors.

The articles of association of Amati VCT 2 provide that a continuation vote is to be proposed at the 2020 AGM and at every fifth AGM thereafter. If that vote is not passed, the articles provide that the Company is to convene a general meeting within 9 months at which special resolutions are to be proposed for the reconstruction or reorganisation of the Company and, if that resolution is not passed, then a special resolution for the voluntary winding up of the Company. If neither resolution is passed then the Company continues as a VCT. This provides flexibility for the Company (subject to the relevant statutes and rules at the relevant time and commercial opportunities) to seek a tax efficient alternative for recent subscribers other than a winding up in addition to providing an option to wind up.

Investment Management and Administration Arrangements

The annual management fee for both Companies payable to Amati is 1.75%, paid quarterly in arrears.

On 28th March 2014, the boards of the two Companies each announced that the Manager had offered to waive the right to future performance fees and that that offer had been accepted. The waiver took effect in respect of periods after 31 August 2014 in respect of Amati VCT and 31 July 2014 in respect of Amati VCT 2. Therefore performance fees are no longer payable in respect of Amati VCT and Amati VCT 2. We believe that the removal of performance fees creates a simpler and more transparent charging structure and helps protect the long term interests of our Shareholders.

The Companies also pay an annual administration fee to Amati, which in turn engages The City Partnership (UK) Limited as Company Secretary, and Capita Asset Services as the Companies' fund accountants. The performance figures quoted for the Amati VCTs in this document are net of all fees and charges, whether paid or accrued.

Any trail commissions paid to intermediaries are paid by the Manager. Further details of the Amati VCTs' investment management and administration arrangements are set out on pp.43-46 of the Companies' joint Prospectus published on 6 February 2013, which is available on Amati's website at www.amatiglobal.com/avct_literature.php (this prospectus was accurate at the time of publication and the period during which it was live but does not reflect the waiver of future performance fees as described above).

Amati makes or has made a small number of investments in private companies or unquoted convertible loan instruments in AIM-quoted companies. In these cases a deal fee may be paid to Amati by the investee company, out of which legal expenses and other associated costs arising from the investment are covered. If such deals are aborted Amati pays for any costs which have arisen. Where Amati appoints a non-executive director to the board of an investee company they will generally be paid by the investee company in line with other non-executive directors. This payment may also take the form of a monitoring fee.

Custody Arrangements

Jarvis Investment Management Limited acts as custodian to Amati VCT and Bank of New York Mellon SA/NV acts as custodian to Amati VCT 2. The custodians are responsible for ensuring safe custody and dealing with settlement arrangements for their respective Companies. In addition from time to time Rooney Nimmo provides safe keeping for physical certificates for securities owned by the Companies.

Reports

The annual reports of the Companies are sent out in the months of May and April and the half-yearly reports of the Companies are sent out in the months of October and September for Amati VCT plc and Amati VCT 2 plc respectively.

Tax benefits for individual investors and for VCTs

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. Tax treatment is dependent on the circumstances of the individual investor. A full guide to the VCT legislation can be found on HMRC's web pages at <https://www.gov.uk/hmrc-internal-manuals/venture-capital-schemes-manual>, which includes links to the source legislation. The provisions for Income Tax relief on subscription and distributions are in Part 6 of the Income Tax Act 2007 ("ITA"), the provisions for VCTs in sections 274 to 285, and the provisions for what constitutes qualifying investments are in sections 286 to 313.

Tax reliefs for 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.

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. Most investors should not consider investing more than £200,000 in VCTs in any one tax year, and are advised to take professional tax advice if they intend to do so. A husband and wife can both make use of a £200,000 VCT allowance in any one tax year.

Income tax relief

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 (subject to an amount that reduces the investor's income tax liability to nil). Relief from 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. According to

the provisions of the Finance Act 2014, an investor disposing of shares in a VCT is generally prevented from claiming upfront tax relief for a subscription up to the equivalent value of shares in the same VCT (or in another VCT which at any time merges with that VCT), where the disposal is within the period from six months before to six months after the new subscription, or is linked to a share buyback.

Tax free dividends

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

Effect of tax relief

	5% tax free yield	6% tax free yield
Gross investment	£10,000	£10,000
Less 3% costs	(£300)	(£300)
Value of holding after costs	£9,700	£9,700
Income tax relief (30% x gross investment)	(£3,000)	(£3,000)
Net cost (gross investment less income tax relief)	£7,000	£7,000
Tax free dividend (5-6% of value after costs ie £9,700)	£485	£582
Tax free dividend yield on net cost of investment	6.9%	8.3%

Capital gains tax relief 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. 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.

Individuals obtaining 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.

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

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.

Future changes to the tax regime applicable to the Companies

The tax rules set out here 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 could change at any time. See also the sections entitled "VCT Status Taxation Risks" and "Personal Taxation Risks" on pages 8-9.

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

Qualifying as a VCT

The Companies have to satisfy a number of tests in order to qualify as VCTs and, therefore, to obtain the tax benefits available to VCTs and their individual Shareholders. These are set out on HMRC's website at: <https://www.gov.uk/hmrc-internal-manuals/venture-capital-schemes-manual>.

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

Withdrawal of VCT approval

Approval of a VCT may be withdrawn by HMRC if the relevant tests 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, 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.

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 FCA will be notified as soon as possible.

ii. For qualifying subscribers' income tax relief on investment

If VCT approval 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.

iv. Capital gains

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.

Withholding tax

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

Terms and Conditions of the Top Up Share Issues

1. These terms and conditions of the Top Up Share Issues apply to the two Invitations to apply (one in the tax year 2016/2017 and one in tax year 2017/2018) made by each of Amati VCT and Amati VCT 2. The Amati VCT Invitation and the Amati VCT 2 Invitation are separate Invitations made by each company independently and neither Amati VCT nor Amati VCT 2 (or their respective agents) may bind the other.
2. This document does not constitute an offer of shares in either Company to any person. This document is an invitation to current Shareholders and new investors to apply for the subscription of shares. The number of shares available for subscription is limited by the rules applicable to non-prospectus offers and in no event will shares be made available in excess of the number permitted which is calculated on a rolling basis. Applicants should be able to view the number of shares potentially available for issue at any particular time by looking on www.amatiglobal.com. In any case, either Company may at its sole discretion choose to reject any application or to accept that application. To the extent that in any instance either Company is deemed to have offered any shares to any person under this process, such offer shall be strictly limited to the number of shares the relevant Company chooses to make available at any particular time on any particular date in response to the applications. Any other numbers of aggregate amounts available over any period are indicative only as to the expectations of the Companies as to the numbers they may be able to make available and do not in any circumstance constitute an offer of any particular amount to any person.

The contract created by the acceptance of a subscription (in whole or in part) by either of the Companies may be, at the discretion of the relevant Company, conditional on admission to the Official List of the UK Listing Authority of the New Shares conditionally allotted.
3. The right is reserved by the Companies to present all cheques and banker's drafts for payment on receipt by the Receiving Agent and to retain share certificates and applicants' monies, pending clearance of successful applicants' cheques and bankers' drafts. The relevant Company and its agents may treat applications 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. Each Company and its agents reserve the right to waive in whole or in part any of the provisions of these terms and conditions. If any application is not accepted in full or any contract created by acceptance by the Companies 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 applicant's cheque or banker's draft or by crossed cheque in favour of the applicant, through the post at the risk of the person(s) entitled thereto. The relevant Company may require the applicant to pay interest or its other resulting costs (or both), if the cheque or banker's draft accompanying his or her application is not honoured on first presentation, at the rate of LIBOR plus 3 per cent.
4. The right is reserved to change the basis of allocation at the discretion of Amati and the relevant Directors, and to reject in whole or in part and scale down and/or ballot any application or any part thereof and to shorten or extend any closing date and to arrange for the issue and listing and admission of any shares to be issued at Amati and the relevant Directors' discretion. The right is reserved for either Company to scale down the number of New Shares available for applications in connection with the Invitations at any time prior to the closing date.

Current legislation stipulates that the maximum number of New Shares to be offered by either Company without publishing a prospectus in any 12 month period must not exceed the lower of 10 per cent of the issued share capital or the Sterling equivalent of EUR 5m in each Company. No New Shares will be offered or issued where such offer or issue would trigger the requirement for a prospectus.
5. Application will be made to the UKLA and to the London Stock Exchange for the maximum number of Ordinary Shares in Amati VCT plc and the maximum number of Ordinary Shares in Amati VCT 2 plc permitted under non-prospectus rules to be admitted to listing and to trading during the course of the Share Issues. The tests which would trigger the requirement for a prospectus set out in paragraph 4 are rolling tests and the VCTs have each offered and issued a number of shares each over the past 12 months up to the date of this document. As such,

not all of the full capacity for share issuance will be available to either VCT immediately and more will become available over the period. The Letter from the Chairmen on pages 11 to 14 contains a table which sets out an estimate of when the capacity will become available. The exact amount which becomes available and the time at which it becomes available depends on a number of factors. As such, depending on applications received, it may not be possible to fill all applications for allotments immediately or at all and applications may be (i) scaled back, (ii) rejected in full, or (iii) postponed until the next or a subsequent proposed allotment date if it is expected that further capacity may become available then, in each case at the discretion of the relevant VCT or Amati. Discretion will not be exercised to postpone any allotment where such postponement would result in that allotment taking place in the next tax year and, where an application cannot be fulfilled within the requested tax year, the relevant VCT will use reasonable endeavours to notify that person promptly so as to permit application for a different investment within that tax year but cannot be held responsible in the event that a rejected application results in an investor investing less in aggregate in the relevant tax year than desired. You may elect to instruct Amati (by indicating in the relevant section of your Application Form) that in the event that your application cannot be satisfied in part or in full in respect of one Company in the relevant tax year, any remaining funds which would otherwise have been returned to you can be used to apply for shares in the other Company, if that Company has available capacity and at the discretion of the relevant VCT or Amati. If you do not instruct Amati in such a way then any remaining funds will be returned to you as per the conditions set out above. By applying for shares under any of the Share Issues, an applicant confirms his/her acknowledgment of and consent to the above.

6. By completing and delivering an Application Form, you as the applicant (and, if you sign the Application Form on behalf of somebody else, that person, except for paragraph (xvi) below):

- (i) offer to subscribe for the number of New Shares in the relevant Company as will be determined by the amount specified in your Application Form (or such lesser number for which your subscription is

accepted) divided by the Issue Price rounded down to the nearest whole number, and subject to the conditions set out in this Information Document including these terms and conditions, and subject to the memorandum of association and Articles of the relevant Company;

- (ii) offer to subscribe at the Issue Price as will be determined by the last published net asset value per share for the relevant Company prior to the allotment of shares, divided by 0.97 (the "Divisor"), rounded up to the nearest two decimal places. For applications from existing Shareholders and for applications made via Authorised Financial Intermediaries, the Issue Price shall be determined with 0.99 as the Divisor;
- (iii) agree that, in consideration of the relevant Company and its agents agreeing to process your application, your subscription will not be revoked until after (in case of a subscription in respect of the tax year 2016/2017) Wednesday 5 April 2017 and (in the case of a subscription in respect of the tax year 2017/2018) Monday 17 July 2017 and that this paragraph shall constitute an irrevocable contract between you and the relevant Company and its agents which will become binding upon dispatch by post to, or (in the case of delivery by hand) on receipt by, the Receiving Agent of your Application Form;
- (iv) agree that in respect of those New Shares for which your application has been received and is not rejected, your application may be accepted at the election of the relevant Company 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 relevant Company or the Receiving Agent will hold any monies in respect of your application together with other monies received in respect of all applications on trust for the payment of New Shares you have applied 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 relevant Company;
- (vi) authorise Share Registrars Limited as registrar and Receiving Agent on behalf of

- the relevant Company or Companies to send share certificate(s) in respect of the New Shares for which your application is accepted and/or a crossed cheque for any monies returnable by post without interest to your address set out in the Application Form and to procure that your name is placed on the register of members of the relevant Company in respect of such New Shares;
- (vii) agree that all applications, acceptances of applications and contracts resulting therefrom under the Invitation(s) shall be governed by English law, and that, for the benefit of the relevant Company and the Receiving Agent, you submit to the non-exclusive jurisdiction of the English Courts;
 - (viii) confirm that, in making such application, you are not relying on any information or representation in relation to the Companies and the New Shares other than the information contained in this Information Document;
 - (ix) confirm that you have reviewed the restrictions contained in paragraph 7 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 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;
 - (x) confirm that you are not a US citizen and do not possess a US "Green Card", you were not born in the USA, you do not have a US residence or use a US correspondence address or telephone number, you do not have instructions to transfer funds into a US bank account or directions regularly received from a US address, you do not have an "in care of" or "hold mail" address in the USA that is your sole address and you have not granted a power of attorney or signatory authority to a person with a US address or telephone number;
 - (xi) agree that all documents and cheques sent by post, by or on behalf of the relevant Company or the Receiving Agent will be sent at the risk of the person entitled thereto;
 - (xii) agree on request by the relevant Company or the Receiving Agent on behalf of the Company to disclose promptly in writing to any of them such information as the relevant Company or the Receiving Agent may reasonably request in connection with your application including, without limitation, satisfactory evidence of identity to ensure compliance with the Money Laundering Regulations 2007 as amended or replaced from time to time;
 - (xiii) undertake that you will notify the relevant Company if you are not, or cease to be, either a qualifying subscriber or beneficially entitled to the New Shares;
 - (xiv) declare that a loan has not been made to you or any associate of yours, which would not have been made if you were not applying for, or acquiring, New Shares, and that the New 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;
 - (xv) declare that you are aged 18 or over on the date of your application;
 - (xvi) warrant that, if you sign the Application 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 Application Form;
 - (xvii) agree that a failure to receive, process or accept your application for New Shares does not give rise to any right of action by any person against the relevant Company or Companies, the Receiving Agent or any other person;
 - (xviii) agree that any error in the register of members of the relevant Company 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 Shares, or as a result of termination or avoidance of any agreement

to allocate New Shares pursuant to these terms and conditions may be rectified and, in addition and without prejudice to the foregoing, you hereby irrevocably authorise the relevant Company, 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 Shares to any other person arising as a result of the foregoing;

- (xix) 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).
7. No person receiving a copy of the Information Document or an Application Form in any territory other than the United Kingdom may treat the same as constituting an invitation or offer to him. Each Company reserves the right, in its absolute discretion, to reject any application received from outside the United Kingdom. The New 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 Companies have not been and will not be registered under the United States Investment Advisers Act of 1940, as amended. No application will be accepted if it bears an address or post mark in the USA.
 8. Authorised execution only, non-platform financial intermediaries who, acting on behalf of their clients, return valid Application Forms bearing their name and FCA number will be paid such amounts of trail commission as set out on page 5 of this document. Trail Commission will not be paid where the relevant Company or the Manager reasonably believes that payment of such commission would be illegal or prohibited by any applicable rule or regulation. The Directors reserve the right to negotiate bespoke commission arrangements with particular distributors where they believe it is in the interests of the relevant Company to do so. Trail commission is expected to be calculated each year, based on the net asset values attributable to financial intermediaries' clients' holdings at the relevant Company's quarter end dates, and paid annually in a payment cycle which starts from June of each year, or as

otherwise determined by the Manager. The Manager will be entitled to rely on a notification from an investor that he has changed his financial intermediary, 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 relevant 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.

Financial intermediaries should keep a record of Application Forms submitted bearing their stamp to substantiate any claim for commission. Claims for commission must be made and substantiated on subscription.

9. The Manager has entered into a costs commission agreement with each of the VCTs respectively in order to ensure that none of the costs of the offers are borne by existing Shareholders. Under the costs commission agreements, the Manager has agreed to pay the costs and expenses of the Share Issues in return for the payment by each VCT to the Manager of 1% of the gross amount raised by the relevant VCT in the offer from existing Shareholders and applications via authorised financial intermediaries and 3% of the gross amount raised by the relevant VCT in the offer from other investors. The costs commission agreements provide in each case that the agreement shall not result in a net transfer to the Manager unless it has been confirmed that that amount would be permissible as a small transaction under paragraph 1 of annex 1 to Chapter 11 of the Listing Rules and further that in any case any net benefit to the Manager in relation to either VCT be capped at 0.24% of the market capitalisation of the relevant VCT. While it is expected that the Manager will make a loss on this arrangement, there is a chance if the costs are kept low and the offers are successful that a relatively small amount of money will on a net basis end up being paid by one or both of the VCTs to the Manager as a result of the arrangement.
10. 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 Shares, the Share Issues and applications.

Notes on how to complete the Application Form

Please complete all relevant parts of the Application Form according to the instructions below.

SECTION 1 – PERSONAL DETAILS

Insert your full name, full address, daytime telephone number, email address (if you have one), date of birth and National Insurance number. You **must** also tick the box to confirm that you are a UK resident for tax purposes **and** give details of any other countries where you are resident for tax purposes. This is a requirement under the Foreign Account Tax Compliance Act (FATCA) and the Common Reporting Standard (CRS) and full details **must** be given where applicable or your application will be rejected.

Each Company reserves the right, in its absolute discretion, to reject any application received from outside the United Kingdom or from an applicant whose country of residence for tax purposes is not the United Kingdom.

SECTION 2 – COMMUNICATION PREFERENCES

Please tick the relevant boxes to indicate the following: how you would like the Receiving Agents to acknowledge receipt of your application; to opt in to our mailing list; and to opt in to electronic communications in respect of your shareholding(s).

SECTION 3 – APPLICATION

Insert (in figures) the amount you wish to apply to invest in each Company in each tax year, the total for each tax year and the total amount of your investment.

You do not have to invest in both tax years but your application, for each tax year you do choose to invest, must be for a minimum of £3,000 per tax year, or £5,000 (£2,500 in each Company) if applying for both Amati VCT plc and Amati VCT 2 plc.

In the event that your application is not satisfied in part or in full in respect of one Company in the relevant tax year, you may elect to use any funds, which would otherwise have been returned to you, to apply for shares in the other Company, where that Company has available capacity and in respect of the same tax year (subject to the Terms and Conditions of the Share Issues). Please tick the box if you would like us to apply any remaining funds in this way. If you do not tick the box any remaining

funds will be returned to you as per the Terms and Conditions of the Share Issues (paragraph 5, pages 33 to 34).

SECTION 4 - PAYMENTS

Payments should be made by cheque or banker's draft. Payment by this method satisfies the requirements under the Money Laundering Regulations 2007 and you will not need to provide any further documentation to verify your identity.

Please make your cheque or banker's draft payable to "Share Registrars Limited a/c Amati" for the **exact** amount shown for the **total** application to subscribe in Section 3. Your cheque or banker's draft should be crossed "A/C payee only" and pinned to the completed Application Form.

Any payment by cheque or banker's draft must be made in pounds sterling, drawn on a branch of a bank or building society in the United Kingdom which is either a member of the Cheque and Credit Clearing Company Limited or the CHAPS Clearing Company Limited, or which has arranged for its cheques or banker's drafts to be cleared through the facilities provided by members of either of these companies. Such cheques or bankers' drafts must bear the appropriate sort code in the top right hand corner and must be drawn on the personal account of the individual investor where they have sole or joint title to the funds. Third party cheques or bankers' drafts will not be accepted, with the exception of building society cheques or bankers' 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. **If you are unable to pay by cheque or banker's draft please contact Share Registrars on 01252 821390 or by email at enquiries@shareregistrars.uk.com to discuss alternative methods of payment.**

If you are an IFA, financial intermediary or other FCA regulated entity, we can accept cheques or electronic payments drawn on your bank account on behalf of your clients, providing that you have a "Letter of Introduction" for **each** client applying to subscribe for the Share Issues. For more information please contact Share Registrars by telephone on 01252 821390 or by email at enquiries@shareregistrars.uk.com.

SECTION 5 – DIVIDEND PREFERENCE

Tick **one** box only for **each** Company for which you are applying to subscribe. For **each** Company you can elect to receive dividends in cash or you can elect to join the Dividend Reinvestment Scheme, where dividends are reinvested into new shares for each Company for which you are applying. Any election that you make in respect of an application to a given Company **will also be applied to any existing holdings in that Company**; you **cannot** elect to receive both dividends in cash and shares issued under the Dividend Reinvestment Scheme in respect of a shareholding in the **same** Company.

If you elect to receive dividends in cash for one or both Companies we **strongly recommend that payments are made directly into your bank account**. If you do not provide bank details, dividends will be paid by cheque and sent to your registered address.

If you elect to join a Dividend Reinvestment Scheme for one or both Companies you will have confirmed that you have read and understood the full terms and conditions relating to the Dividend Reinvestment Scheme for each Company in which you are applying to subscribe. These are available on Amati's website: www.amatiglobal.com.

SECTION 6 – INVESTOR'S DECLARATION & SIGNATURE

Please read the declarations and sign and date Section 6. The Application Form may only be signed by someone other than the applicant if they are authorised to do so and have original copies of the relevant legal documents available if requested.

SECTIONS 7-9 – FINANCIAL INTERMEDIARY DETAILS

Intermediaries should complete Sections 7, 8 & 9, giving your contact name and address, FCA Number, email address and telephone number.

Please ensure that you tick the relevant box to indicate whether you have provided advice to your client, or if the transaction is execution only (on platform or off platform as applicable).

Authorised financial intermediaries who, acting on behalf of their clients on an execution only and non-platform basis, return valid Application Forms bearing their name and FCA number and confirming their execution only and non-platform 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 Application Form: 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 FCA COBS Handbook.

Amati VCT and Amati VCT 2 Top Up Share Issues Application Form

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 the Top Up Share Issues and the accompanying Notes. PLEASE USE BLOCK CAPITALS TO COMPLETE THIS FORM.

The 2016/2017 Share Issues close at 12 noon on Tuesday 4 April 2017 (or earlier if the maximum subscription is reached). The 2017/2018 Share Issues close at 12 noon on Friday 14 July 2017 or at such date as the Directors may determine at their absolute discretion.

Return this form by post or hand (during normal business hours) to:

Share Registrars Limited
The Courtyard
17 West Street
Farnham
Surrey GU9 7DR

Remember to enclose the following:

- Cheque or banker's draft made payable to "Share Registrars Limited a/c Amati" and crossed "A/C PAYEE ONLY"
- "Letter of Introduction" (if applicable)

Section 1 – Personal Details

Title (Mr/Mrs/Miss/Ms/Other):	Surname:
Forename(s) in full:	
Address:	
Postcode:	Country:
Daytime telephone number:	
Date of Birth:	National Insurance Number:
Email:	

Country of residence for tax purposes

☐ UK

Others (please specify)

Country

Tax Identification Number

Each Company reserves the right, in its absolute discretion, to reject any application received from outside the United Kingdom or from an applicant whose country of residence for tax purposes is not the United Kingdom.

Please indicate if you are an existing Shareholder:

☐

Amati VCT

☐

Amati VCT 2



Section 2 – Communication Preferences

Method of notification for receipt of your application:

☐

Email

☐

Letter

Tick the box if you would like to receive monthly fact sheets for Amati funds and invitations to Amati investor events by email:

☐

ELECTRONIC COMMUNICATIONS (COMPANIES ACT 2006)

Tick the box to **opt in** to electronic communications in respect of your shareholding(s) in Amati VCT plc and/or Amati VCT 2 plc. This means that you will receive notifications by **email** that information and/or documents are available on Amati's website.

☐

Opt in to
electronic
communications

You have the right to **opt out** of electronic communications at any time and to revert to paper format delivered by post by emailing enquiries@shareregistrars.uk.com or by writing to Share Registrars Limited, The Courtyard, 17 West Street, Farnham, Surrey GU9 7DR. For those Shareholders who are registered on the Web Based Share Portal at www.shareregistrars.uk.com please log in and click on "Personal Details" to update.

Section 3 – Application

I apply to subscribe the following amount or such lesser amount for which this application may be accepted on the terms and conditions set out in the Top Up Share Issues 2016/2017 and 2017/2018 Information Document.

	Amati VCT plc	Amati VCT 2 plc	Total
Tax year 2016/2017	£	£	£
Tax year 2017/2018	£	£	£
Total Application for the Share Issues			£

The minimum amount which may be applied for is £3,000 per tax year in respect of an investment in one Company only, or £5,000 (£2,500 in each Company) per tax year in respect of an investment in both Companies.

☐ If my application to subscribe cannot be satisfied in part or in full in one VCT in the relevant tax year, please use any remaining funds to apply to subscribe for shares in the other VCT, where that VCT has available capacity and in respect of the same tax year. **If you do not tick the box any remaining funds will be returned to you as per the Terms and Conditions of the Share Issues.**

Section 4 - Payment

Tick **one** box only:

☐

I have enclosed a cheque or banker's draft for the total amount shown in Section 3, made payable to "Share Registrars Limited a/c Amati" and crossed "A/C PAYEE ONLY".

☐

I have made alternative payment arrangements with Share Registrars Limited and have provided a "Letter of Introduction" (if applicable).

Section 5 - Dividend Preference

PLEASE TICK **ONE** BOX ONLY FOR **EACH** COMPANY TO WHICH YOU ARE APPLYING TO SUBSCRIBE

Amati VCT plc*

☐

Dividends Paid In Cash

OR

☐

Dividend Reinvestment Scheme

Amati VCT 2 plc*

☐

Dividends Paid in Cash

OR

☐

Dividend Reinvestment Scheme

***PLEASE NOTE THAT ANY INSTRUCTIONS GIVEN ABOVE WILL BE APPLIED TO ANY EXISTING HOLDINGS IN THE SAME COMPANY**

Now do **one** of the following:

1. If you elected for dividends to be paid in cash for one or both of the Companies, and you would like your dividends paid directly to your bank account, please complete and sign the bank mandate below. If you do not provide your bank details your dividends will be paid by cheque and posted to your registered address.
2. If you elected to join the Dividend Reinvestment Schemes in respect of your total application please **proceed directly to Section 6**.

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 and/or Amati VCT 2 plc to:

Name of Bank/Building Society:

Address of Branch:

Account Number: (Please quote all digits including zeros)

Sort Code:

Account Name: (BLOCK capitals please)

Signature:

Date:

Shareholder title and full name: (BLOCK capitals please)

Postcode:

Section 6 - Investor's Declaration & Signature

1. I HEREBY DECLARE THAT I have read and understood the terms and conditions of subscription contained in the Top Up Share Issues 2016/2017 and 2017/2018 Information Document and agree to be bound by them.
2. I understand that this is a LONG TERM investment and have read the RISK FACTORS.
3. I confirm that I understand and agree with the details (if applicable) submitted by my financial intermediary in Sections 7, 8 & 9 below, including any advisory fees to be deducted from my subscription.
4. I understand that tax relief will only be available on the amount subscribed net of any advisory fees that I have agreed to be deducted from my subscription.

HMRC MAY INSPECT THIS FORM. PLEASE NOTE IT IS A SERIOUS OFFENCE TO MAKE A FALSE DECLARATION

Signature

Date



SECTIONS 7-9 TO BE COMPLETED BY AUTHORISED FINANCIAL INTERMEDIARIES

Section 7 - Intermediary's Details

FCA number and email address must be completed.

Please tick one of the following:

☐ Advice provided

☐ Execution Only - On Platform

☐ Execution Only - Off Platform

Name of Firm:

Contact Name:

Address:

Postcode:

Telephone:

FCA number:

Email Address:

Confirmation of application will be sent by email only. If you would like this to be sent to an alternative email address please insert here:

Email Address:

Section 8 - Advisory Fees & Trail Commission.

8A ADVISORY FEES

If you have agreed with your client that advisory fees may be deducted from their subscription detailed in Section 3 above, please state the amount of fees to be deducted below:

Advisory Fee (inclusive of VAT) to be deducted from subscription:

	Amati VCT plc	Amati VCT 2 plc	Total
Tax year 2016/2017 Offers	£	£	£
Tax year 2017/2018 Offers	£	£	£
Total Advisory Fees Deducted			£

8B TRAIL COMMISSION

Annual trail commission of 0.375% per annum (limited to five years) is available to authorised **execution only, non-platform** financial intermediaries, and will be paid by the Manager. **Such payments can no longer be made in respect of subscriptions received through intermediaries acting in an advisory capacity or through fund platforms.**

If you have applied for trail commission and your firm has been registered on our payments system you will receive a notification annually from trail@amatiglobal.com. We will ask you to provide bank details for commission payments or to confirm bank details previously provided. We will also ask you to confirm a list of clients relating to trail commission.

No payments will be made without confirmation of bank details.

Tick all that apply:

☐

Tick the box if you are applying for trail commission

☐

Tick the box if you have previously received trail commission

If you have not previously received trail commission we will contact you to register your firm on our payments system. Please provide contact details below:

Name of Firm:

Contact Name:

Telephone:

Email Address:

For further information or any enquiries relating to trail commission please email: trail@amatiglobal.com

Section 9 - Authorised Financial Intermediary Declaration

I HEREBY DECLARE THAT I am an authorised financial intermediary and that the information I have provided on this form is, to the best of my knowledge and belief, accurate and complete. In the event that any circumstances change such that the information I have provided is no longer accurate and complete, I agree to notify Amati immediately in writing.

Signature

Date

Amati VCT plc, Amati VCT 2 plc and Share Registrars Limited cannot accept any responsibility if any details quoted by you are incorrect.

For assistance with the completion of this Application Form please contact Amati Global Investors during normal office hours on 0131 503 9115 or email vct-enquiries@amatiglobal.com.

No investment advice can be given.