

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

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

If you have sold or otherwise transferred all of your Ordinary Shares in the Companies, please send this document and accompanying Form(s) of Proxy, as soon as possible, to the purchaser or transferee or to the stockbroker, independent financial adviser or other person through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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### **Octopus AIM VCT plc**

*(Registered in England and Wales with registered number 3477519)*

### **Octopus AIM VCT 2 plc**

*(Registered in England and Wales with registered number 5528235)*

Recommended proposals relating to authorities to allot Ordinary Shares

Notices of the General Meeting of Octopus AIM VCT plc, to be held at 10.30 am on Thursday, 28 January 2016 and Octopus AIM VCT 2 plc, to be held at 11.00 am on Wednesday, 27 January 2016, in each case at 33 Holborn, London, EC1N 2HT to approve the Resolutions to effect the Proposals are set out at the end of this document.

To be valid, the Forms of Proxy accompanying this document for the General Meetings (and the power of attorney or other authority (if any) under which they are signed or a notarially certified or office copy of such power or authority) should be returned not less than 48 hours (excluding weekends and public holidays) before the meeting, either by post or by hand (during normal business hours only) to Capita Asset Services, PXS1, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4ZF.

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## **EXPECTED TIMETABLES**

### **EXPECTED TIMETABLE FOR OCTOPUS AIM VCT PLC**

Offers open	21 December 2015
Latest time and date for receipt of Forms of Proxy for General Meeting	10.30 am on 26 January 2016
General Meeting	10.30 am on 28 January 2016
First Allotment	2 February 2016
Deadline for receipt of applications for final allotment in 2015/16 tax year	12 noon on 5 April 2016
Deadline for receipt of applications for final allotment in 2016/17 tax year	12 noon on 1 December 2016
Admission and dealings of New Shares expected to commence	within 10 Business Days of allotments

### **EXPECTED TIMETABLE FOR OCTOPUS AIM VCT 2 PLC**

Offers open	21 December 2015
Latest time and date for receipt of Forms of Proxy for General Meeting	11 am on 25 January 2016
General Meeting	11 am on 27 January 2016
First Allotment	2 February 2016
Deadline for receipt of applications for final allotment in 2015/16 tax year	12 noon on 5 April 2016
Deadline for receipt of applications for final allotment in 2016/17 tax year	12 noon on 1 December 2016
Admission and dealings of New Shares expected to commence	within 10 Business Days of allotments

**Note:**

The dates set out in the expected timetables above may be adjusted by the Companies, in which event details of the new dates will be notified through the Regulatory Information Service. The Boards reserve the right to issue New Shares under the Offers at any time prior to the close of the Offers following the receipt of valid applications.

## PART I - RISK FACTORS

**The risk factors set out below are those which are considered by the Directors to be material to the Proposals and the Companies as at the date of this document and which the Directors believe Shareholders should consider prior to deciding how to cast their votes at the General Meetings but are not the only risks in relation to the Proposals and the Companies. Additional risks and uncertainties relating to the Companies and/or the Proposals that are not currently known to the Directors or that the Directors do not currently consider to be material may also have a material adverse effect on the Companies and the market price of the Shares. Shareholders who are in any doubt about the action they should take should consult their stockbroker, bank manager, solicitor, accountant or other financial adviser without delay.**

Completion of the Offers is conditional upon the approval by Shareholders of certain of the Resolutions to be proposed at the General Meetings. There can be no guarantee that this condition will be satisfied and that the Offers will be effective and their resulting benefits realised.

The value of Ordinary Shares can fluctuate and Shareholders may not get back the amount they invested.

The past performance of the Companies and the Manager is no indication of future performance.

Whilst it is the intention of the Boards that the Companies will continue to be managed so as to qualify as venture capital trusts, there can be no guarantee that such status will be maintained. Failure to continue to meet the qualifying requirements could result in Shareholders losing the tax reliefs available for venture capital trust shares, resulting in adverse tax consequences including, if the holding has not been held for the relevant holding period, a requirement to repay the tax reliefs obtained. Furthermore, should the Companies lose their venture capital trust status, dividends and gains arising on the disposal of Ordinary Shares would become subject to tax and the Companies would also lose their exemption from corporation tax on its capital gains.

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

The level and basis of relief from taxation may change. The tax reliefs referred to in this document are those currently available and their value depends on the individual circumstances of Shareholders.

Venture capital trusts invest in companies which may not produce the expected returns and investors could get back less than they invested. The value of a venture capital trust depends on the performance of the underlying assets. The value of the investment can rise and fall.

Dividends on the Ordinary Shares will depend on dividends from or other income and capital returns from the Companies' investments and the working capital requirements of the Companies. The income derived from the Ordinary Shares (if any) can go down as well as up.

Tax relief on subscriptions for shares in a VCT is restricted where, within six months (before or after) that subscription, the investor had disposed of shares in the same VCT. Existing Shareholders should be aware that the sale of existing Octopus AIM Shares or Octopus AIM 2 Shares within these periods could, therefore, put their income tax relief relating to the Offers at risk.

During the July 2015 summer budget new conditions were announced that became effective in the Finance (No 2) Act 2016. This introduced a maximum age limit for investments (generally 7 years from first commercial sale, or 10 years for Knowledge Intensive Companies), and a maximum amount of Risk Finance State Aid which a company can receive over its lifetime (£12m, or £20m for Knowledge Intensive Companies). Companies receiving VCT funds will not be permitted to use those funds to acquire shares, businesses or certain intangible assets. These changes may mean that there are fewer opportunities for investment and that the Companies may not be able to provide further investment funds for companies already in their portfolios. Violation of any of the new conditions could result in the loss of VCT status by the Companies.

## PART II — LETTER FROM THE CHAIRMEN OF THE COMPANIES

### Registered Office:

33 Holborn  
London  
EC1N 2HT

21 December 2015

Dear Shareholder,

### **Recommended Proposals relating to authorities to allot Ordinary Shares**

The purpose of this document is to explain the recommended Proposals listed above and to seek Shareholders' approval for the required authorities.

#### **The Offers**

Towards the end of the 2013/14 tax year, the Companies had a linked top-up offer to raise £4.1m each. That proved popular and both Companies raised the maximum amount. In August 2014, the Companies issued a prospectus in connection with a linked offer to raise up to £20 million in total with the scope, subject to Directors' approval, to increase the size of the offer by a further £10 million. That also proved popular and the Companies raised the sum of £29.7 million in aggregate. Given the success of those linked offers the Boards have decided to offer a further chance to invest in the Companies through a joint prospectus to raise up to £20 million in total. Should the Offers prove to be successful there will be scope, subject to Directors' approval, to increase the size of the Offers by a further £10 million during the life of the Prospectus. The Manager's expectation is, at present, for a continued high level of AIM flotations and investment opportunities, with increasing optimism around the state of the UK economy and its growth and with investors recognising the potential available from UK smaller companies. The Boards have, therefore, decided to offer a further chance to invest in the Companies and are seeking to raise a meaningful amount of new capital, which the Boards and the Manager believe can be invested to continue the progress in the growth in the Companies' NAV seen in the last few years.

#### **The General Meetings**

At the General Meetings, Resolutions will be proposed to give the Directors the authority to allot Ordinary Shares under the Offers and Companies' dividend reinvestment schemes whilst disapplying pre-emption rights. These Resolutions are detailed in Part III of this Circular.

### **Action to be taken**

Before taking any action, you are recommended to read the information set out in Parts III and IV of this document.

At the end of this Circular, Shareholders will find the Forms of Proxy for use at the General Meetings. You are asked to complete and return the relevant Form of Proxy relating to the relevant General Meeting.

Whether or not you propose to attend the General Meetings, you are requested to complete and return the Forms of Proxy so that they are received not less than 48 hours (excluding weekends and public holidays) before the relevant General Meeting. Completion and return of a Form of Proxy will not prevent you from attending the meeting and voting in person should you wish to do so.

### **Recommendation**

Given the performance of the Companies to date and the investment opportunities that exist both within their portfolios and to add to them, the Boards believe that further fundraising at this time is important to the ongoing success of the Companies. The Boards believe that all the Proposals are in the best interests of the Shareholders as a whole and recommend to their respective Shareholders to vote in favour of the Resolutions. All of the

Directors have committed to vote in favour of all of the Resolutions in respect of their own beneficial holdings.

Yours faithfully

**Michael Reeve**  
**Chairman of Octopus AIM VCT plc**

Yours faithfully

**Keith Mullins**  
**Chairman of Octopus AIM VCT 2 plc**

### **Part III – FURTHER DETAILS ON THE PROPOSALS**

The approval of the allotment of Ordinary Shares (for both the Offers and the DRIS), whilst disapplying pre-emption rights, is required under the Companies Act 2006.

#### **1. Offers for Subscription to raise up to £20,000,000 in aggregate by way of an issue of New Shares with an over allotment facility of a further £10,000,000 in aggregate**

The Offer by each of the Companies is conditional upon Resolutions numbered 1 and 3 being passed by that Company at its General Meeting, but is not conditional upon the Offer proceeding for the other Company. If these resolutions are not passed by either of the Companies, the Offer for that Company only will lapse and all application monies relating to that Company's Offer will be returned.

Subject to the Offers becoming unconditional and remaining open for both Companies, applicants may elect that their applications are allocated 100% to either Company or split 60% to Octopus AIM and 40% to Octopus AIM 2 and in default of any election their subscription will be allocated 60% to Octopus AIM and the remaining 40% to Octopus AIM 2, which reflects the two Companies' relative sizes. The maximum that may be raised by Octopus AIM is £18 million. The maximum that may be raised by Octopus AIM 2 is £12 million. As the Companies near capacity one may be fully subscribed earlier than the other. In the event of an applicant's preferred allocation, or the default allocation, not being possible, that part of an applicant's subscription that cannot be allocated to either Company will, unless an Applicant directs otherwise, be allocated to the other Company. If the Offers do not become unconditional for either Company, subscription monies will, unless an Applicant directs otherwise, be allocated to the other Company. There is no minimum that must be raised in order for the Offers to proceed.

Applications have been made to the UK Listing Authority for the New Shares to be admitted to a premium listing on the Official List and the London Stock Exchange for the New Shares to be traded on the London Stock Exchange's main market for listed securities. The New Shares will be issued in registered form, will be freely transferable in both certificated and uncertificated form and will rank *pari passu* in all respects.

The Offers will open on 21 December 2015. The deadline for receipt of applications for final allotment in the 2015/16 tax year is noon on 5 April 2016 and the deadline for receipt of applications for final allotment in the 2016/17 tax year is noon on 1 December 2016.

Where applications are received for the 2015/2016 tax year, New Shares will be issued and allotted on or before 5 April 2016. For applications received for the 2016/2017 tax year, New Shares will be issued and allotted on or before 1 December 2016. We expect to make the first allotments on 2 February 2016 and at regular intervals thereafter. Admission is expected to commence within 10 business days following such allotment.

Share certificates and certificates to enable investors to claim for income tax relief will be posted within 30 business days of allotment of the New Shares. No temporary documents of title will be issued. The dates may be adjusted by the Companies, and details of the new dates will be notified through the Regulatory Information Service.

Resolutions to allot shares in connection with the Offers, whilst disapplying pre-emption rights, will be proposed at the General Meetings.

#### **2. Dividend Reinvestment Schemes**

Each of the Companies has adopted a dividend reinvestment scheme ("DRIS"). Resolutions to allot Ordinary Shares in connection with the DRIS, whilst disapplying pre-emption rights, will be proposed at the General Meetings.

The terms and conditions of each DRIS are set out in Annex I of this document. If you would like to participate in the DRIS in respect of those Companies in which you hold Ordinary Shares, please complete the mandate forms set out in Annex II of this document. You can cancel this instruction at any time.

#### **3. General Meetings**

Notice of the General Meetings is set out at the end of this document. The Resolutions are as follows:-

***Resolution 1 – Approval of the authority for the Directors to allot Ordinary Shares***

Resolution 1 is an ordinary resolution and seeks the approval of Shareholders to authorise the Directors (under Section 551 of the Companies Act 2006) to allot Ordinary Shares up to an aggregate nominal value of £250,000 in Octopus AIM and £2,500 in Octopus AIM 2. This represents 34.3% of the issued share capital of Octopus AIM and 38.5% of the issued share capital of Octopus AIM 2 as at 21 December 2015 (this being the latest practicable date prior to publication of this document). The authority conferred by this Resolution will expire at the conclusion of the annual general meeting of the Companies to be held in 2017 (unless previously renewed, varied or revoked by the relevant Company in general meeting).

***Resolution 2 – Approval of the authority for the Directors to allot Ordinary Shares under the DRIS***

Resolution 2 is an ordinary resolution and seeks the approval of Shareholders to authorise the Directors (under Section 551 of the Companies Act 2006) to allot Ordinary Shares up to an aggregate nominal value of £20,000 in Octopus AIM and £200 in Octopus AIM 2 in connection with the Companies' DRIS. This represents 2.7% of the issued share capital of Octopus AIM and 3.1% of the issued share capital of Octopus AIM 2 as at 21 December 2015 (this being the latest practicable date prior to publication of this document).

The authority conferred by this Resolution will expire at the conclusion of the annual general meeting of the Companies to be held in 2017 (unless previously renewed, varied or revoked by the relevant Company in general meeting).

***Resolution 3 – Approval of the authority for the Directors to allot Ordinary Shares pursuant to Resolution 1 whilst disapplying pre-emption rights***

Resolution 3 is a special resolution and seeks the approval of Shareholders to disapply pre-emption rights in respect of any Ordinary Shares issued under the authority contained in Resolution 1 above. The authority conferred by this Resolution will expire at the conclusion of the annual general meeting of the Companies to be held in 2017 (unless previously renewed, varied or revoked by the relevant Company in general meeting).

***Resolution 4 – Approval of the authority for the Directors to allot Ordinary Shares pursuant to Resolution 2 whilst disapplying pre-emption rights***

Resolution 4 is a special resolution and seeks the approval of Shareholders to disapply pre-emption rights in respect of any Ordinary Shares issued under the authority contained in Resolution 2 above. The authority conferred by this Resolution will expire at the conclusion of the annual general meeting of the Companies to be held in 2017 (unless previously renewed, varied or revoked by the relevant Company in general meeting).



## PART IV - ADDITIONAL INFORMATION

### 1. Responsibility

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

### 2. Share Capital

- 2.1 As at 21 December 2015 (being the latest practicable date prior to the publication of this document), the issued Ordinary Shares of the Companies was as follows:

<b>Octopus AIM</b>	No. of Ordinary Shares	72,871,665
	£	728,717
<b>Octopus AIM 2</b>	No. of Ordinary Shares	64,934,873
	£	6,493

- 2.2 As at 21 December 2015 (being the latest practicable date prior to the publication of this document), no share or loan capital of the Companies was under option or had been agreed, conditionally or unconditionally, to be put under option, nor did the Companies hold any share capital in treasury.

### 3. Directors and their Interests

- 3.1 As at 21 December 2015 (being the latest practicable date prior to publication of this document), the interests of the Directors (and their immediate families) in the issued share capital of their respective Companies were as follows:

#### Octopus AIM

<b>Director</b>	<b>Ordinary Shares</b>	
	<b>Number</b>	<b>% of Ordinary Share Capital</b>
Michael Reeve	25,194	0.03
Roger Smith	20,000	0.03
Stephen Hazell-Smith	136,493	0.19
Marion Sears	9,572	0.01

#### Octopus AIM 2

<b>Director</b>	<b>Ordinary Shares</b>	
	<b>Number</b>	<b>% of Ordinary Share Capital</b>
Keith Mullins	201,065	0.30
Andrew Raynor	20,700	0.03
Elizabeth Kennedy	37,380	0.06
Alastair Ritchie	31,809	0.05

- 3.2 Each of the Directors has entered into a letter of appointment with the relevant Company of which they are a director, a copy of which is available for inspection at the address set out in paragraph 8 below of this Part IV, for the provision of their services as directors for the fees disclosed in paragraph 3.3 below. The agreements are terminable by either party giving at least three months' notice to the other, subject to retirement by rotation and earlier cessation for any reason under the Articles. There are no commission or profit sharing arrangements and no compensation is payable on termination of the agreements. No amounts have been put aside to provide pensions, retirement or similar benefits to any Directors.
- 3.3 The current annual remuneration of the Directors is as follows:

## **Octopus AIM VCT**

<b>Director</b>	<b>Annual Fees</b>
Michael Reeve	£24,450
Roger Smith	£18,340
Stephen Hazell-Smith	£18,340
Marion Sears	£18,340

## **Octopus AIM VCT 2**

<b>Director</b>	<b>Annual Fees</b>
Keith Mullins	£20,000
Andrew Raynor	£17,000
Elizabeth Kennedy	£15,000
Alastair Ritchie	£15,000

- 3.4 Save in respect of the agreements referred to in paragraph 5, no Director has an interest in any transaction effected by any of the Companies since their incorporation which is or was unusual in its nature or conditions or significant to the business of the relevant Company or material to that Company.

## **4. Substantial Shareholders**

- 4.1 The Companies are not aware of any person, not being a member of its administrative, management or supervisory bodies who, as at the date of this document, is directly or indirectly, interested in 3% or more of the issued share capital of the Companies and who is required to notify such interest in accordance with the Disclosure & Transparency Rules or who directly or indirectly controls any of the Companies.

## **5. Material Contracts**

- 5.1 The following are (a) the only contracts, not being contracts entered into in the ordinary course of business, that have been entered into by the Companies within the two years preceding date of publication of this document and which are or may be material to the Companies, and (b) the only contracts, not being contracts entered into in the ordinary course of business, that have been entered into by the Companies at any time and which contain any provisions under which the Companies have any obligation or entitlement which are material to the Companies as at the date of this document.

## **Octopus AIM**

- 5.1.1 An agreement dated 21 December 2015 between Octopus AIM (1), the Directors of Octopus AIM (2), the Manager (3) and Howard Kennedy (4) pursuant to which Howard Kennedy agreed to act as sponsor to Octopus AIM in respect of the Offers and the Manager agreed to use reasonable endeavours to procure subscribers for New Shares under the Offers. Under the agreement the Manager is paid an initial fee of up to 5.5% of the funds received by Octopus AIM under the Offers (such a fee to be reduced in relation to applications from investors who are existing, or who were previously, shareholders of any Octopus VCT) and an ongoing fee of 0.5% per annum of the most recently announced NAV multiplied by the number of New Shares allotted to investors who have invested directly into Octopus AIM and not through a financial intermediary, the cost of this ongoing charge being met through a reduction in the annual management fee of Octopus, and the Manager has agreed to discharge all the external costs of advice and their own costs in respect of the Offers. Under this agreement certain warranties have been given by Octopus AIM, the Directors of Octopus AIM and the Manager to Howard Kennedy. Octopus AIM has also agreed to indemnify Howard Kennedy in respect of its role as sponsor. The warranties and indemnity are in usual form for a contract of this type. The agreement can be terminated if any statement in the prospectus relating to the Offers is untrue, any material omission from the Prospectus arises or any breach of warranty occurs.
- 5.1.2 An agreement dated 29 August 2014 between Octopus AIM (1), the Directors of Octopus AIM (2), the Manager (3) and Howard Kennedy (4) pursuant to which Howard Kennedy agreed to act as sponsor to Octopus AIM in respect of the 2014 Offers and the Manager agreed to use reasonable endeavours to

procure subscribers for Shares under the 2014 Offers. Under the agreement the Manager was paid an initial fee of up to 5.5% of the funds received by Octopus AIM under the 2014 Offers (such a fee to be reduced in relation to applications from investors who are existing, or who were previously, shareholders of any Octopus VCT) and an ongoing fee of 0.5% per annum of the most recently announced NAV multiplied by the number of Shares allotted to investors under the 2014 Offers who have invested directly into Octopus AIM and not through a financial intermediary, the cost of this ongoing charge being met through a reduction in the annual management fee of Octopus, and the Manager agreed to discharge all the external costs of advice and their own costs in respect of the Offers. Under this agreement certain warranties were given by Octopus AIM, the Directors of Octopus AIM and the Manager to Howard Kennedy. Octopus AIM agreed to indemnify Howard Kennedy in respect of its role as sponsor. The warranties and indemnity are in usual form for a contract of this type. The agreement can be terminated if any statement in the prospectus relating to the Offers is untrue, any material omission from the prospectus relating to the 2014 Offers arises or any breach of warranty occurs.

- 5.1.3 The letters of appointment of the Directors of Octopus AIM, details of which are set out in paragraph 3.2 above.
- 5.1.4 An investment management agreement dated 6 October 2005 between Octopus AIM (1) and Close Investment Limited (2), which was novated to the Manager pursuant to a novation agreement dated 29 July 2008 and varied by deeds of variation dated 8 July 2010, 1 February 2013, 29 August 2014 and 21 December 2015, pursuant to which the Manager provides certain investment management services and administration and secretarial services to Octopus AIM for a fee payable quarterly in arrears of an amount equivalent to 2% per annum (exclusive of VAT, if any) of the NAV of Octopus AIM (the "Fee") calculated in accordance with Octopus AIM's normal accounting policies. The Fee shall be reduced by such amount so that the sum of the Fee, the ongoing financial intermediary charges and the additional ongoing charges payable to Octopus by Octopus AIM under the 2013 Offers, the 2014 Offers and under the Offers will not exceed 2% of the NAV of Octopus AIM per annum. The agreement is terminable on 12 months notice by either party subject to earlier termination by either party in the event of, inter alia, a party having a receiver, administrator or liquidator appointed or committing a material breach of the agreement or by Octopus AIM if it fails to become, or ceases to be, a VCT for tax purposes or where the Manager ceases to be authorised by the FCA. The agreement contains provisions indemnifying the Manager against any liability not due to its default, gross negligence, fraud or breach of FSMA.

## **Octopus AIM 2**

- 5.1.5 An agreement dated 21 December 2015 between Octopus AIM 2 (1), the Directors of Octopus AIM 2 (2), the Manager (3) and Howard Kennedy (4) pursuant to which Howard Kennedy agreed to act as sponsor to Octopus AIM 2 in respect of the Offers and the Manager agreed to use reasonable endeavours to procure subscribers for New Shares under the Offers. Under the agreement the Manager is paid an initial fee of up to 5.5% of the funds received by Octopus AIM 2 under the Offers (such a fee to be reduced in relation to applications from investors who are existing, or who were previously, shareholders of any Octopus VCT) and an ongoing fee of 0.5% per annum of the most recently announced NAV multiplied by the number of New Shares allotted to investors who have invested directly into Octopus AIM 2 and not through a financial intermediary, the cost of this ongoing charge being met through a reduction in the annual management fee of Octopus, and the Manager has agreed to discharge all the external costs of advice and their own costs in respect of the Offers. Under this agreement certain warranties have been given by Octopus AIM 2, the Directors of Octopus AIM 2 and the Manager to Howard Kennedy. Octopus AIM 2 has also agreed to indemnify Howard Kennedy in respect of its role as sponsor. The warranties and indemnity are in usual form for a contract of this type. The agreement can be terminated if any statement in the prospectus relating to the Offers is untrue, any material omission from the Prospectus arises or any breach of warranty occurs.
- 5.1.6 An agreement dated 29 August 2014 between Octopus AIM 2 (1), the Directors of Octopus AIM 2 (2), the Manager (3) and Howard Kennedy (4) pursuant to which Howard Kennedy agreed to act as sponsor to Octopus AIM 2 in respect of the 2014 Offers and the Manager agreed to use reasonable endeavours to procure subscribers for Shares under the 2014 Offers. Under the agreement the Manager was paid an initial fee of up to 5.5% of the funds received by Octopus AIM 2 under the 2014 Offers (such a fee to be reduced in relation to applications from investors who are existing, or who were previously, shareholders of any Octopus VCT) and an ongoing fee of 0.5% per annum of the most recently announced NAV multiplied by the number of Shares allotted to investors under the 2014 Offers who have invested directly

into Octopus AIM 2 and not through a financial intermediary, the cost of this ongoing charge being met through a reduction in the annual management fee of Octopus, and the Manager agreed to discharge all the external costs of advice and their own costs in respect of the 2014 Offers. Under this agreement certain warranties were given by Octopus AIM 2, the Directors of Octopus AIM 2 and the Manager to Howard Kennedy. Octopus AIM 2 agreed to indemnify Howard Kennedy in respect of its role as sponsor to the 2014 Offers. The warranties and indemnity are in usual form for a contract of this type. The agreement can be terminated if any statement in the prospectus relating to the 2014 Offers is untrue, any material omission from the prospectus relating to the 2014 Offers arises or any breach of warranty occurs.

- 5.1.7 The letters of appointment of the Directors of Octopus AIM 2, details of which are set out in paragraph 3.2 above.
- 5.1.8 An investment management agreement dated 6 October 2005 between Octopus AIM 2 (1) and Close Investment Limited (2), which was novated to the Manager pursuant to a novation agreement dated 29 July 2008 and varied by deeds of variation dated 8 July 2010, 1 February 2013, 29 August 2014 and 21 December 2015, pursuant to which the Manager provides certain investment management services and administration and secretarial services to Octopus AIM 2 for a fee payable quarterly in arrears of an amount equivalent to 2% per annum (exclusive of VAT, if any) of the NAV of Octopus AIM 2 (the "Octopus AIM 2 Fee") calculated in accordance with Octopus AIM 2's normal accounting policies. The Octopus AIM 2 Fee shall be reduced by such amount so that the sum of the Octopus AIM 2 Fee, the ongoing financial intermediary charges payable and the additional ongoing charges payable to Octopus by Octopus AIM 2 under the 2013 Offers, the 2014 Offers and under the Offers will not exceed 2% of the NAV of Octopus AIM 2 per annum. The agreement is terminable on 12 months notice by either party subject to earlier termination by either party in the event of, inter alia, a party having a receiver, administrator or liquidator appointed or committing a material breach of the agreement or by Octopus AIM 2 if it fails to become, or ceases to be, a VCT for tax purposes or where the Manager ceases to be authorised by the FCA. The agreement contains provisions indemnifying the Manager against any liability not due to its default, gross negligence, fraud or breach of FSMA.

## **6. Dilution**

- 6.1 The existing issued Octopus AIM Ordinary Shares will represent 82.1% of the enlarged ordinary share capital of Octopus AIM immediately following the Offers, assuming the Offers are fully subscribed in both Companies with subscriptions split as to 60%/40% as between Octopus AIM and Octopus AIM 2 respectively at an Offer price for Octopus AIM of 113.6p, and on that basis Octopus AIM Shareholders who do not subscribe under the Offers will, therefore, be diluted by 17.9%.
- 6.2 The existing issued Octopus AIM 2 Ordinary Shares will represent 81.9% of the enlarged ordinary share capital of Octopus AIM 2 immediately following the Offers, assuming the Offers are fully subscribed in both Companies with subscriptions split as to 60%/40% as between Octopus AIM and Octopus AIM 2 respectively at an Offer price for Octopus AIM 2 of 83.5p, and on that basis Octopus AIM 2 Shareholders who do not subscribe under the Offers will, therefore, be diluted by 18.1%.

## **7. Other**

- 7.1 Octopus AIM was incorporated and registered in England and Wales on 8 December 1997 with limited liability as a public limited company under the CA 1985 with registered number 3477519.
- 7.2 Octopus AIM 2 was incorporated and registered in England and Wales on 4 August 2005 with limited liability as a public limited company under the CA 1985 with registered number 5528235.
- 7.3 Statutory accounts of the Companies, for the years ended 28 February 2013, 28 February 2014 and 28 February 2015 in the case of Octopus AIM and for the years ended 30 November 2012, 30 November 2013 and 30 November 2014 in the case of Octopus AIM 2 in respect of which the Companies' auditors have made unqualified reports under CA 2006, have been delivered to the Registrar of Companies. PKF (UK) LLP were the auditors of Octopus AIM and Octopus AIM 2 in respect of the accounts for the years ended 28 February 2013 and 30 November 2012 respectively and BDO LLP were the Companies' auditors in respect of the other sets of accounts.

- 7.4 Save in respect of the 2013 Offer Agreements, the 2014 Top-Up Agreement, the offer agreements referred to at paragraphs 5.1.1, 5.1.2, 5.1.5 and 5.1.6, the deeds of variation to the Companies' investment management agreements referred to at paragraphs 5.1.4 and 5.1.8 above and the fees paid to the Directors as set out in paragraph 3.3 above, the Companies entered into no related party transactions during their respective financial years set out at paragraph 7.3 above nor have they have since the last of those financial years.
- 7.5 There has been no significant change in the financial or trading position of Octopus AIM since 31 August 2015, the date to which the last unaudited financial statements have been published, to the date of this document.
- 7.6 There has been no significant change in the financial or trading position of Octopus AIM 2 since 31 May 2015, the date to which the last unaudited financial statements have been published, to the date of this document.
- 7.7 There are no governmental, legal or arbitration proceedings (including any such proceedings which are or were pending or threatened of which the Companies are aware) during the 12 months immediately preceding the date of this document, which may have, or have had in the recent past, a significant effect on the Companies' financial position or profitability.
- 7.8 Howard Kennedy Corporate Services LLP of No. 1 London Bridge, London SE1 9BG has given and not withdrawn their written consent to the issue of this document with the references to them in the form and context in which they appear.

## **8. Documents Available for Inspection**

Copies of the following documents will be available for inspection during normal business hours on any day (Saturdays, Sundays and public holidays excepted) from the date of this document until the close of the Offers at the registered office of the Companies and Howard Kennedy:

- 8.1 the annual report and accounts of Octopus AIM for the financial years ended 28 February 2013, 28 February 2014 and 28 February 2015 and the half-yearly reports of Octopus AIM for the six month periods ended 31 August 2014 and 31 August 2015;
- 8.2 the annual report and accounts of Octopus AIM 2 for the financial years ended 30 November 2012, 30 November 2013 and 30 November 2014 and the half-yearly reports of Octopus AIM 2 for the six month periods ended 31 May 2014 and 31 May 2015;
- 8.3 the letters of appointment referred to at paragraph 3.2 above;
- 8.4 the consent letter referred to at paragraph 7.8 above; and
- 8.5 this document.

21 December 2015

## PART V DEFINITIONS

<b>“2013 Offers”</b>	the offers for subscription by the Companies as set out in prospectuses dated 1 February 2013 issued by the Companies
<b>“2013 Offer Agreements”</b>	the offer agreements dated 1 February 2013 between each of the Companies, the directors of the Companies, the Manager and Howard Kennedy relating to the 2013 Offers
<b>“2014 Offers”</b>	the offer for subscription by the Companies as set out in a prospectus dated 29 August 2014 issued by the Companies
<b>“2014 Top-Up Offers”</b>	the top up offers for subscription by the Companies as set out in an offer document dated 3 February 2014 issued by the Companies;
<b>“2014 Top-Up Offer Agreement”</b>	the offer agreement between each of the Companies and the Manager relating to the 2014 Top-Up Offers;
<b>“Articles”</b>	the articles of association of the relevant Company, as amended from time to time
<b>“Boards” or “Directors”</b>	the boards of directors of the Companies
<b>“Business Days”</b>	any day (other than a Saturday) on which clearing banks are open for normal banking business in sterling
<b>“CA 2006”</b>	Companies Act 2006
<b>“CA 1985”</b>	Companies Act 1985
<b>“Circular”</b>	this document
<b>“Companies”</b>	Octopus AIM and Octopus AIM 2
<b>“Dividend Reinvestment Schemes” or “DRIS”</b>	the dividend reinvestment schemes that the Companies have adopted details of which are set out in Part III
<b>“FCA”</b>	the Financial Conduct Authority
<b>“FSMA”</b>	the Financial Services and Markets Act 2000
<b>“General Meetings”</b>	the general meetings of the Companies convened for 28 January 2016 in respect of Octopus AIM and 27 January 2016 in respect of Octopus AIM 2 (or any adjournment(s) thereof) (and each a “General Meeting”)
<b>“Howard Kennedy”</b>	Howard Kennedy Corporate Services LLP, which is authorised and regulated by the Financial Conduct Authority, is a UKLA registered sponsor and is a member of the London Stock Exchange
<b>“ITA 2007”</b>	Income Tax Act 2007, as amended
<b>“Knowledge Intensive Companies”</b>	a company satisfying the conditions in Section 331(A) of Part 6 ITA 2007
<b>“Listing Rules”</b>	the listing rules of the UKLA
<b>“London Stock Exchange”</b>	London Stock Exchange plc
<b>“New Shares”</b>	the new Ordinary Shares to be issued pursuant to the Offers

<b>“NAV” or “net asset value”</b>	net asset value
<b>“Octopus” or the “Manager”</b>	Octopus Investments Limited, the investment manager to the Companies, registered in England and Wales under number 03942880 whose principal office is at 33 Holborn, London EC1N 2HT
<b>“Octopus AIM”</b>	Octopus AIM VCT plc, registered in England and Wales under number 3477519 whose principal office is at 33 Holborn, London EC1N 2HT
<b>“Octopus AIM 2”</b>	Octopus AIM VCT 2 plc, registered in England and Wales under number 5528235 whose principal office is at 33 Holborn, London EC1N 2HT
<b>“Octopus VCT”</b>	any venture capital trust (whether it still exists or not) which is, or was at any time, managed by Octopus
<b>“Offers”</b>	the offer for subscription by the Companies as set out in a prospectus dated 21 December 2015 issued by the Companies
<b>“Official List”</b>	the official list of the UKLA
<b>“Ordinary Shares”</b>	ordinary shares of 1p each in the capital of the Octopus AIM and ordinary shares of 0.01p each in the capital of the Octopus AIM 2 (and each an “Ordinary Share”)
<b>“Proposals”</b>	the proposals of the Companies set out in this Circular
<b>“quoted”</b>	quoted on the London Stock Exchange’s market for listed securities, AIM or ISDX Growth Market
<b>“Regulatory Information Service”</b>	a regulatory information service that is on the list of regulatory information services maintained by the FCA
<b>“Resolutions”</b>	the resolutions to be proposed at the General Meetings
<b>“Risk Finance State Aid”</b>	State aid received by a company as defined in Section 280B (4) of ITA
<b>“Shareholder”</b>	a holder of Ordinary Shares
<b>“UK”</b>	the United Kingdom
<b>“UKLA” or “UK Listing Authority”</b>	the UK Listing Authority, being the Financial Conduct Authority acting in its capacity as the competent authority for the purposes of Part VI of the Financial Services and Market Act 2000
<b>“venture capital trust” or “VCT”</b>	a company satisfying the requirements of Chapter 3 of Part 6 of ITA 2007 for venture capital trusts

## **Octopus AIM VCT plc**

(Registered in England and Wales with registered number 3477519)

### **NOTICE OF GENERAL MEETING**

NOTICE IS HEREBY GIVEN that a general meeting of Octopus AIM VCT plc ("the Company") will be held at 10.30 am on Thursday, 28 January 2016 at 33 Holborn, London EC1N 2HT for the purposes of considering and, if thought fit, passing the following resolutions, which will be proposed as to resolutions 1 and 2 as ordinary resolutions and as to resolutions 3 and 4 as special resolutions:

#### **Ordinary Resolutions**

1. That, in addition to existing authorities the directors of the Company be and hereby are generally and unconditionally authorised in accordance with Section 551 of the Companies Act 2006 (the "Act") to exercise all the powers of the Company to allot and issue shares in the capital of the Company and to grant rights to subscribe for or to convert any security into shares in the Company up to an aggregate nominal amount of £250,000, representing approximately 34.3% of the share capital in issue as at 21 December 2015, provided that the authority conferred by this paragraph 1 shall expire on the conclusion of the annual general meeting of the Company to be held in 2017 (unless renewed, varied or revoked by the Company in a general meeting) but so that this authority shall allow the Company to make before the expiry of this authority offers or agreements which would or might require shares to be allotted or rights to be granted after such expiry.
2. That, in addition to existing authorities the directors of the Company be and hereby are generally and unconditionally authorised in accordance with Section 551 of the Act to exercise all the powers of the Company to allot and issue shares in the capital of the Company in connection with the Company's dividend reinvestment scheme up to an aggregate nominal amount of £20,000, representing approximately 2.7% of the share capital in issue as at 21 December 2015, provided that the authority conferred by this paragraph 2 shall expire on the conclusion of the annual general meeting of the Company to be held in 2017 (unless renewed, varied or revoked by the Company in a general meeting) but so that this authority shall allow the Company to make before the expiry of this authority offers or agreements which would or might require shares to be allotted or rights to be granted after such expiry.

#### **Special Resolutions**

3. That, the directors of the Company be and hereby are empowered pursuant to Sections 570 and 573 of the Act to allot or make offers to or agreements to allot equity securities (which expression shall have the meaning ascribed to it in Section 560(1) of the Act) for cash pursuant to the authority given pursuant to resolution 1 or by way of a sale of treasury shares, as if Section 561(1) of the Act did not apply to such allotment, provided that the power provided by this paragraph 3 shall expire on the conclusion of the annual general meeting of the Company to be held in 2017 (unless renewed, varied or revoked by the Company in general meeting) and provided further that this power shall be limited to the allotment and issue of shares of up to an aggregate nominal value of £250,000 pursuant to offer(s) for subscription (where the proceeds may in whole or part be used to purchase shares) representing approximately 34.3% of the share capital in issue as at 21 December 2015.
4. That, the directors of the Company be and hereby are empowered pursuant to Sections 570 and 573 of the Act to allot or make offers to or agreements to allot equity securities (which expression shall have the meaning ascribed to it in Section 560(1) of the Act) for cash pursuant to the authority given pursuant to resolution 2 or by way of a sale of treasury shares, as if Section 561(1) of the Act did not apply to such allotment, provided that the power provided by this paragraph 4 shall expire on the conclusion of the annual general meeting of the Company to be held in 2017 (unless renewed, varied or revoked by the Company in general meeting) and provided further that this power shall be limited to the allotment and issue of shares in connection with the Company's dividend reinvestment scheme up to an aggregate nominal amount of £20,000, representing approximately 2.7% of the share capital in issue as at 21 December 2015.



Dated 21 December 2015

**By order of the Board**

Nicola Board  
Secretary

**Registered Office:**

33 Holborn  
London  
EC1N 2HT

Information regarding the General Meeting, including the information required by section 311A of CA 2006, is available from: [www.octopusinvestments.com](http://www.octopusinvestments.com)

**Notes:**

- (a) Any member of the Company entitled to attend and vote at the General Meeting ("General Meeting") is also entitled to appoint one or more proxies to attend, speak and vote instead of that member. A member may appoint more than one proxy in relation to the General Meeting provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that member. A proxy may demand, or join in demanding, a poll. A proxy need not be a member of the Company but must attend the General Meeting in order to represent his appointor. A member entitled to attend and vote at the General Meeting may appoint the Chairman or another person as his proxy although the Chairman will not speak for the member. A member who wishes his proxy to speak for him should appoint his own choice of proxy (not the Chairman) and give instructions directly to that person. If you are not a member of the Company but you have been nominated by a member of the Company to enjoy information rights, you do not have a right to appoint any proxies under the procedures set out in these Notes. Please read Note (i) below. Under section 319A of the CA 2006, the Company must answer any question a member asks relating to the business being dealt with at the General Meeting unless:
- answering the question would interfere unduly with the preparation for the General Meeting or involve the disclosure of confidential information;
  - the answer has already been given on a website in the form of an answer to a question; or
  - it is undesirable in the interests of the Company or the good order of the General Meeting that the question be answered.
- (b) To be valid, the reply paid Form of Proxy enclosed with this document and the power of attorney or other written authority, if any, under which it is signed or an office or notarially certified copy or a copy certified in accordance with the Powers of Attorney Act 1971 of such power and written authority, must be delivered to the Company's registrars not less than 48 hours (excluding weekends and public holidays) before the time appointed for holding the General Meeting or adjourned meeting at which the person named in the Form of Proxy proposes to vote. In the case of a poll taken more than 48 hours (excluding weekends and public holidays) after it is demanded, the document(s) must be delivered as aforesaid not less than 24 hours (excluding weekends and public holidays) before the time appointed for taking the poll, or where the poll is taken not more than 48 hours (excluding weekends and public holidays) after it was demanded, be delivered at the meeting at which the demand is made.
- (c) In order to revoke a proxy instruction a member will need to inform the Company by sending a signed hard copy notice clearly stating the intention to revoke the proxy appointment to the Company's registrars, Capita Asset Services at Capita Asset Services, PXS1, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4ZF. In the case of a member which is a company, the revocation notice must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company. Any power of attorney or any other authority under which the revocation notice is signed (or a duly certified copy of such power or authority) must be included with the revocation notice. The revocation notice must be received by the Company's registrars at least 48 hours before the General Meeting or the holding of a poll subsequently thereto. If a member attempts to revoke his or her proxy appointment but the revocation is received after the time specified then, subject to Note (d) directly below, the proxy appointment will remain valid.
- (d) Completion and return of a Form of Proxy will not preclude a member of the Company from attending and voting in person. If a member appoints a proxy and that member attends the General Meeting in person, the proxy appointment will automatically be terminated.
- (e) You may submit your proxy electronically using the Shareportal Service at [www.capitashareportal.com](http://www.capitashareportal.com). If not already registered for the share portal, you will need your investor code which can be found on your share certificate. If you cannot locate your investor code, please contact Capita Asset Services by telephoning +44 (0) 371 664 0324. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. Capita Asset Services are open between 9 am – 5.30 pm, Monday to Friday excluding public holidays in England and Wales. Calls may be recorded and randomly monitored for security and training purposes.
- (f) Copies of the Directors' Letters of Appointment, the Register of Directors' interests in the shares of the Company kept, and the Articles of Association will be available for inspection at the registered office of the Company during usual business hours on any weekday (Saturday and Public Holidays excluded) from the date of this notice, until

- the end of the General Meeting and at the place of the General Meeting for at least 15 minutes prior to and during the meeting.
- (g) Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, the Company has specified that only those holders of the Company's shares registered on the Register of Members of the Company as at 5 pm on 26 January 2016 or, in the event that the General Meeting is adjourned, on the Register of Members 48 hours before the time of any adjourned meeting, shall be entitled to attend and vote at the said General Meeting in respect of such shares registered in their name at the relevant time. Changes to entries on the Register of Members after 5 pm on 26 January 2016 or, in the event that the General Meeting is adjourned, on the Register of Members less than 48 hours before the time of any adjourned meeting, shall be disregarded in determining the right of any person to attend and vote at the General Meeting.
- (h) As at 21 December 2015, the Company's issued share capital comprised 72,871,665 Ordinary Shares. The total number of voting rights in the Company as at 21 December 2015 is 72,871,665. Octopus Investments Limited's website referred to above will include information on the number of shares and voting rights.
- (i) If you are a person who has been nominated under section 146 of the CA 2006 to enjoy information rights ("Nominated Person"):
- You may have a right under an agreement between you and the member of the Company who has nominated you to have information rights ("Relevant Member") to be appointed or to have someone else appointed as a proxy for the General Meeting;
  - If you either do not have such a right or if you have such a right but do not wish to exercise it, you may have a right under an agreement between you and the Relevant Member to give instructions to the Relevant Member as to the exercise of voting rights;
  - Your main point of contact in terms of your investment in the Company remains the Relevant Member (or, perhaps your custodian or broker) and you should continue to contact them (and not the Company) regarding any changes or queries relating to your personal details and your interest in the Company (including any administrative matters). The only exception to this is where the Company expressly requests a response from you.
- (j) A corporation which is a member can appoint one or more corporate representatives who may exercise, on its behalf, all its powers as a member provided that no more than one corporate representative exercises powers over the same share.
- (k) A vote withheld is not a vote in law, which means that the vote will not be counted in the calculation of votes for or against the resolution. If no voting indication is given, the proxy will vote or abstain from voting at his or her discretion. The proxy will vote (or abstain from voting) as he or she thinks fit in relation to any other matter which is put before the General Meeting.
- (l) Except as provided above, members who have general queries about the General Meeting should call the Company Secretary, Nicola Board, on 0800 316 2295 or write to her at Octopus Investments Limited, 33 Holborn, London EC1N 2HT (no other methods of communication will be accepted).
- (m) Members may not use any electronic address provided either in this notice of General Meeting, or any related documents (including the Chairman's letter and proxy form), to communicate with the Company for any purposes other than those expressly stated.

**IMPORTANT NOTE: FORMS OF PROXY FOR OCTOPUS AIM VCT PLC SHOULD BE RETURNED TO CAPITA ASSET SERVICES, PXS1, THE REGISTRY, 34 BECKENHAM ROAD, BECKENHAM, KENT BR3 4ZF**

**FORM OF PROXY**

For use at the General Meeting of Octopus AIM VCT plc ("the Company"), or at any adjournment thereof, to be held at 33 Holborn, London, EC1N 2HT at 10.30 am on 28 January 2016.

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

of.....

being a Shareholder(s) of the above-named Company, appoint the chairman of the meeting or

.....

(Block Capitals Please)

of.....

If you are not voting all the Ordinary Shares you hold please enter the number you wish to vote here:

to act as my/our proxy to vote for me/us and on my/our behalf at the General Meeting of the Company to be held at 33 Holborn, London, EC1N 2HT at 10.30 am on 28 January 2016 (see note 1. below) and at every adjournment thereof and to vote for me/us on my/our behalf as directed below.

Please indicate with an 'X' if this is one of multiple proxy instructions being given \_\_\_\_\_

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

The proxy is directed to vote as follows:

Resolutions	For	Against	Vote Withheld
1. Approval of the authority to allot Ordinary Shares			
2. Approval of the authority to allot Ordinary Shares pursuant to the Company's dividend reinvestment scheme			
3. Approval of authority to allot Ordinary Shares pursuant to offers for subscription other than pro rata (Special Resolution)			
4. Approval of authority to allot Ordinary Shares pursuant to the Company's dividend reinvestment scheme other than pro rata (Special Resolution)			

Signature.....

Dated.....

**Notes to the proxy form:**

1. The Notice of the General Meeting ("General Meeting") is set out on pages 16 to 18 of the Circular.
2. Any member of the Company entitled to attend and vote at the General Meeting is also entitled to appoint one or more proxies to attend, speak and vote instead of that member. A member may appoint more than one proxy in relation to the General Meeting provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that member. A proxy may demand, or join in demanding, a poll. A proxy need not be a member of the Company but must attend the General Meeting in order to represent his appointor. A member entitled to attend and vote at the General Meeting may appoint the Chairman or another person as his proxy although the Chairman will not speak for the member. A member who wishes his proxy to speak for him should appoint his own choice of proxy (not the Chairman) and give instructions directly to that person.
3. If you wish to appoint a proxy of your own choice delete the words "the Chairman of the General Meeting" and insert the name and address of the person whom you wish to appoint in the space provided.

4. Any alterations to the Form of Proxy should be initialled.
5. To be valid, the reply paid Form of Proxy enclosed with this document and the power of attorney or other written authority, if any, under which it is signed or an office or notarially certified copy or a copy certified in accordance with the Powers of Attorney Act 1971 of such power and written authority, must be delivered to the Company's registrars not less than 48 hours (excluding weekends and public holidays) before the time appointed for holding the General Meeting or adjourned meeting at which the person named in the Form of Proxy proposes to vote. In the case of a poll taken more than 48 hours (excluding weekends and public holidays) after it is demanded, the document(s) must be delivered as aforesaid not less than 24 hours (excluding weekends and public holidays) before the time appointed for taking the poll, or where the poll is taken not more than 48 hours (excluding weekends and public holidays) after it was demanded, be delivered at the meeting at which the demand is made.
6. In order to revoke a proxy instruction a member will need to inform the Company by sending a signed hard copy notice clearly stating the intention to revoke the proxy appointment to the Company's registrars, Capita Asset Services, PXS1, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4ZF. In the case of a member which is a company, the revocation notice must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company. Any power of attorney or any other authority under which the revocation notice is signed (or a duly certified copy of such power or authority) must be included with the revocation notice. The revocation notice must be received by the Company's registrars at least 48 hours before the General Meeting or the holding of a poll subsequently thereto. If a member attempts to revoke his or her proxy appointment but the revocation is received after the time specified then, subject to Note 10 below, the proxy appointment will remain valid.
7. You may submit your proxy electronically using the Shareportal Service at [www.capitashareportal.com](http://www.capitashareportal.com). If not already registered for the share portal, you will need your investor code which can be found on your share certificate. If you cannot locate your investor code, please contact Capita Asset Services by telephoning +44 (0) 371 664 0324. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. Capita Asset Services are open between 9 am – 5.30 pm, Monday to Friday excluding public holidays in England and Wales. Calls may be recorded and randomly monitored for security and training purposes.
8. In the case of a corporation, this form must be executed under its common seal or signed on its behalf by its attorney or a duly authorised officer of the corporation.
9. In the case of joint shareholders, any one of them may sign. The vote of the person whose name stands first in the register of members will be accepted to the exclusion of the votes of the other joint holders.
10. Completion and return of a Form of Proxy will not preclude a member of the Company from attending and voting in person. If a member appoints a proxy and that member attends the General Meeting in person, the proxy appointment will automatically be terminated.
11. A vote withheld is not a vote in law, which means that the vote will not be counted in the calculation of votes for or against the resolution. If no voting indication is given, the proxy will vote or abstain from voting at his or her discretion. The proxy will vote (or abstain from voting) as he or she thinks fit in relation to any other matter which is put before the General Meeting.

## **Octopus AIM VCT 2 plc**

(Registered in England and Wales with registered number 5528235 )

### **NOTICE OF GENERAL MEETING**

NOTICE IS HEREBY GIVEN that a general meeting of Octopus AIM VCT 2 plc ("the Company") will be held at 11 am on 27 January 2016 at 33 Holborn, London EC1N 2HT for the purposes of considering and, if thought fit, passing the following resolutions, which will be proposed as to resolutions 1 and 2 as ordinary resolutions and as to resolutions 3 and 4 as special resolutions:

#### **Ordinary Resolutions**

1. That, in addition to existing authorities the directors of the Company be and hereby are generally and unconditionally authorised in accordance with Section 551 of the Companies Act 2006 (the "Act") to exercise all the powers of the Company to allot and issue shares in the capital of the Company and to grant rights to subscribe for or to convert any security into shares in the Company up to an aggregate nominal amount of £2,500, representing approximately 38.5% of the share capital in issue as at 21 December 2015, provided that the authority conferred by this paragraph 1 shall expire on the conclusion of the annual general meeting of the Company to be held in 2017 (unless renewed, varied or revoked by the Company in a general meeting) but so that this authority shall allow the Company to make before the expiry of this authority offers or agreements which would or might require shares to be allotted or rights to be granted after such expiry.
2. That, in addition to existing authorities the directors of the Company be and hereby are generally and unconditionally authorised in accordance with Section 551 of the Act to exercise all the powers of the Company to allot and issue shares in the capital of the Company in connection with the Company's dividend reinvestment scheme up to an aggregate nominal amount of £200, representing approximately 3.1% of the share capital in issue as at 21 December 2015, provided that the authority conferred by this paragraph 2 shall expire on the conclusion of the annual general meeting of the Company to be held in 2017 (unless renewed, varied or revoked by the Company in a general meeting) but so that this authority shall allow the Company to make before the expiry of this authority offers or agreements which would or might require shares to be allotted or rights to be granted after such expiry.

#### **Special Resolutions**

3. That, the directors of the Company be and hereby are empowered pursuant to Sections 570 and 573 of the Act to allot or make offers to or agreements to allot equity securities (which expression shall have the meaning ascribed to it in Section 560(1) of the Act) for cash pursuant to the authority given pursuant to resolution 1 or by way of a sale of treasury shares, as if Section 561(1) of the Act did not apply to such allotment, provided that the power provided by this paragraph 3 shall expire on the conclusion of the annual general meeting of the Company to be held in 2017 (unless renewed, varied or revoked by the Company in general meeting) and provided further that this power shall be limited to the allotment and issue of shares of up to an aggregate nominal value of £2,500 pursuant to offer(s) for subscription (where the proceeds may in whole or part be used to purchase shares) representing approximately 38.5% of the share capital in issue as at 21 December 2015.
4. That, the directors of the Company be and hereby are empowered pursuant to Sections 570 and 573 of the Act to allot or make offers to or agreements to allot equity securities (which expression shall have the meaning ascribed to it in Section 560(1) of the Act) for cash pursuant to the authority given pursuant to resolution 2 or by way of a sale of treasury shares, as if Section 561(1) of the Act did not apply to such allotment, provided that the power provided by this paragraph 4 shall expire on the conclusion of the annual general meeting of the Company to be held in 2017 (unless renewed, varied or revoked by the Company in general meeting) and provided further that this power shall be limited to the allotment and issue of shares in connection with the Company's dividend reinvestment scheme up to an aggregate nominal amount of £200, representing approximately 3.1% of the share capital in issue as at 21 December 2015.

Dated 21 December 2015

**By order of the Board**

Nicola Board  
Secretary

**Registered Office:**

33 Holborn  
London  
EC1N 2HT

Information regarding the General Meeting, including the information required by section 311A of CA 2006, is available from: [www.octopusinvestments.com](http://www.octopusinvestments.com)

**Notes:**

- (a) Any member of the Company entitled to attend and vote at the General Meeting (“General Meeting”) is also entitled to appoint one or more proxies to attend, speak and vote instead of that member. A member may appoint more than one proxy in relation to the General Meeting provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that member. A proxy may demand, or join in demanding, a poll. A proxy need not be a member of the Company but must attend the General Meeting in order to represent his appointor. A member entitled to attend and vote at the General Meeting may appoint the Chairman or another person as his proxy although the Chairman will not speak for the member. A member who wishes his proxy to speak for him should appoint his own choice of proxy (not the Chairman) and give instructions directly to that person. If you are not a member of the Company but you have been nominated by a member of the Company to enjoy information rights, you do not have a right to appoint any proxies under the procedures set out in these Notes. Please read Note (i) below. Under section 319A of the CA 2006, the Company must answer any question a member asks relating to the business being dealt with at the General Meeting unless:
- answering the question would interfere unduly with the preparation for the General Meeting or involve the disclosure of confidential information;
  - the answer has already been given on a website in the form of an answer to a question; or
  - it is undesirable in the interests of the Company or the good order of the General Meeting that the question be answered.
- (b) To be valid, the reply paid Form of Proxy enclosed with this document and the power of attorney or other written authority, if any, under which it is signed or an office or notarially certified copy or a copy certified in accordance with the Powers of Attorney Act 1971 of such power and written authority, must be delivered to the Company’s registrars not less than 48 hours (excluding weekends and public holidays) before the time appointed for holding the General Meeting or adjourned meeting at which the person named in the Form of Proxy proposes to vote. In the case of a poll taken more than 48 hours (excluding weekends and public holidays) after it is demanded, the document(s) must be delivered as aforesaid not less than 24 hours (excluding weekends and public holidays) before the time appointed for taking the poll, or where the poll is taken not more than 48 hours (excluding weekends and public holidays) after it was demanded, be delivered at the meeting at which the demand is made.
- (c) In order to revoke a proxy instruction a member will need to inform the Company by sending a signed hard copy notice clearly stating the intention to revoke the proxy appointment to the Company’s registrars, Capita Asset Services at Capita Asset Services, PXS1, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4ZF. In the case of a member which is a company, the revocation notice must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company. Any power of attorney or any other authority under which the revocation notice is signed (or a duly certified copy of such power or authority) must be included with the revocation notice. The revocation notice must be received by the Company’s registrars at least 48 hours before the General Meeting or the holding of a poll subsequently thereto. If a member attempts to revoke his or her proxy appointment but the revocation is received after the time specified then, subject to Note (d) directly below, the proxy appointment will remain valid.
- (d) Completion and return of a Form of Proxy will not preclude a member of the Company from attending and voting in person. If a member appoints a proxy and that member attends the General Meeting in person, the proxy appointment will automatically be terminated.
- (e) You may submit your proxy electronically using the Shareportal Service at [www.capitashareportal.com](http://www.capitashareportal.com). If not already registered for the share portal, you will need your investor code which can be found on your share certificate. If you cannot locate your investor code, please contact Capita Asset Services by telephoning +44 (0) 371 664 0324. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. Capita Asset Services are open between 9 am – 5.30 pm, Monday to Friday excluding public holidays in England and Wales. Calls may be recorded and randomly monitored for security and training purposes.
- (f) Copies of the Directors’ Letters of Appointment, the Register of Directors’ interests in the shares of the Company kept, and the Articles of Association will be available for inspection at the registered office of the Company during usual business hours on any weekday (Saturday and Public Holidays excluded) from the date of this notice, until the end of the General Meeting and at the place of the General Meeting for at least 15 minutes prior to and

- during the meeting.
- (g) Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, the Company has specified that only those holders of the Company's shares registered on the Register of Members of the Company as at 5 pm on 25 January 2016 or, in the event that the General Meeting is adjourned, on the Register of Members 48 hours before the time of any adjourned meeting, shall be entitled to attend and vote at the said General Meeting in respect of such shares registered in their name at the relevant time. Changes to entries on the Register of Members after 5 pm on 25 January 2016 or, in the event that the General Meeting is adjourned, on the Register of Members less than 48 hours before the time of any adjourned meeting, shall be disregarded in determining the right of any person to attend and vote at the General Meeting.
- (h) As at 21 December 2015, the Company's issued share capital comprised 64,934,873 Ordinary Shares. The total number of voting rights in the Company as at 21 December 2015 is 64,934,873. Octopus Investments Limited's website referred to above will include information on the number of shares and voting rights.
- (i) If you are a person who has been nominated under section 146 of the CA 2006 to enjoy information rights ("Nominated Person"):
- You may have a right under an agreement between you and the member of the Company who has nominated you to have information rights ("Relevant Member") to be appointed or to have someone else appointed as a proxy for the General Meeting;
  - If you either do not have such a right or if you have such a right but do not wish to exercise it, you may have a right under an agreement between you and the Relevant Member to give instructions to the Relevant Member as to the exercise of voting rights;
  - Your main point of contact in terms of your investment in the Company remains the Relevant Member (or, perhaps your custodian or broker) and you should continue to contact them (and not the Company) regarding any changes or queries relating to your personal details and your interest in the Company (including any administrative matters). The only exception to this is where the Company expressly requests a response from you.
- (j) A corporation which is a member can appoint one or more corporate representatives who may exercise, on its behalf, all its powers as a member provided that no more than one corporate representative exercises powers over the same share.
- (k) A vote withheld is not a vote in law, which means that the vote will not be counted in the calculation of votes for or against the resolution. If no voting indication is given, the proxy will vote or abstain from voting at his or her discretion. The proxy will vote (or abstain from voting) as he or she thinks fit in relation to any other matter which is put before the General Meeting.
- (l) Except as provided above, members who have general queries about the General Meeting should call the Company Secretary, Nicola Board, on 0800 316 2295 or write to her at Octopus Investments Limited, 33 Holborn, London EC1N 2HT (no other methods of communication will be accepted).
- (m) Members may not use any electronic address provided either in this notice of General Meeting, or any related documents (including the Chairman's letter and proxy form), to communicate with the Company for any purposes other than those expressly stated.

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**IMPORTANT NOTE: FORMS OF PROXY FOR OCTOPUS AIM VCT 2 PLC SHOULD BE RETURNED TO CAPITA ASSET SERVICES, PXS1, THE REGISTRY, 34 BECKENHAM ROAD, BECKENHAM, KENT BR3 4ZF**

**FORM OF PROXY**

For use at the General Meeting of Octopus AIM VCT 2 plc ("the Company"), or at any adjournment thereof, to be held at 33 Holborn, London, EC1N 2HT at 11 am on 27 January 2016.

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

of.....

being a Shareholder(s) of the above-named Company, appoint the chairman of the meeting or

.....

(Block Capitals Please)

of.....

If you are not voting all the Ordinary Shares you hold please enter the number you wish to vote here:

to act as my/our proxy to vote for me/us and on my/our behalf at the General Meeting of the Company to be held at 33 Holborn, London, EC1N 2HT at 11 am on 27 January 2016 (see note 1. below) and at every adjournment thereof and to vote for me/us on my/our behalf as directed below.

Please indicate with an 'X' if this is one of multiple proxy instructions being given \_\_\_\_\_

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

The proxy is directed to vote as follows:

Resolutions	For	Against	Vote Withheld
1. Approval of the authority to allot Ordinary Shares			
2. Approval of the authority to allot Ordinary Shares pursuant to the Company's dividend reinvestment scheme			
3. Approval of authority to allot Ordinary Shares pursuant to offers for subscription other than pro rata (Special Resolution)			
4. Approval of authority to allot Ordinary Shares pursuant to the Company's dividend reinvestment scheme other than pro rata (Special Resolution)			

Signature.....

Dated.....

**Notes to the proxy form:**

1. The Notice of the General Meeting ("General Meeting") is set out on pages 21 to 23 of the Circular.
5. Any member of the Company entitled to attend and vote at the General Meeting is also entitled to appoint one or more proxies to attend, speak and vote instead of that member. A member may appoint more than one proxy in relation to the General Meeting provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that member. A proxy may demand, or join in demanding, a poll. A proxy need not be a member of the Company but must attend the General Meeting in order to represent his appointor. A member entitled to attend and vote at the General Meeting may appoint the Chairman or another person as his proxy although the Chairman will not speak for the member. A member who wishes his proxy to speak for him should appoint his own choice of proxy (not the Chairman) and give instructions directly to that person.
6. If you wish to appoint a proxy of your own choice delete the words "the Chairman of the General Meeting" and insert the name and address of the person whom you wish to appoint in the space provided.

7. Any alterations to the Form of Proxy should be initialled.
5. To be valid, the reply paid Form of Proxy enclosed with this document and the power of attorney or other written authority, if any, under which it is signed or an office or notarially certified copy or a copy certified in accordance with the Powers of Attorney Act 1971 of such power and written authority, must be delivered to the Company's registrars not less than 48 hours (excluding weekends and public holidays) before the time appointed for holding the General Meeting or adjourned meeting at which the person named in the Form of Proxy proposes to vote. In the case of a poll taken more than 48 hours (excluding weekends and public holidays) after it is demanded, the document(s) must be delivered as aforesaid not less than 24 hours (excluding weekends and public holidays) before the time appointed for taking the poll, or where the poll is taken not more than 48 hours (excluding weekends and public holidays) after it was demanded, be delivered at the meeting at which the demand is made.
6. In order to revoke a proxy instruction a member will need to inform the Company by sending a signed hard copy notice clearly stating the intention to revoke the proxy appointment to the Company's registrars, Capita Asset Services, PXS1, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4ZF. In the case of a member which is a company, the revocation notice must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company. Any power of attorney or any other authority under which the revocation notice is signed (or a duly certified copy of such power or authority) must be included with the revocation notice. The revocation notice must be received by the Company's registrars at least 48 hours before the General Meeting or the holding of a poll subsequently thereto. If a member attempts to revoke his or her proxy appointment but the revocation is received after the time specified then, subject to Note 10 below, the proxy appointment will remain valid.
7. You may submit your proxy electronically using the Shareportal Service at [www.capitashareportal.com](http://www.capitashareportal.com). If not already registered for the share portal, you will need your investor code which can be found on your share certificate. If you cannot locate your investor code, please contact Capita Asset Services by telephoning +44 (0) 371 664 0324. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. Capita Asset Services are open between 9 am – 5.30 pm, Monday to Friday excluding public holidays in England and Wales. Calls may be recorded and randomly monitored for security and training purposes.
8. In the case of a corporation, this form must be executed under its common seal or signed on its behalf by its attorney or a duly authorised officer of the corporation.
9. In the case of joint shareholders, any one of them may sign. The vote of the person whose name stands first in the register of members will be accepted to the exclusion of the votes of the other joint holders.
10. Completion and return of a Form of Proxy will not preclude a member of the Company from attending and voting in person. If a member appoints a proxy and that member attends the General Meeting in person, the proxy appointment will automatically be terminated.
11. A vote withheld is not a vote in law, which means that the vote will not be counted in the calculation of votes for or against the resolution. If no voting indication is given, the proxy will vote or abstain from voting at his or her discretion. The proxy will vote (or abstain from voting) as he or she thinks fit in relation to any other matter which is put before the General Meeting.

## ANNEX I

### TERMS AND CONDITIONS OF THE DIVIDEND REINVESTMENT SCHEME (THE “DRIS”) FOR EACH OF THE COMPANIES

1. Elections to participate in the DRIS should be addressed to the DRIS administrator, Capita Asset Services (“DRIS Administrator”) in accordance with condition 11 and will only be effective for dividends to be paid 15 days following receipt of the election by the DRIS Administrator.
2.
  - (a) The Company, acting through the DRIS Administrator, shall have absolute discretion to accept or reject elections. An applicant shall become a member of the DRIS upon acceptance of his or her election by the DRIS Administrator on the Company’s behalf (“Participants”). The DRIS Administrator will provide written notification if an election is rejected. Only registered shareholders of the Company (“Shareholders”) may join the DRIS.
  - (b) The Company shall apply dividends to be paid to Participants on ordinary shares in the Company (“Ordinary Shares”) in respect of which an election has been made in the allotment of further Ordinary Shares. The DRIS Administrator shall not have the discretion, and Participants may not instruct the DRIS Administrator, to apply those dividends (“funds”) towards any investments other than investment in Ordinary Shares as set out in this condition 2(b).
  - (c) Participants who are Shareholders may only participate in the DRIS if all Ordinary Shares registered in their name are mandated to the DRIS.
  - (d) By joining the DRIS, Participants instruct the DRIS Administrator that the mandate will apply to the full number of Ordinary Shares held by them in respect of which the election is made, as entered onto the share register of the Company from time to time.
  - (e) In relation to new Ordinary Shares to be allotted in relation to a dividend such Ordinary Shares will only be allotted to the registered shareholder and not any beneficial holder. Nominee Participants shall not be entitled to instruct the DRIS Administrator to allot Ordinary Shares to a beneficial holder (and Participants are advised to read condition 15 in respect of the consequences for VCT Tax reliefs).
3.
  - (a) On or as soon as practicable after a day on which a dividend on the Ordinary Shares is due to be paid to a Participant or, if such day is not a dealing day on the London Stock Exchange, the dealing day thereafter (“Payment Date”), the Participant’s funds held by the Company shall, subject to conditions 9, 10 and 19 below and the Company having the requisite shareholder authorities to allot Ordinary Shares, be applied on behalf of that Participant to subscribe for the maximum number of whole new Ordinary Shares which can be allotted with the funds.
  - (b) The number of Ordinary Shares to be allotted to a Participant pursuant to condition 3(a) above shall be calculated by dividing the Participant’s funds by the greater of (i) the last published net asset value per existing Ordinary Share and (ii) the mid market price per Ordinary Share as quoted on the London Stock Exchange at the close of business on the 10th business day preceding the date of issue of such Ordinary Shares. Ordinary Shares will not be allotted at less than their nominal value.
  - (c) Fractional entitlements will not be allotted and any residual cash balance of less than the amount required to subscribe for a further new Ordinary Share, as set out in 3(b) above will be donated to a registered charity at the discretion of the Company.
  - (d) The Company shall not be obliged to allot Ordinary Shares under the DRIS to the extent that the total number of Ordinary Shares allotted by the Company pursuant to the DRIS in any financial year would exceed 10% of the aggregate number of Ordinary Shares on the first day of such financial year.

- (e) The Company shall immediately after the subscription of Ordinary Shares in accordance with the condition at 3(a) above take all necessary steps to ensure that those Ordinary Shares shall be admitted to the Official List and to trading on the premium segment of the main market of the London Stock Exchange, provided that at the time of such subscription the existing Ordinary Shares in issue are so admitted to the Official List and to trading on the premium segment of the main market of the London Stock Exchange.
4. The DRIS Administrator shall as soon as practicable after the allotment of Ordinary Shares in accordance with condition 3 procure (i) that the Participants are entered onto the Share Register of the Company as the registered holders of those Ordinary Shares (ii) that share certificates (unless such Ordinary Shares are to be uncertified) and, where applicable, income tax vouchers ("Tax Vouchers") are sent to Participants at their own risk and (iii) that Participants receive a statement detailing:
- (a) the total number of Ordinary Shares held at the record date for which a valid election was made;
  - (b) the number of Ordinary Shares allotted;
  - (c) the price per Ordinary Share allotted;
  - (d) the cash equivalent of the Ordinary Shares allotted; and
  - (e) the date of allotment of the Ordinary Shares
5. All costs and expenses incurred by the DRIS Administrator in administering the DRIS will be borne by the Company.
6. Each Participant warrants to the DRIS Administrator that all information set out in the application form (including any electronic election) on which the election to participate in the DRIS is contained is correct and to the extent any of the information changes he or she will notify the changes to the DRIS Administrator and that during the continuance of his or her participation in the DRIS he or she will comply with the provisions of condition 7 below.
7. The right to participate in the DRIS will not be available to any person who is a citizen, resident or national of, or who has a registered address in, any jurisdiction outside the UK unless such right could properly be made available to such person. No such person receiving a copy of the DRIS documents may treat them as offering such a right unless an offer could properly be made to such person. It is the responsibility of any Shareholder wishing to participate in the DRIS to be satisfied as to the full observance of the laws of the relevant jurisdiction(s) in connection therewith, including obtaining any governmental or other consents which may be required and observing any other formalities needing to be observed in any such jurisdiction(s).
8. Participants acknowledge that the DRIS Administrator is not providing a discretionary management service. Neither the DRIS Administrator nor the Company shall be responsible for any loss or damage to Participants as a result of their participation in the DRIS unless due to the negligence or wilful default of the DRIS Administrator or the Company or their respective employees and agents.
9. Participants may:
- (a) at any time by notice to the DRIS Administrator terminate their participation in the DRIS and withdraw any funds held by the Company on their behalf; and
  - (b) in respect of Ordinary Shares they hold as nominee and subject to condition 2(e), give notice to the DRIS Administrator that, in respect of a forthcoming Payment Date, their election to receive Ordinary Shares is only to apply to a specified amount due to the Participant as set out in such notice.

Such notices shall not be effective in respect of the next forthcoming Payment Date unless it is received by the DRIS Administrator at least 15 days prior to such Payment Date. In respect of notices under (a) above, such notice will be deemed to have been served where the Participant ceases to hold any

Ordinary Shares. Upon receipt of notice of termination, all funds held by the Company on the Participant's behalf shall be returned to the Participant as soon as reasonably practical at the address set out in register of members, subject to any deductions which the Company may be entitled or bound to make hereunder.

10. The Company shall be entitled at its absolute discretion, at any time and from time to time to:
- (a) suspend the operation of the DRIS;
  - (b) terminate the DRIS without notice to the Participants; and/or
  - (c) resolve to pay dividends to Participants partly by way of cash and partly by way of new Ordinary Shares pursuant to the DRIS.

11. Participants who wish to participate in the DRIS in respect of new Ordinary Shares to be issued pursuant to a prospectus or top-up offer document may tick the relevant box on the applicable application form. If a Participant in the DRIS applies for further Ordinary Shares under such a prospectus or top-up offer document, and fails to tick the relevant box on such form for the further shares to be issued to them to be subject to the DRIS, then it shall be deemed that the Participant had requested the dividend to be paid to them in cash and, accordingly, their existing participation in the DRIS in relation to all their Ordinary Shares shall be deemed to terminate in accordance with paragraph 9(a) above.

Participants who wish to participate in the DRIS and who already have Ordinary Shares issued to them held in certificated form, i.e. not in CREST, should complete and sign a Mandate Form and return it no later than 15 days prior to the dividend payment date to Capita Asset Services, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU. Personalised Mandate Forms can be obtained from Capita Asset Services at the address above or by telephoning 0371 664 0300 (Calls cost 10p per minute plus network extras. Lines are open 9.00am – 5.30pm Mon-Fri. If calling from overseas please ring +44 208 639 2157).

Participants who wish to participate in the DRIS and who already have Ordinary Shares issued to them held in uncertificated form in CREST (and was in uncertificated form as at the relevant record date), the Participants can only elect to receive a dividend in the form of new Ordinary Shares by means of the CREST procedure to effect such an election for the Company. No other method of election will be permitted under the DRIS and will be rejected. By doing so, such Shareholders confirm their election to participate in the DRIS and their acceptance of the DRIS terms and conditions. If a Participant is a CREST sponsored member, they should consult their CREST sponsor, who will be able to take appropriate action on their behalf. All elections made via the CREST system should be submitted using the Dividend Election Input Message in accordance with the procedures as stated in the CREST Reference Manual. The Dividend Election Input Message submitted must contain the number of Ordinary Shares on which the election is being made. If the relevant field is left blank or completed with zero, the election will be rejected. If a Participant enters a number of Ordinary Shares greater than the holder in CREST on the relevant record date for dividend the system will automatically amend the number down to the record date holding. When inputting the election, a 'single drip' election should be selected (the Corporation Action Number for this can be found on the CREST GUI). Evergreen elections will not be permitted. Participants who wish to receive new Ordinary Shares instead of cash in respect of future dividends, must complete a Dividend Election Input Message on each occasion otherwise they will receive the dividend in cash. Elections via CREST should be received by CREST no later than 5.00 p.m. on such date that is at least 15 days before the dividend payment date for the relevant dividend in respect of which you wish to make an election. Once an election is made using the CREST Dividend Election Input Message it cannot be amended. Therefore, if a CREST Shareholder wishes to change their election, the previous election would have to be cancelled.

12. A written mandate form will remain valid for all dividends paid to the Participant by the Company until such time as the Participant gives notice in writing to the DRIS Administrator that he no longer wishes to participate in the DRIS.

13. The Company shall be entitled to amend the DRIS Terms and Conditions on giving one month's notice in writing to all Participants. If such amendments have arisen as a result of any change in statutory or other regulatory requirements, notice of such amendment will not be given to Participants unless in the Company's opinion the change materially affects the interests of the Participants. Amendments to the DRIS terms and conditions which are of a formal, minor or technical nature or made to correct a manifest error and which do not adversely affect the interests of Participants may be effected without notice.
14. By ticking the relevant election box and completing and delivering the application form the Participant:
  - (a) agrees to provide the Company with any information which it may request in connection with such application and to comply with legislation relating to venture capital trusts or other relevant legislation (as the same may be amended from time to time); and
  - (b) declares that a loan has not been made to the Participant on whose behalf the Ordinary Shares are held or any associate of either of them, which would not have been made or not have been made on the same terms but for the Participant electing to receive new Ordinary Shares and that the Ordinary Shares are being acquired for bona fide investment purposes and not as part of a scheme or arrangement the main purposes of which is the avoidance of tax.
15. Elections by individuals for Ordinary Shares should attract applicable VCT tax reliefs (depending on the particular circumstances of a particular individual) for the tax year in which the Ordinary Shares are allotted provided that the issue of Ordinary shares under the DRIS is within the investor's annual £200,000 limit. Participants and beneficial owners are responsible for ascertaining their own tax status and liabilities and neither the DRIS Administrator nor the Company accepts any liability in the event that tax reliefs are not obtained. The Tax Voucher can be used to claim any relevant income tax relief either by obtaining from HM Revenue & Customs an adjustment to the Participant's tax coding under the PAYE system or by waiting until the end of the year and using the Self Assessment Tax Return.
16. The Company will subject to conditions 9, 10 and 19, issue Ordinary Shares in respect of the whole of any dividend payable (for the avoidance of doubt irrespective of whether the amount of allotment is greater than any maximum limits imposed from time to time to be able to benefit from any applicable VCT tax reliefs) unless the DRIS Administrator has been notified to the contrary in writing at least 15 days before a Payment Date.
17. Shareholders electing to receive Ordinary Shares rather than a cash dividend will be treated as having received a normal dividend. Shareholders qualifying for VCT tax reliefs should not be liable to income tax on shares allotted in respect of dividends from qualifying VCT shares.
18. For capital gains tax purposes, Shareholders who elect to receive Ordinary Shares instead of a cash dividend are not treated as having made a capital disposal of their existing Ordinary Shares. The new Ordinary Shares will be treated as a separate asset for capital gains purposes.
19. The Company shall not be obliged to accept any application or issue Ordinary Shares hereunder if the Directors so decide in their absolute discretion. The Company may do or refrain from doing anything which, in the reasonable opinion of the Directors, is necessary to comply with the law of any jurisdiction or any rules, regulations or requirements of any regulatory authority or other body, which is binding upon the Company or the DRIS Administrator.
20. The amount of any claim or claims a Participant has against the Company or the DRIS Administrator shall not exceed the value of such Participant's Ordinary Shares in the DRIS. Nothing in these DRIS Terms and Conditions shall exclude the Company or the DRIS Administrator from any liability caused by fraud, wilful default or negligence. Neither the Company nor the DRIS Administrator will be responsible for:
  - (a) acting or failing to act in accordance with a court order of which the DRIS Administrator has not been notified (whatever jurisdiction may govern the court order); or

- (b) forged or fraudulent instructions and will be entitled to assume that instructions received purporting to be from a Shareholder (or, where relevant, a nominee) are genuine; or
  - (c) losses, costs, damages or expenses sustained or incurred by a Shareholder (or, where relevant, a nominee) by reason of industrial action or any cause beyond the control of the Company or the DRIS Administrator, including (without limitation) any failure, interruption or delay in performance of the obligations pursuant to these DRIS Terms and Conditions resulting from the breakdown, failure or malfunction of any telecommunications or computer service or electronic payment system or CREST; or
  - (d) any indirect or consequential loss.
21. These DRIS Terms and Conditions are for the benefit of a Participant only and shall not confer any benefits on, or be enforceable by, a third party and the rights and/or benefits a third party may have pursuant to the Contracts (Rights of Third Parties) Act 1999 are excluded to the fullest possible extent.
22. All notices and instructions to be given to the DRIS Administrator shall be in writing and delivered or posted to Capita Asset Services, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU.
23. These DRIS Terms and Conditions shall be governed by, and construed in accordance with, English law and each Participant submits to the jurisdiction of the English courts and agrees that nothing shall limit the right of the Company to bring any action, suit or proceeding arising out of or in connection with the DRIS in any other manner permitted by law or in any court of competent jurisdiction.

**Shareholders who are in any doubt about their tax position should consult their independent financial adviser.**

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## ANNEX II

### OCTOPUS AIM VCT plc

#### DIVIDEND REINVESTMENT SCHEME MANDATE FORM

If you wish to participate in the dividend reinvestment scheme (the “DRIS”) in respect of your holding of Ordinary Shares in Octopus AIM VCT plc (the “Company”), please sign and return this form to the DRIS Administrator, Capita Asset Services, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU no later than 15 Business Days before the payment of a dividend by the Company. All enquiries concerning this form should be made to Capita Asset Services, New Issues, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU or by telephoning +44 (0) 371 664 0324. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. Capita Asset Services are open between 9 am – 5.30 pm, Monday to Friday excluding public holidays in England and Wales.

If your Ordinary Shares in the Company are held in more than one account you must complete a separate form for each account. You may obtain further copies of this form from the DRIS Administrator.

**If you decide to participate in the DRIS you will be deemed to have agreed that any mandate which you have given for the payment of cash dividends directly to your Bank or Building Society account shall be suspended for so long as you remain a participant in the DRIS.**

**Shareholders in any doubt about the tax position should consult their independent professional adviser.**

In the case of joint holders all holders must sign. In the case of a corporation/nominee company this form must be executed under its common seal or be signed by a duly authorised official, whose capacity should be stated in accordance with Section 44 of the Companies Act 2006.

If this form is not completed to the satisfaction of the DRIS Administrator it will not be processed and will be returned to you for completion.

You can also register to reinvest dividends in the Company by calling Octopus on 0800 316 2295 who will be happy to send you an Application Form, by visiting the Investor/Document Library section of the Octopus website at: [www.octopusinvestments.com](http://www.octopusinvestments.com) or by writing to request a copy from Octopus Investments Limited, 33 Holborn, London, EC1N 2HT.

You will need to send your dividend reinvestment instructions to Capita at least 15 days prior to the dividend payment date to be able to participate and reinvest your dividend on the dividend payment date.

You can revoke a dividend reinvestment election by contacting the DRIS Administrator.

**To: the DRIS Administrator and the Company**

I/We, the undersigned, confirm that I/we have read and understood the terms and conditions of the DRIS and that I/we wish to participate in the DRIS for each future dividend paid on the Ordinary Shares of **Octopus AIM VCT plc**. I/We agree that future dividends paid on Ordinary Shares will be reinvested in Ordinary Shares.

**Company:**

**Tick Here to reinvest**

<b>Octopus AIM VCT plc</b>
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Shareholder Name (1)
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Shareholder Name (2)
-------------------------

Shareholder Name (3)
-------------------------

Shareholder Name (4)
-------------------------

Address:
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**All shareholders named above must sign.**

Signature (1)	Date
---------------	------

Signature (2)	Date
---------------	------

Signature (3)	Date
---------------	------

Signature (4)	Date
---------------	------

Daytime telephone number	
National Insurance number or Investor Code number (which can be found on your share certificate)	
Email address	

## OCTOPUS AIM VCT 2 plc

### DIVIDEND REINVESTMENT SCHEME MANDATE FORM

If you wish to participate in the dividend reinvestment scheme (the “DRIS”) in respect of your holding of Ordinary Shares in Octopus AIM VCT 2 plc (the “Company”), please sign and return this form to the DRIS Administrator, Capita Asset Services, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU no later than 15 Business Days before the payment of a dividend by the Company. All enquiries concerning this form should be made to Capita Asset Services, New Issues, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU or by telephoning +44 (0) 371 664 0324. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. Capita Asset Services are open between 9 am – 5.30 pm, Monday to Friday excluding public holidays in England and Wales.

If your Ordinary Shares in the Company are held in more than one account you must complete a separate form for each account. You may obtain further copies of this form from the DRIS Administrator.

**If you decide to participate in the DRIS you will be deemed to have agreed that any mandate which you have given for the payment of cash dividends directly to your Bank or Building Society account shall be suspended for so long as you remain a participant in the DRIS.**

**Shareholders in any doubt about the tax position should consult their independent professional adviser.**

In the case of joint holders all holders must sign. In the case of a corporation/nominee company this form must be executed under its common seal or be signed by a duly authorised official, whose capacity should be stated in accordance with Section 44 of the Companies Act 2006.

If this form is not completed to the satisfaction of the DRIS Administrator it will not be processed and will be returned to you for completion.

You can also register to reinvest dividends in the Company by calling Octopus on 0800 316 2295 who will be happy to send you an Application Form, by visiting the Investor/Document Library section of the Octopus website at: [www.octopusinvestments.com](http://www.octopusinvestments.com) or by writing to request a copy from Octopus Investments Limited, 33 Holborn, London, EC1N 2HT.

You will need to send your dividend reinvestment instructions to Capita at least 15 days prior to the dividend payment date to be able to participate and reinvest your dividend on the dividend payment date.

You can revoke a dividend reinvestment election by contacting the DRIS Administrator.

**To: the DRIS Administrator and the Company**

I/We, the undersigned, confirm that I/we have read and understood the terms and conditions of the DRIS and that I/we wish to participate in the DRIS for each future dividend paid on the Ordinary Shares of **Octopus AIM VCT 2 plc**. I/We agree that future dividends paid on Ordinary Shares will be reinvested in Ordinary Shares.

**Company:**

**Tick Here to reinvest**

**Octopus AIM VCT 2 plc**

☐

Shareholder Name  
(1)

Shareholder Name  
(2)

Shareholder Name  
(3)

Shareholder Name  
(4)

Address:

**All shareholders named above must sign.**

Signature (1)	Date
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Signature (2)	Date
---------------	------

Signature (3)	Date
---------------	------

Signature (4)	Date
---------------	------

Daytime telephone number	
National Insurance number or Investor Code number (which can be found on your share certificate)	
Email address	