

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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

If you have sold or otherwise transferred all of your Shares in Unicorn AIM VCT II plc (“the Company”), please send this document and accompanying documents, as soon as possible, to the purchaser or transferee or to the stockbroker, independent financial adviser or other person through whom the sale or transfer was effected for delivery to the purchaser or transferee.

Martineau, which is regulated in the United Kingdom by The Solicitors Regulation Authority, is acting as legal adviser to the Company and Unicorn AIM VCT plc and no-one else and will not be responsible to any other person for providing advice in connection with any matters referred to herein.

UNICORN AIM VCT II PLC

(Registered in England and Wales with registered number 05239433)

Recommended Merger by way of a Scheme of Reconstruction of the Company and Cancellation of Listing of the Company’s Shares.

Your attention is drawn to the letter from the chairman of the Company set out in Part III of this document which contains a recommendation to vote in favour of the resolutions to be proposed at the meetings referred to below. Your attention is also drawn to the risk factors set out in Part II of this document.

You will find set out at the end of this document notices of the First Extraordinary General Meeting of the Company to be held at 4.00 pm on 25 February 2010 to approve the Scheme, of the separate Class Meetings of the holders of Ordinary Shares and C Shares to be held at 4.10 pm and 4.15 pm respectively on 25 February 2010 and of the Second Extraordinary General Meeting of the Company to be held at 10.00 am on 9 March 2010 to place the Company into members’ voluntary liquidation. These meetings will all be held at One Vine Street, London W1J 0AH.

To be valid, the appropriate form of proxy attached to this document for the meetings should be returned not less than 48 hours before the relevant meeting, either by post or by hand (during normal business hours only) to the Company’s registrar, Computershare Investor Services plc, The Pavilions, Bridgwater Road, Bristol BS99 6ZY. For further information on any of the meetings or the completion and return of a form of proxy, please telephone Computershare Investor Services plc between 9.00 am and 5.00 pm (GMT) Monday to Friday (except UK public holidays) on telephone number 0870 707 1525 or, if telephoning from outside the UK, on +44 870 707 1525. Calls to Computershare Investor Services plc are charged at national rates. Further details will be available from your service provider. Calls to the helpline from outside of the UK will be charged at applicable international rates. Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. For legal reasons, Computershare Investor Services plc will be unable to give advice on the merits of the proposals or provide financial, legal, tax or investment advice.

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EXPECTED TIMETABLES

EXPECTED TIMETABLE FOR THE COMPANY

Date from which it is advised that dealings in Shares should only be for cash settlement and immediate delivery of documents of title	12 February 2010
Latest time for receipt of forms of proxy for the First Extraordinary General Meeting	4.00 pm on 23 February 2010
Latest time for receipt of forms of proxy for the Ordinary Share Class Meeting	4.10 pm on 23 February 2010
Latest time for receipt of forms of proxy for the C Share Class Meeting	4.15 pm on 23 February 2010
First Extraordinary General Meeting	4.00 pm on 25 February 2010
Ordinary Share Class Meeting	4.10 pm on 25 February 2010
C Share Class Meeting	4.15 pm on 25 February 2010
Latest time for receipt of forms of proxy for the Second Extraordinary General Meeting	10.00 am on 7 March 2010
Record Date for Shareholders' entitlements under the Scheme	8 March 2010
Register of Members closed	8 March 2010
Special Dividend Record Date	8 March 2010
Calculation Date	after 5.00 pm on 8 March 2010
Dealings in Shares suspended	7.30 am on 9 March 2010
Second Extraordinary General Meeting	10.00 am on 9 March 2010
Effective Date for the VCT I Share Consolidation and the subsequent transfer of the assets and liabilities of the Company to VCT I and the issue of New VCT I Shares*	9 March 2010
Announcement of the results of the Scheme	9 March 2010
Cancellation of the Shares' listing	8.00 am on 10 March 2010
Special Dividend Payment Date	19 March 2010

(*see further timetable for VCT I on page 4 with regard to admission, CREST accounts being credited and certificates being dispatched)

EXPECTED TIMETABLE FOR VCT I

VCT I Dividend record date	8 January 2010
VCT I Dividend payment date	29 January 2010
Latest time for receipt of proxy for the VCT I Annual General Meeting	3.00 pm on 23 February 2010
Latest time for receipt of forms of proxy for the VCT I Extraordinary General Meeting	3.30 pm on 23 February 2010
Latest time for receipt of forms of proxy for the VCT I Ordinary Share Class Meeting	3.40 pm on 23 February 2010
Latest time for receipt of forms of proxy for the VCT I S2 Share Class Meeting	3.45 pm on 23 February 2010
Latest time for receipt of forms of proxy for the VCT I S3 Share Class Meeting	3.50 pm on 23 February 2010
VCT I Annual General Meeting	3.00 pm on 25 February 2010
VCT I Extraordinary General Meeting	3.30 pm on 25 February 2010
VCT I Ordinary Share Class Meeting	3.40 pm on 25 February 2010
VCT I S2 Share Class Meeting	3.45 pm on 25 February 2010
VCT I S3 Share Class Meeting	3.50 pm on 25 February 2010
Calculation Date	after 5.00 pm on 8 March 2010
Record Date for the VCT I Share Consolidation	8 March 2010
Effective Date for the VCT I Share Consolidation and the subsequent transfer of the assets and liabilities of the Company to VCT I and the issue of New VCT I Shares pursuant to the Scheme*	9 March 2010
Announcement of the results of the Merger (including the Scheme)	9 March 2010
Admission of and dealings in the New VCT I Shares to commence	10 March 2010
CREST accounts credited with New VCT I Shares (in respect of the VCT I Share Consolidation and the Scheme)	11 March 2010
Certificates for the New VCT I Shares dispatched (in respect of the VCT I Share Consolidation and Scheme)	15 March 2010

(*this will, therefore, be the final expected date of trading of the VCT I Ordinary Shares and VCT I S2 Shares)

CORPORATE INFORMATION

Directors

Peter Joseph Andrews (Chairman)
Malcolm McDonald Diamond
Jeremy John Hamer
Kenneth Charles Vere Nicoll

Registered Office

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W1J 0AH

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Company Number

05239433

Investment Manager

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Auditors

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EC1M 6AU

Company Secretary and Administrator

Matrix-Securities Limited
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London
W1J 0AH

Registrars

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Solicitors

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Bankers

National Westminster Bank plc
City of London Office
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London
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Stockbroker

Matrix Corporate Capital LLP
One Vine Street
London
W1J 0AH

Custodian

The Bank of New York Mellon
One Canada Square
London
E14 5AL

PART I – DEFINITIONS

“AIM”	the Alternative Investment Market of the London Stock Exchange
“Articles”	the articles of association of the Company, as amended from time to time
“Board” or “Directors”	the board of directors of the Company
“C Shares”	C ordinary shares of 1p each in the capital of the Company
“CA 1985”	Companies Act 1985, as amended
“CA 2006”	Companies Act 2006, as amended
“Calculation Date”	the date on which (i) the unaudited NAVs for the VCT I Share Consolidation, (ii) the Roll-Over Value and (iii) the Merger Value will be calculated, this being after the close of business on 8 March 2010
“Capita Registrars”	a trading name of Capita Registrars Limited
“Class Meetings”	the separate meetings of the holders of Ordinary Shares and C Shares to be held on 25 February 2010
“Companies Acts”	CA 1985 and CA 2006
“Company” or “VCT II”	Unicorn AIM VCT II plc
“Effective Date”	the date on which the Scheme will be completed, this is anticipated as being 9 March 2010
“Enlarged Company”	VCT I, following implementation of the Scheme
“First Extraordinary General Meeting”	the first extraordinary general meeting of the Company to be held on 25 February 2010
“HMRC”	Her Majesty’s Revenue & Customs
“IA 1986”	Insolvency Act 1986, as amended
“ICTA 1988”	Income and Corporation Taxes Act 1988, as amended
“ITA 2007”	Income Tax Act 2007, as amended
“Liquidators”	William Duncan and Jonathan Paul Philmore of RSM Tenon Limited, Unit 1, Calder Close, Calder Park, Wakefield WF4 3BA being the proposed liquidators of the Company
“Listing Rules”	the listing rules of the UKLA
“London Stock Exchange”	London Stock Exchange plc
“Meetings”	the First Extraordinary General Meeting; the Class Meetings and the Second Extraordinary General Meeting
“Merger”	the VCT I Share Consolidation and the Scheme
“Merger Ratio”	the Roll-Over Value divided by the Merger Value
“Merger Regulations”	Venture Capital Trusts (Winding-up and Mergers) (Tax) Regulations 2004
“Merger Value”	the value of a VCT I Share (this being a New VCT I Share) calculated in accordance with paragraph 4 of Part IV of this document
“NAV” or “net asset value”	net asset value
“New VCT I Shares”	the new VCT I Shares arising from the VCT I Share Consolidation and/or issued to Shareholders pursuant to and in accordance with the Scheme (and each a “New VCT I Share”)
“OEIC”	an open ended investment company

“Official List”	the official list of the UKLA
“Ordinary Shares”	ordinary shares of 1p each in the capital of the Company
“Proposals”	the proposals to effect the VCT I Share Consolidation and the merger by way of the Scheme and pass the resolutions to be proposed at the Meetings
“Record Date”	the record date to which Shareholders’ entitlements will be allocated pursuant to the Scheme, including the Special Dividend and/or VCT I Shareholders’ entitlements will be allocated pursuant to the VCT I Share Consolidation (as the context permits), this being 8 March 2010
“Roll-Over Value”	the value of a Share calculated in accordance with paragraph 4 of Part IV of this document
“Scheme”	the proposed merger of the Company with VCT I by means of placing the Company into members’ voluntary liquidation pursuant to Section 110 of IA 1986 and the acquisition by VCT I of all of the Company’s assets and liabilities in consideration for New VCT I Shares, further details of which are set out in Part IV of this document
“Second Extraordinary General Meeting”	the second Extraordinary General Meeting of the Company to be held on 9 March 2010
“Shareholder”	a holder of Shares
“Shares”	Ordinary Shares and C Shares in the capital of the Company (and each a “Share”)
“Special Dividends”	the special dividends to be paid by the Company of 6p per Ordinary Share and 0.45p per C Share, conditional on the Merger becoming effective
“Special Dividend Payment Date”	the payment date for the Special Dividends, anticipated as being 19 March 2010
“TCGA 1992”	Taxation of Chargeable Gains Act 1992, as amended
“Transfer Agreement”	the agreement between VCT I and the Company (acting through the Liquidators) for the transfer of all of the assets and liabilities of the Company by the Liquidators to VCT I pursuant to the Scheme
“UK”	the United Kingdom
“Unicorn AM” or “Investment Manager”	Unicorn Asset Management Limited, the investment manager to the Company and VCT I, of Preacher’s Court, The Charterhouse, Charterhouse Square, London EC1M 6AU
“UKLA” or “UK Listing Authority”	the UK Listing Authority, being the Financial Services Authority acting in its capacity as the competent authority for the purposes of Part VI of the Financial Services and Market Act 2000
“VCT” or “venture capital trust”	a company satisfying the requirements of Chapter 3 of Part 6 of ITA 2007 for venture capital trusts
“VCT I”	Unicorn AIM VCT plc, registered in England and Wales under number 04266437 whose registered office is at One Vine Street, London W1J 0AH
“VCT I Board”	the board of directors of VCT I
“VCT I Circular”	the circular to holders of VCT I Shares dated 29 January 2010
“VCT I Class Meetings”	the separate class meetings of the holders of VCT I Ordinary Shares, VCT I S2 Shares and VCT I S3 Shares to be held on 25 February 2010

“VCT I Dividends”	the interim dividends of VCT I for the year ended 30 September 2009 of 3.5p per VCT I Ordinary Share and 2.5p per VCT I S2 Share
“VCT I Extraordinary General Meeting”	the extraordinary general meeting of VCT I to be held on 25 February 2010
“VCT I Ordinary Shares”	ordinary shares of 1p each in the capital of VCT I
“VCT I Prospectus”	the prospectus issued by VCT I dated 29 January 2010
“VCT I S2 Shares”	Series 2 shares of 1p each in the capital of VCT I
“VCT I S3 Shares”	Series 3 shares of 1p each in the capital of VCT I
“VCT I Share Consolidation”	the proposed consolidation of the VCT I Ordinary Shares, VCT I S2 Shares and VCT I S3 Shares as set out on page 23
“VCT I Shares”	prior to the VCT I Share Consolidation, VCT I Ordinary Shares, VCT I S2 Shares and VCT I S3 Shares and following the VCT I Consolidation the New VCT I Shares (as the context permits) (and each a “VCT I Share”)

PART II – RISK FACTORS

Shareholders and prospective holders of VCT I Shares should consider carefully the following risk factors in addition to the other information presented in this document. If any of the risks described below were to occur, it could have a material effect on VCT I's business, financial condition or results of operations. The risks and uncertainties described below are not the only ones VCT I, the VCT I Board or the holders of VCT I Shares will face. Additional risks not currently known to VCT I or the VCT I Board, or that VCT I or the VCT I Board currently believe are not material, may also adversely affect the VCT I's business, financial condition or results of operations. The value of the VCT I Shares could decline due to any of the risk factors described below and holders of VCT I Shares could lose part or all of their investment. Shareholders and prospective holders of VCT I Shares should consult an independent financial adviser authorised under the Financial Services and Markets Act 2000. References to VCT I should be taken as including the Enlarged Company.

Completion of the Proposals is dependent upon a number of conditions precedent being fulfilled, including the approval of Shareholders and the Scheme becoming effective. Whilst the Board has identified a number of potential benefits for the Enlarged Company, there is no certainty that these benefits will lead to improved prospects for the Enlarged Company.

The value of VCT I Shares can fluctuate and holders of VCT I Shares may not get back the amount they invested. In addition, there is no certainty that the market price of VCT I Shares will fully reflect their underlying NAV or that any dividends will be paid, nor should holders of VCT I Shares rely upon any share buy-back policy to offer any certainty of selling their VCT I Shares at prices that reflect the underlying NAV.

Although the existing VCT I Shares have been (and it is anticipated that the New VCT I Shares to be issued pursuant to the Scheme will be) admitted to the Official List and are (or will be) traded on the London Stock Exchange's market for listed securities, the secondary market for VCT shares is generally illiquid and, therefore, there may not be a liquid market (which may be partly attributable to the fact that initial tax reliefs are not available for VCT shares generally bought in the secondary market and because VCT shares usually trade at a discount to NAV) and holders of VCT I Shares may find it difficult to realise their investment. An investment in VCT I should, therefore, be considered as a long-term investment.

The past performance of the Company, VCT I and/or Unicorn AM is no indication of future performance. The return received by holders of VCT I Shares will be dependent on the performance of the underlying investments. The value of such investments, and interest income and dividends therefrom, may rise or fall.

Although VCT I may receive customary venture capital rights in connection with some of its unquoted investments, as a minority investor it may not be in a position to fully protect its interests.

VCT I's investments may be difficult, and take time, to realise. There may also be constraints imposed on the realisation of investments in order to maintain the VCT tax status of VCT I.

It can take a period of years for the underlying value or quality of the businesses of smaller companies, such as those in which VCT I invests, to be fully reflected in their market values and their market values are often also materially affected by general market sentiment, which can be negative for prolonged periods.

Investment in AIM-traded, PLUS market-traded and unquoted companies, by its nature, involves a higher degree of risk than investment in companies listed on the Official List. In particular, small companies often have limited product lines, markets or financial resources and may be dependent for their management on a small number of key individuals and may be more susceptible to political, exchange rate, taxation and other regulatory changes. In addition, the market for securities in smaller companies is usually less liquid than that for securities in larger companies, bringing with it potential difficulties in acquiring, valuing and disposing of such securities. Proper information for determining their value or the risks to which they are exposed may also not be available. Investment returns will, therefore, be uncertain and involve a higher degree of risk than investment in a company listed on the Official List.

Whilst it is the intention of the VCT I Board that the Enlarged Company will continue to be managed so as to qualify as a VCT, there can be no guarantee that such status will be maintained. Failure to continue to meet the qualifying requirements could result in holders of VCT I Shares losing the tax reliefs available for VCT 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 VCT I lose its VCT status, dividends and gains arising on the disposal of VCT I Shares would become subject to tax and VCT I would also lose its exemption from corporation tax on its capital gains.

If a Shareholder disposes of his or her Shares within five years of issue (three years if such Shares were issued on or between 6 April 2000 and 5 April 2006), he or she will be subject to clawback by HMRC of any income tax reliefs originally claimed. For these purposes, the date of issue of the New VCT I Shares issued pursuant to the Scheme will be the original date of issue of the Shares in respect of which such New VCT I Shares are issued.

If at any time VCT status is lost for VCT I, dealings in VCT I Shares will normally be suspended until such time as proposals to continue as a VCT or to be wound-up have been announced.

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

Any purchaser of existing VCT I Shares in the secondary market will not qualify for the then (if any) available tax reliefs afforded to subscribers of new VCT shares on the amount invested.

Changes in legislation, including those proposed in the Pre-Budget Report 2009, concerning VCTs in general and qualifying holdings and qualifying trades in particular, may limit the number of new qualifying investment opportunities and/or reduce the level of returns which would otherwise have been achievable.

Holders of VCT I Shares may be adversely affected by the performance of the investments, whether acquired from the Company or made by VCT I (in each case, as managed under the separate share classes). The performance of the investments acquired from the Company, as well as the investments of VCT I, may restrict the ability of VCT I following the merger to distribute any capital and revenue gains achieved on the investments transferred from the Company to VCT I (as well as the investments of VCT I). Any gains (or losses) made on the investments of VCT I will, following the Merger with the Company, be shared amongst the holders of all VCT I Shares then in issue.

Shareholders may be adversely affected by a change in the VCT status of VCT I if a number of the investments acquired from the Company or the investments of VCT I, are or become unable to meet VCT requirements.

PART III – LETTER FROM THE CHAIRMAN

UNICORN AIM VCT II PLC

(Registered in England and Wales with registered number 05239433)

Directors:

Peter Joseph Andrews (Chairman)
Malcolm McDonald Diamond
Jeremy John Hamer
Kenneth Charles Vere Nicoll

Registered Office:

One Vine Street
London
W1J 0AH

29 January 2010

Dear Shareholder

Recommended Proposals for a merger with VCT I by way of a scheme of reconstruction of the Company and cancellation of listing of the Company's Shares

The Board announced on 4 December 2009 that agreement in principle had been reached with the VCT I Board for the merger of the companies and that we expected to be in a position to present a detailed proposal for consideration by Shareholders shortly.

I am pleased to advise Shareholders that discussions have concluded and the purpose of this letter is to set out for Shareholders the outcome of the discussions and put the Proposals to Shareholders for consideration. The Proposals will, if effected, result in the Company being merged with VCT I, creating an Enlarged Company with one class of share having net assets of over £55 million and which is expected to deliver cost savings and strategic benefits.

To effect the Proposals, the consent of Shareholders, pursuant to IA 1986 and the Listing Rules, is being sought at the Meetings to approve the Merger pursuant to the Scheme, appoint the Liquidators and authorise them to implement the Scheme and cancel the listing of the Company's Shares on the Official List once the Scheme has been implemented.

Background

The Company was launched in 2005 and has raised £22 million (net of expenses) through offers for subscription of Ordinary Shares and £12.5 million (net of expenses) through offers for subscription of its C Shares.

The Company's objective is to provide Shareholders with an attractive return by investing predominantly in the shares of companies listed on AIM. Further, to ensure the safeguarding of the capital available for investment in the initial three year qualifying period, Unicorn AM, the Company's investment manager, invested at least half of the funds raised in money-market funds. The balance of the funds were invested in existing Unicorn AM managed funds (OEICs) (without any additional management charges) and in a portfolio of shares in quoted companies similar to those already invested in by Unicorn AM.

As at 31 December 2009, the Company had unaudited net assets of £25,888,482 (80.89p per Ordinary Share and 68.04p per C Share). and in aggregate investments in 51 companies with an unaudited valuation of £22,626,115. To date, dividends have been paid totaling 7.0p to holders of Ordinary Shares and 2.0p to holders of C Shares. Since launch the Company has bought back 1,742,270 Ordinary Shares and 240,237 C Shares with an aggregate value of £1,279,728.

It was decided to raise additional funds through separate Share classes on a basis that would be entirely neutral to changes in the net asset value of the then current portfolio which could occur during the marketing period of the relevant Share offer. Each Share class has to date been managed separately, with the relevant class of Shareholders being entitled to the assets within the fund attributable to their Share class. The intention was to manage the funds raised as separate Share classes until, and if, the Board believed it appropriate to recommend to Shareholders that consolidation of the Share classes was appropriate.

VCTs are required to be listed on the Official List, which involves a significant level of cost in listing as well as related fees to ensure the VCT complies with all relevant legislation. As a VCT becomes fully invested, its net assets may start to decrease, primarily through dividends, buy backs and annual expenses. The running costs can become a proportionally greater burden which may have an adverse

effect on a VCT's return for its shareholders. A larger VCT should therefore be better placed to spread such running costs, and as a result may be able to pay a higher level of dividends to shareholders over its life.

In September 2004, the Merger Regulations were introduced allowing VCTs to be acquired by, or merge with, each other without prejudicing the VCT tax reliefs obtained by their shareholders. A number of VCTs have now taken advantage of these regulations to create larger VCTs where running costs can be spread over a substantially greater asset base.

In addition, continued management and administration of separate share classes within both the Company and VCT I has resulted in an additional expenses burden which, now the relevant funds in each company are largely invested, the boards of both companies feel is no longer desirable. A merger provides an opportunity to consolidate the share classes, creating simplicity and further annual cost savings.

With the above in mind, the Board entered into discussions with the VCT I Board to consider a merger of the companies to create a single, larger VCT with one class of share.

Merger with VCT I

Following detailed consideration of the portfolio and financial position of VCT I, the Board has reached an agreement with the VCT I Board to merge (subject to the conditions set out in paragraph 8 of Part IV of this document).

VCT I will firstly (subject to the Scheme becoming unconditional) complete a consolidation of its share capital by converting the VCT I Ordinary Shares and VCT I S2 Shares into VCT I S3 Shares (to be renamed as VCT I new ordinary shares (New VCT I Shares)) on a relative NAV basis.

The Merger will then be completed immediately following the VCT I Share Consolidation and effected by all of the assets and liabilities of the Company being transferred to VCT I in consideration for the issue of New VCT I Shares to holders of Ordinary Shares and C Shares in the Company (as if such Shares were consolidated). The New VCT I Shares will be issued between the holders of Ordinary Shares and C Shares *pro rata* to their respective net assets. The merger with VCT I pursuant to the Scheme will, therefore, be completed on a relative net asset value basis and be subject to the Scheme becoming unconditional.

The Merger will result in the creation of an Enlarged Company with one class of share and should result in significant cost savings and enhanced administrative efficiency. As both companies have the same investment manager, investment policies and common advisers, this is achievable without major additional cost or disruption to the portfolio of investments.

The Board considers that this Merger will bring benefits to both groups of shareholders through:

- a reduction in annual running costs for the Enlarged Company compared to the aggregate annual running costs of the separate companies and relevant separate share classes in both companies;
- creation of a single VCT of a more economically efficient size with a greater capital base over which to spread administration and management costs;
- creation of an Enlarged Company with a simplified capital structure;
- participation in a large VCT with a more diversified portfolio thereby spreading risk across a broader range of investments;
- increased ability to maintain a buy-back programme due to the increased size and the reduced need to retain funds for annual expenses;
- the potential to pay dividends in the future due to the increased size and the reduced overall running costs;
- increased flexibility in continuing to meet the various requirements for qualifying VCT status; and
- the potential of greater liquidity in the secondary market.

The mechanism by which the merger will be effected as follows:

- the Company will be placed into members' voluntary liquidation pursuant to a scheme of reconstruction under Section 110 IA 1986; and

- all of the assets and liabilities of the Company will be transferred to VCT I in exchange for New VCT I Shares (which will be issued directly to holders of Ordinary Shares and C Shares as set out below).

The Board believes that the Proposals provide an efficient way of merging the companies with a lower level of costs compared with other merger routes. Although either of the companies could have acquired all of the assets and liabilities of the other, VCT I was selected as the acquirer because of its marginally greater size (and, therefore, a lower stamp duty cost on the transfer of all of the assets and liabilities from the Company). Shareholders should note that the Merger will be outside the provisions of the City Code on Takeovers and Mergers.

Annual running costs for the Company and VCT I are approximately £792,000 and £981,000 respectively. This represents 3.06 per cent. of the Company's unaudited net asset value and 3.03 per cent. of VCT I's unaudited net asset value, in each case as at 31 December 2009. The Board and the VCT I Board consider that this level of continued administrative annual running costs can be materially reduced through the Merger resulting in benefits to both groups of shareholders.

The aggregate anticipated cost of undertaking the Merger is approximately £410,000, including VAT, legal and professional fees, stamp duty and the costs of winding up the Company. Unicorn AM has agreed to support the Merger by making a contribution of £100,000 to the costs, which reduces the costs of the Merger to £310,000. The costs of the Merger will be split proportionally between the Company and VCT I by reference to their respective Roll-Over Value and Merger Value (ignoring Merger costs and the Unicorn AM contribution). Following the Merger becoming effective, the Unicorn AM contribution will be paid directly to the Enlarged Company in two instalments (the first once the Merger becomes effective and the second twelve months thereafter) thus benefiting all shareholders.

Following completion of the Merger, annual cost savings for the Enlarged Company of at least £284,000 per annum (representing 0.51 per cent. per annum of the expected net assets of the Enlarged Company or 0.46p per New VCT I Share of the Enlarged Company) are anticipated to be achieved. On the basis that no new funds are raised or investments realised to meet annual costs, and taking into account the Unicorn AM contribution, the Board believes that the costs of the Merger would, therefore, be recovered within 14 months.

The Scheme

Immediately prior to the Scheme becoming effective VCT I will undertake the VCT I Share Consolidation, which will result in VCT I having one class of New VCT I Shares with a NAV per share equivalent to that of the VCT I S3 Shares.

The Scheme will then be completed by the Company being put into members' voluntary liquidation and all of its assets and liabilities being transferred to VCT I in consideration of New VCT I Shares being issued directly to the Shareholders of the Company. The New VCT I Ordinary Shares to be issued to Shareholders will be split between the holders of Ordinary Shares and C Shares in proportion to the respective net assets of each class of Share as at the Calculation Date and then pro-rata between shareholdings within each class of Share (disregarding for these purposes dissenting Shareholders and the amounts required to purchase such Shares from dissenters). This will result in the Ordinary Shares and the C Shares being merged into the New VCT I Ordinary Shares class by reference to the Merger Value. Following the transfer, the listing of the Company's Shares will be cancelled and the Company will be wound up.

The Merger is conditional upon the approval by the shareholders of the Company and VCT I of resolutions to be proposed at the Meetings and the VCT I Extraordinary General Meeting and VCT I Class Meetings and the other conditions set out in paragraph 8 of Part IV of this document. If the conditions of the Scheme are not satisfied the Company will continue in its current form and the Board will continue to review all options available to it regarding the future of the Company.

Example:

As at 31 December 2009, the unaudited NAV of the Company in aggregate (taken from the management accounts of the Company to 31 December 2009) was £25,888,482. The Roll-Over Value (this being the unaudited NAV of the Company as at 31 December 2009, after adjustments in relation to the Scheme and anticipated Merger costs, divided by the number of Shares in issue), would have been 71.80p (assuming no dissenting Shareholders) had the Scheme been implemented on that date.

The opening unaudited NAV of the New VCT I Shares in aggregate is expected to be £32,325,134 as at 31 December 2009. The Merger Value per New VCT I Share (this being the unaudited NAV of VCT I after adjustments in relation to the Scheme and anticipated Merger Costs, divided by the number of New VCT I Shares in issue following the VCT I Share Consolidation) would have been 88.75p had the Scheme been implemented on that date.

The number of New VCT I Shares to be issued to Shareholders would then have been calculated by multiplying the number of Shares in issue by the Merger Ratio, this being the Roll-Over Value divided by the Merger Value. The New VCT I Shares will be split between the holders of Ordinary Shares and C Shares by reference to the unaudited NAVs as at the Calculation Date and issued to each class of Shareholder pro-rata to shareholdings on that date (disregarding for these purposes dissenting Shareholders and the amounts required to purchase such Shares held). This would effectively have given 0.84 New VCT I Shares for every Ordinary Share held and 0.76 New VCT I Shares for every C Shareholder (assuming no dissenting Shareholders) had the Merger been completed on 31 December 2009.

Shareholders who do not vote in favour of the resolution to be proposed at the First Extraordinary General Meeting are entitled to dissent as set out in paragraph 10 of Part IV of this document.

Further information regarding the terms of the Scheme is set out in Part IV of this document.

VCT I

VCT I was launched in 2001 raising £33.1 million (net of expenses) through offers for subscription of its VCT I Ordinary Shares, £14.9 million (net of expenses) through offers for subscription of its VCT I S2 Shares and £4.7 million (net of expenses) through offers of subscription of its VCT I S3 Shares.

As with the Company, the objective of VCT I is to provide shareholders with an attractive return by investing predominantly in the shares of companies listed on AIM. Further, to ensure the safeguarding of the capital available for investment in the initial three year qualifying period, Unicorn AM maintained at least half of the funds raised in VCT I in money-market funds (50 per cent. in respect of the VCT I Ordinary Share fund and VCT I S3 Share fund and 55 per cent. in respect of the VCT I S2 Share fund). The balance of the funds were invested in existing Unicorn AM managed funds (OEICs) and in a portfolio of shares in quoted companies similar to those already invested in by Unicorn AM.

As at 31 December 2009, VCT I had unaudited net assets of £32,325,134 (57.06p per VCT I Ordinary Share, 72.54p per VCT I S2 Share and 93.37p per VCT I S3 Share) and in aggregate investments in 59 companies with an unaudited valuation of £30,017,097. To date, dividends have been paid totalling 42p per VCT I Ordinary Share, 18.75p per VCT I S2 Share and 1p per VCT I S3 Share. Since its launch VCT I has bought back 4,781,722 VCT I Ordinary Shares, 1,351,193 and VCT I S2 Shares with an aggregate value of £6,250,290.54 (no VCT I S3 Shares have been bought back by the VCT I).

Subject to the Merger becoming unconditional, VCT I will, immediately prior to the Scheme becoming effective, on the Calculation Date complete the consolidation of its share capital by converting the VCT I Ordinary Shares and VCT I S2 Shares into VCT I S3 Shares (to be renamed as VCT I new ordinary shares (New VCT I Shares)) on a relative NAV basis.

The VCT I Board comprises four non-executive directors, Peter Dicks (chairman), James Grossman, David Royds and Jocelin Harris. Both boards have discussed the size and future composition of the VCT I Board and it has been concluded that, subject to the Merger becoming effective, David Royds will resign as a director of the VCT I Board and Malcolm Diamond and Jeremy Hamer (Directors of the Company) will be appointed as directors of VCT I. If the Merger is effected, although the number of directors in the Enlarged Company will increase to ensure continuity in board representation from both companies, the total of the directors' fees across both the Company and VCT I will reduce by £50,000 per annum. The VCT I Board will review the constitution and performance of the board members following the passing of a year from the Merger.

Further details relating to VCT I are set out in Part V of this document.

Termination Agreements and Future Fees

In view of the fact that Unicorn AM will continue to manage the Enlarged Company's funds after the Merger is implemented, by virtue of Unicorn AM continuing to be the ongoing investment manager of VCT I, Unicorn AM has agreed to the termination by the Company of the existing investment

management and incentive arrangements between them, without notice or penalty, with effect from the Effective Date.

Unicorn AM will continue as the investment manager of the Enlarged Company on its existing annual management fee arrangements of an amount equivalent to 2 per cent. of the net assets of VCT I per annum, save for investments made by the Enlarged Company in other Unicorn AM managed funds when its fee is waived, which is also the same level of annual management fee paid in respect of the Company. The VCT I Board proposes, however, in recognition of Unicorn AM's support of the Merger by contributing £100,000 to the costs, to provide for a new initial three year appointment term from the Effective Date of the Merger, subject to a 12 months' notice period which may be given by either party after the second year.

Unicorn AM is currently entitled to performance incentive fees in relation to the performance of the various separate share classes within both the Company and VCT I. Amalgamation of these varying performance incentive arrangements to the single class of share in the Enlarged Company would be complicated and cause an additional administrative burden. In addition, Matrix-Securities Limited, which is also entitled to performance incentive fees in respect of the Ordinary Shares and C Shares of the Company and the VCT I Ordinary Shares and VCT I S2 Shares, has agreed to waive its rights to such fees. The VCT I Board, therefore, proposes to terminate the existing arrangements and enter into a revised performance incentive with the Enlarged Company, which will apply for accounting periods after 30 September 2010 (Unicorn AM having agreed to forego any incentive fee for the current year).

The proposed revised performance incentive will be similar to on the arrangements currently in place for the VCT I S3 Shares (which is the same as the incentive arrangements for Unicorn AM with the Company). The revised arrangements will entitle Unicorn AM to 20 per cent. of subsequent cash distributions made to shareholders in the Enlarged Company (whether by dividend or otherwise) over and above the Target Return in any accounting period. The Target Return for these purposes will be 6p per New VCT I Share in any accounting period (or, if the relevant accounting period is less than or greater than 12 months, an amount equal to a *pro rata* reduction or increase to 6p per New VCT I Share for that accounting period). Such payment will continue to be subject to a NAV maintenance 'high-watermark test' but, in light of the Merger and the contribution Unicorn AM has agreed to make to the costs of the Merger, this will be rebased to the closing average NAV per New VCT I Share in the relevant period equal to the NAV of a New VCT I Share as at 30 September 2010 (i.e. the date from which the revised performance incentive fee will apply).

This revised performance incentive arrangement will achieve a simplified arrangement for the Enlarged Company and will also better align the interests of Unicorn AM and the shareholders of the Enlarged Company by moving to a distribution based performance incentive across the board with a NAV maintenance hurdle. The Board and the VCT I Board further believe that these arrangements more closely reflect current market practice.

Matrix-Securities Limited, (the Company's secretary and administrator), Matrix Corporate Capital LLP, (the Company's broker) and the Bank of New York Mellon, (the Company's custodian,) have also agreed to terminate their existing arrangements with effect from the Effective Date without notice or penalty as they will also continue to provide these services to the Enlarged Company.

Computershare Investor Services plc, the Company's registrar, has agreed to terminate its arrangement without notice. VCT I's registrar is Capita Registrars Limited.

The Directors have each agreed to waive fees due to them from the Effective Date, subject to the Merger becoming effective.

Cancellation of Listing

The Company will apply to the London Stock Exchange for cancellation of the listing of its Shares, upon the successful completion of the Scheme, which is anticipated to be on 10 March 2010.

Special Dividend

The Board has declared a Special Dividends of 6p per Ordinary Share and 0.45p per C Share, subject to the Merger becoming effective. This Special Dividend is expected to, if it becomes payable, be paid to Shareholders on the register on the Record Date on 19 March 2010 (i.e. prior to the Merger being effected). VCT I has also declared interim capital VCT I Dividends for the year ended 30 September 2009 of 3.5p per VCT I Ordinary Share and 2.5p per VCT I S2 Share. The Special Dividend will allow cash available within the Company to be distributed to the relevant class of Shareholder on the register

prior to the Merger becoming effective. The Special Dividends (as these will be unpaid) will be taken into account as an adjustment in the calculation of the Roll-Over Value.

Taxation

The following paragraphs and Part VI of this document apply to persons holding Shares (or, as the case may be New VCT I Shares) as an investment in the Company (and subsequently in VCT I) who are the absolute beneficial owners of such Shares (or, as the case may be, New VCT I Shares) and are resident in the UK. They may not apply to certain classes of persons such as dealers in securities. The following information and that contained in Part VI of this document is based on current UK law and practice, is subject to changes therein, is given by way of general summary and does not constitute legal or tax advice. Any Shareholder in doubt about their position, or who might be subject to tax in a jurisdiction other than the UK, should consult their independent financial adviser.

As is more fully explained in Part VI of this document, the receipt by Shareholders of New VCT I Shares should not constitute a disposal of their Shares in the Company for UK capital gains tax purposes. Shareholders should, for UK tax purposes, effectively be able to treat the New VCT I Shares received pursuant to the Scheme as if they had been acquired at the same date of and at the same price of the original Shares in the Company. Any capital gains tax deferral attaching to the original Shares in the Company will then attach to the New VCT I Shares. As VCT I is also a VCT, the usual VCT tax reliefs should continue to apply.

Further details as to the taxation consequences for Shareholders are detailed in Part VI of this document. Shareholders should note that tax clearances have been obtained as is more particularly described in Part VI of this document.

Meetings

Notices of the Meetings are set out at the end of this document. The Meetings will all be held at One Vine Street, London W1J 0AH as follows:

- the First Extraordinary General Meeting will be held at 4.00 pm on 25 February 2010;
- the Ordinary Share Class Meeting will be held at 4.10 pm on 25 February 2010;
- the C Share Class Meeting will be held at 4.15 pm on 25 February 2010; and
- the Second Extraordinary General Meeting will be held at 10.00 am on 9 March 2010.

The resolutions to be proposed at the First Extraordinary General Meeting and Second Extraordinary General Meetings will be proposed as special resolutions. The resolutions to be proposed at the Class Meetings will be proposed as extraordinary resolutions. All such resolutions will require the approval of at least 75 per cent. of the votes cast (in person or in proxy) on that resolution at the relevant meeting.

First Extraordinary General Meeting

The resolution to be proposed at the First Extraordinary General Meeting will seek Shareholder approval for the Scheme and authorise its implementation by the Liquidators.

Class Meetings

The resolutions to be proposed at each meeting will approve the resolutions being proposed at the First Extraordinary General Meeting and Second Extraordinary General Meeting and any variations to class rights resulting therefrom.

Second Extraordinary General Meeting

The resolution to be proposed at the Second Extraordinary General Meeting will seek the following:

Paragraph (i) of the resolution will seek approval to put the Company into liquidation and appoint and remunerate the Liquidators for the purposes of such winding-up.

Paragraph (ii) of the resolution will authorise the Liquidators to exercise certain powers for which the express sanction of Shareholders is required under the IA 1986, such as paying classes of creditors in full.

Paragraph (iii) of the resolution will approve the cancellation of the listing of the Company's Shares following the successful completion of the Scheme.

Action to be Taken

Before taking any action, you are recommended to read the further information set out in this document.

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

Recommendation

The Board believes that the Scheme and all resolutions to be proposed at the Meetings are in the best interests of the Shareholders as a whole and unanimously recommends you to vote in favour of the resolutions to be proposed at the Meetings as they intend to do in respect of their own holdings of 71,172 Ordinary Shares and 123,600 C Shares representing approximately 0.33 per cent. of the issued Ordinary Share capital and 1.00 per cent. of the issued C Share capital and 0.57 per cent. of the entire issued Share capital of the Company.

Finally, I would like to take this opportunity, and on the assumption that the Merger is approved by Shareholders, to thank my fellow directors of the Company for the experience they have brought and the commitment they have made to the Company over the years.

Yours faithfully

A handwritten signature in black ink, appearing to read 'Peter Andrews', written in a cursive style.

Peter Andrews
Chairman

PART IV – THE SCHEME

1. Definitions and Interpretation

The definitions set out in Part I of this document shall have the same meanings when used in the context of this Part IV.

On or immediately prior to the Effective Date, Matrix-Securities Limited (on the instruction of the Liquidators) shall calculate the Roll-Over Value and the Merger Value in accordance with paragraph 4 below.

2. Provision of Information

On the Effective Date, the Liquidators shall receive all the cash, undertakings and other assets and liabilities of the Company and shall deliver to VCT I:

- particulars of all of the assets and liabilities of the Company;
- a list certified by the registrars of the names and addresses of, and the number of Shares and class held by, each of the Shareholders on the register at 5.30 pm on the Record Date;
- an estimate of the costs to wind up the Company which will form part of the costs of the Scheme; and
- the amount estimated to be required to purchase the holdings of any dissenting Shareholders.

3. Transfer Agreements

On the Effective Date, the Liquidators (on behalf of the Company) and VCT I will enter into the Transfer Agreement (subject to such modifications as may be agreed between the parties thereto) pursuant to which the Liquidators will procure the transfer of all of the assets and liabilities of the Company to VCT I in exchange for the issue of New VCT I Shares (fully paid) to Shareholders on the basis set out in paragraph 4 below.

In further consideration of such transfer of assets and liabilities of the Company to VCT I, VCT I will, pursuant to the Transfer Agreement, undertake to pay all liabilities incurred by the Liquidators including but not limited to the implementation of the Scheme, the winding up of the Company and the purchase for cash of any holdings of dissenting Shareholders.

4. Calculation of the Roll-Over Value, Merger Value and the Number of New VCT I Shares to be Issued

Except as otherwise provided for in the Scheme terms, for the purposes of calculating the Roll-Over Value, the Merger Value and the number of New VCT I Shares to be issued, the following provisions will apply:

The Company

The Roll-Over Value will be calculated as:

$$\frac{(A + B) - (C + D)}{E}$$

where:

- A = the unaudited net asset value of the Company as at close of business on the Calculation Date, calculated in accordance with the Company's normal accounting policies;
- B = any adjustment that both the Board and the VCT I Board (acting jointly) consider appropriate to reflect any other actual or contingent benefit or liability of the Company (including the Special Dividends to be paid);
- C = the Company's *pro rata* proportion (by reference to the relative Roll-Over Value and Merger Value, but ignoring Merger costs) of the costs of the Merger plus £10,000 (representing an amount of contingency to cover any unforeseen additional costs attributable to the Company incurred by VCT I, which will indemnify the Liquidators in respect of all costs of the Company following the transfer on the Effective Date);

D = the amount estimated to be required to purchase the holdings of Shares from dissenting Shareholders; and

E = the number of Shares in issue following close of business on the Record Date (save for any Shares held by dissenting Shareholders).

VCT I

The Merger Value will be calculated as follows:

$$\frac{(F + G) - (H)}{I}$$

where:

F = the unaudited net asset value of VCT I as at close of business on the Calculation Date, calculated in accordance with VCT I's normal accounting policies;

G = any adjustment that both the Board and the VCT I Board (acting jointly) consider appropriate to reflect any other actual or contingent benefit or liability of VCT I;

H = VCT I's *pro rata* proportion (by reference to the relative Roll-Over Value and Merger Value but ignoring merger costs) of the costs of the Merger; and

I = the number of New VCT I Shares in issue immediately following the VCT I Share Consolidation.

New VCT I Shares to Shareholders

The number of New VCT I Shares to be issued to Shareholders (save for any dissenting Shareholders) will be calculated as follows:

$$\left(\frac{J}{K}\right) \times E$$

Where:

J = the Roll-Over Value;

K = the Merger Value; and

E = the number of Shares in issue as at close of business on the Record Date (save for any Shares held by dissenting Shareholders).

The number of New VCT I Shares to be allocated to the holders of Ordinary Shares shall be calculated as follows:

$$\left(\frac{A}{J}\right) \times L$$

where:

A = the unaudited net asset value of the Ordinary Share in aggregate as at close of business on the Calculation Date, calculated in accordance with the Company's normal accounting policies, less the amount estimated to be required to repurchase the holdings of Ordinary Shares from dissenting Shareholders;

J = the unaudited net asset value of the Company as at close of business on the Calculation Date, calculated in accordance with Company's normal accounting policies, less the amount estimated to be required to repurchase the holdings of Shares from dissenting Shareholders; and

L = the aggregate number of New VCT I Shares to be issued to Shareholders.

The number of New VCT I Shares to be allocated to the holders of C Shares shall be calculated as follows:

$$L - M$$

where:

L = the aggregate number of New VCT I Shares to be issued to Shareholders; and

M = the number of New VCT I Shares to be issued to the holders of Ordinary Shares.

The New VCT I Shares to be issued pursuant to the Scheme will be issued directly to Shareholders (save for any dissenting Shareholders) *pro rata* to their existing holdings on instruction of the Liquidators.

Entitlements will be rounded down to the nearest whole number and any fractional entitlements (which will not exceed £5) will be sold in the market and the proceeds retained for the benefit of the Enlarged Company.

Where a Shareholder holds their Shares in certificated form, they will receive a new certificate for the New VCT I Shares issued and existing certificates will no longer be valid. Shareholders who hold their Shares in CREST will have their CREST accounts credited with their new holding of New VCT I Shares.

Dividend payment mandates provided for Shares will under the terms of the Scheme, unless Shareholders advise otherwise, be transferred to the New VCT I Shares.

Application has been made to the UKLA for the New VCT I Shares to be listed on the Official List and will be made to the London Stock Exchange for such New VCT I Shares to be admitted to trading on its market for listed securities. The New VCT I Shares will rank *pari passu* with the existing issued New VCT I Shares from the date of issue.

5. Modifications

The provisions of the Scheme shall have effect subject to such non-material modifications or additions as the parties to the Transfer Agreement may from time to time approve in writing.

6. Reliance on Information

The Liquidators and VCT I shall be entitled to act and rely, without enquiry, on any information furnished or made available to them or any of them, as the case may be, in connection with the Scheme and the Transfer Agreement including, for the avoidance of doubt, any certificate, opinion, advice, valuation, evidence or other information furnished or made available to them by the Company, VCT I, the Board or the VCT I Board (or any individual director of the Company and VCT I), Unicorn AM, the registrar or the bankers of the Company and VCT I or its or their other professional advisers and the Liquidators shall not be liable or responsible for any loss suffered as a result thereof.

7. Liquidators' Liability

Nothing in the Scheme or in any document executed under or in connection with the Scheme shall impose any personal liability on the Liquidators or either of them save for any liability arising out of any negligence, breach of duty or willful default by the Liquidators in the performance of their duties and this shall, for the avoidance of doubt, exclude any such liability for any action taken by the Liquidators in accordance with the Scheme or the Transfer Agreement.

8. Conditions

The Scheme is conditional upon:

- the passing of the resolutions to be proposed at the Meetings;
- notice of dissent not having been received from Shareholders holding more than 10 per cent. in nominal value of the issued Share capital of the Company under Section 111 IA 1986 (this condition may be waived by the Board); and
- the passing of resolutions 1 and 2 to be proposed at the VCT I Extraordinary General Meeting and the resolutions to be passed at the VCT I Class Meetings.

Subject to the above, the Scheme shall become effective immediately after the passing of the special resolution for the winding up of the Company to be proposed at the Second Extraordinary General Meeting. If it becomes effective, the Scheme shall be binding on all Shareholders and all persons claiming through or under them.

If the conditions set out above have not been satisfied by 30 April 2010, the Scheme shall not become effective and the Company will continue in its current form. The Board will continue to review all options available to it regarding the future of the Company.

9. Dissenting Shareholders

Provided that a Shareholder does not vote in favour of the resolution to be proposed at the First Extraordinary General Meeting, such Shareholder may within 7 days following the First Extraordinary General Meeting express his/her dissent to the Liquidators in writing at the registered office of the Company and require the Liquidators to purchase that Shareholder's holding in the Company.

The Liquidators will offer to purchase the holdings of dissenting Shareholders at the break value price per Share, this being an estimate of the amount a Shareholder would receive per Share of the relevant class in an ordinary winding-up of the Company if all of the assets of the Company had to be realised. The break value of both an Ordinary Share and a C Share is expected to be significantly below their unaudited net asset value. Shareholders should also be aware that such purchases will constitute a disposal and will trigger payment of any capital gains tax deferral obtained on subscription. Further details on the taxation consequences for Shareholders are set out in Part VI of this document.

10. Governing Law

The Scheme shall, in all respects, be governed by and construed in accordance with the laws of England and Wales.

PART V – VCT I

1. Constitution and Status

Unicorn AIM VCT plc was launched in August 2001 as a public limited company listed on the Official List.

VCT I has met the requirement for VCTs pursuant to Chapter 3 of Part 6 ITA 2007 and intends to carry on its activities so as to continue qualifying as a VCT.

2. Directors

The directors of VCT I are Peter Dicks (chairman), James Grossman, David Royds and Jocelin Harris.

Subject to the Scheme becoming effective, David Royds has agreed to resign as a director of VCT I and Malcolm Diamond and Jeremy Hamer (Directors of the Company) will be appointed as directors of VCT I.

Biographies for the directors and proposed directors of VCT I can be found in Part II of the VCT I Prospectus which accompanies this document.

3. Investment Manager

The investment manager to VCT I is Unicorn AM, the same investment manager as for the Company.

Unicorn AM is an investment manager with substantial experience in identifying, investing in, monitoring and subsequently exiting from companies of the size and type qualifying for VCT investment.

Further details relating to Unicorn AM are set out in Part III of this document and Part III of the VCT I Prospectus which accompanies this document.

4. Investment Objective and Policies

The objective of VCT I is to provide holders of VCT I Shares with an attractive return from a diversified portfolio of investments predominantly in the shares of AIM quoted companies, by maximising the stream of dividend distributions from the income and capital gains generated by the portfolio. It is also the objective of VCT I to continue to qualify as a VCT, so that holders of VCT I Shares benefit from the taxation advantages that this brings. To achieve this at least 70 per cent. of the Company's total assets are to be invested in qualifying investments of which 30 per cent. by value must be in ordinary shares carrying no preferential rights to dividends or return of capital and no rights to redemption.

The investment policy requires Unicorn AM to identify and invest in a diversified portfolio, predominantly of VCT qualifying companies quoted on AIM, that displays a majority of the following characteristics:

- experienced and well-motivated management;
- products and services supplying growing markets;
- sound operational and financial controls; and
- good cash generation to finance development allied with a progressive dividend policy.

Further details on the investment policy for the Enlarged Company are set out in Part II of the VCT I Prospectus which accompanies this document.

5. Investments and Net Asset Value

As at 31 December 2009, VCT I had in aggregate investments in 59 companies with an aggregate value of £30,017,097 and unaudited net assets of £32,325,134 (57.06p per VCT I Ordinary Share, 72.54p per VCT I S2 Share and 93.37p per VCT I S3 Share). At that date, 70.61 per cent. of VCT I's investments were listed with the balance being invested in smaller unquoted companies or cash assets.

6. Dividend Policy

VCT I has, over the years had a policy of maximizing the stream of dividends to its shareholders, subject to maintaining the NAV of VCT I at 100p per share. However, large reductions in the value of AIM quoted shares over the last two years have made it impractical to maintain NAVs at such a level and this aspect of the policy has therefore been discontinued. Following the Merger, the VCT I Board intends to continue the policy of maximising dividend distributions to VCT I shareholders from the income and capital gains generated by the portfolio. The VCT I Board will, however, also be mindful of the need to retain sufficient funds to keep costs to an acceptable percentage of net assets.

VCT I has paid dividends totalling 42p per VCT I Ordinary Share, 18.75p per VCT I S2 Share and 1p per VCT I S3 Share. VCT I has also declared interim capital dividends for the year ended 30 September 2009 of 3.5p per Ordinary Share and 2.5p per S2 Share.

7. Shares

VCT I currently has VCT I Ordinary Shares, VCT I S2 Shares and VCT I S3 Shares in issue.

Subject to the Merger becoming unconditional, VCT I will, immediately prior to the Scheme becoming effective, complete the consolidation of its share capital by converting the VCT I Ordinary Shares and VCT I S2 Shares into VCT I S3 Shares (to be renamed as VCT I new ordinary shares (New VCT I Shares)) on a relative NAV basis. It is this consolidated class of New VCT I Shares that will be issued to Shareholders pursuant to the Scheme.

8. Buy-back Policy

The VCT I Board believes that it is in the best interests of VCT I and its shareholders to make occasional market purchases of its shares, given the limited secondary market for VCT shares generally, and to seek both to enhance NAV and to reduce to a degree any prevailing discount to NAV in the current market price than might otherwise prevail. The VCT I Board agrees the discount to NAV at which VCT I Shares will be bought back and regularly reviews this policy.

To date VCT I has bought back 4,781,722 VCT I Ordinary Shares and 1,351,193 VCT I S2 Shares with an aggregate value of £6,250,290.54. No VCT I S3 Shares have been bought back. The VCT I Board intend to continue with the buy-back policy following the Merger and subject to the approval of VCT I Shareholders. Any such future repurchases will be made in accordance with guidelines established by the VCT I Board from time to time and will be subject to VCT I having the appropriate authorities from its shareholders and sufficient funds available for this purpose.

VCT I Share buy-backs will also be subject to the Listing Rules and any applicable law at the relevant time. VCT I Shares bought back in the market will ordinarily be cancelled.

9. Annual Expenses and Management Fees

Unicorn AM will continue as the investment manager of VCT I on its existing annual management fee arrangements of an amount equivalent to 2 per cent. of the net assets of VCT I per annum, save for investments made by the Company in other Unicorn AM managed funds when its fee is waived, which is the same level of annual management fee paid in respect of the Company. Subject to approval of VCT I shares, the VCT I Board proposes, however, in recognition of Unicorn AM's support of the Merger by contributing £100,000 to the costs, to provide for a new initial three year appointment term from the Effective Date of the Merger, subject to a 12 months' notice period which may be given by either party after the second year.

Unicorn AM is currently entitled to performance incentive fees in relation to the performance of the various separate share classes within both VCT I and the Company which if the Merger becomes effective, will be terminated and new arrangements put in place, which will apply for accounting periods after 30 September 2010 (Unicorn AM having agreed to forego any incentive fee for the current year). In addition, Matrix-Securities Limited has agreed to waive their rights to performance incentive fees.

The proposed revised performance incentive will be similar to the arrangements currently in place for the VCT I S3 Shares fund and Ordinary Shares fund and the C Shares fund. The revised arrangements will entitle Unicorn AM to 20 per cent. of subsequent cash distributions made to shareholders in the Enlarged Company (whether by dividend or otherwise) over and above the Target Return in any accounting period. The Target Return for these purposes will be 6p per New

VCT I Share (or, if the relevant accounting period is less than or greater than 12 months, an amount equal to a *pro rata* reduction or increase to 6p per VCT I New Share for that accounting period). Such payment will continue to be subject to a NAV maintenance 'high-watermark test' but, in light of the Merger and the contribution Unicorn AM has agreed to make to the costs of the Merger, this will be rebased to the closing average NAV per VCT I New Share in the relevant period equal to the NAV of VCT I New Share as at 30 September 2010 (i.e. the date from which the revised performance incentive fee will apply).

Matrix-Securities provide company secretarial, accounting and administration services to VCT I and for the year ending 30 September 2009 the aggregate fee for these services was £195,000 (inclusive of VAT). Matrix-Securities has agreed, subject to the Merger becoming effective, to a revised fee of £144,500 plus VAT for VCT I which is a reduction of £25,212.50 for VCT I alone and a reduction of £144,695 of fees across both companies.

10. Accounts and auditors

The accounting reference date of VCT I is 30 September and annual accounts are usually dispatched in December each year with half-yearly accounts for the six month period to 31 March being usually dispatched in June each year. The auditors of VCT I are PKF (UK) LLP.

11. Publication of Share Price

The most recent unaudited NAV and share price of each class of VCT I Share are available on the website of the London Stock Exchange.

12. Taxation

As a VCT, VCT I is not subject to UK taxation on capital gains on the disposals of its investments. VCT I will, however, be subject to UK taxation on income at the usual rates.

Qualifying shareholders of VCT I will not be liable to UK taxation on dividends paid on VCT I Shares or capital gains on the disposals of such shares (although such disposal will trigger the payment of any capital gains tax deferred on subscription).

Further details relating to VCT I are set out in the VCT I Prospectus.

PART VI – TAXATION

The following paragraphs apply to the Company and to persons holding Shares as an investment in the Company who are the absolute beneficial owners of such Shares (or, as the case may be, New VCT I Shares) and are resident in the UK. They may not apply to certain classes of persons, such as dealers in securities. The following information is based on current UK law and practice, is subject to changes therein, is given by way of general summary and does not constitute legal or tax advice.

If you are in any doubt about your position, or if you may be subject to tax in a jurisdiction other than the UK, you should consult your independent financial adviser.

The tax reliefs set out below are available to individuals aged 18 or over who receive New VCT I Shares under the Scheme.

1. The Company

The Company has obtained approval as a VCT under Chapter 3 of Part 6 of ITA 2007.

The Board considers that the Company has to date conducted its affairs and will continue to do so, to enable it to qualify as a VCT for the period ending on the date on which the proposed liquidation is completed. Furthermore, the proposed method of winding up the Company is such that the benefit of VCT status should be available to the Liquidators, to the extent that the Liquidators effect disposals of chargeable assets for the purpose of UK taxation of capital gains to implement the Scheme.

2. Receipt by Shareholders of New VCT I Shares under the Scheme

The effective exchange of existing Shares in the Company for New VCT I Shares should not constitute a disposal of the existing Shares for the purposes of UK taxation. Instead, the new holding of New VCT I Shares should be treated as having been acquired at the same time and at the same cost as the existing Shares in the Company from which they are derived. Any capital gains tax deferral relief obtained on subscription of the existing Shares in the Company should not, therefore, be crystallised for payment but will be transferred to the New VCT I Shares.

For Shareholders holding (together with their associates) more than 5 per cent. of the Shares in the Company, clearance has been obtained from HMRC in terms of Section 138 of TCGA 1992 that the treatment described above for persons who (together with their associates) own more than 5 per cent. of the Shares in the Company should also apply to them.

Shareholders in VCT I as a VCT, should be afforded the usual tax reliefs available to shareholders in VCTs. Qualifying shareholders should continue to receive tax-free dividends and should not be subject to UK taxation on any capital gains on the disposal of New VCT I Shares.

No UK stamp duty will be payable by Shareholders as a result of the implementation of the Scheme.

3. Dissenting Shareholders

Dissenting Shareholders whose holdings are purchased for cash at the break value price shall be treated as having disposed of their existing Shares in the Company. The Company should still be able to claim the benefit of VCT status and the dissenting Shareholder should not be subject to any UK taxation in respect of any capital gains arising on disposal. However, the purchase will constitute a disposal of the existing holding in the Company and a dissenting Shareholder will be liable to pay any capital gains tax for which such dissenting Shareholder obtained deferral relief on subscription.

If the dissenting Shareholder has disposed of Shares within the holding period required to retain upfront tax relief, income tax relief on those subscriptions will also be repayable. As the Company should still be able to claim the benefit of VCT status whilst in liquidation under the Merger Regulations the dissenting Shareholder should not be subject to any UK taxation in respect of any capital gains arising from the disposal.

Clearances

Clearance has been obtained from HMRC in respect of the Scheme under Section 701 ITA 2007 and Section 138 TCGA 1992. With regard to the former, the receipt of New VCT I Shares should not, except in the case of dealers, fall to be regarded as an income receipt for the purposes of UK taxation.

Clearance has also been obtained from HMRC that the Scheme meets the requirements of the Merger Regulations and as such the receipt by Shareholders of New VCT I Shares should not prejudice tax reliefs obtained by Shareholders on existing Shares in the Company and should not be regarded as a disposal.

PART VII – 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 28 January 2010 (this being the latest practicable date prior to the publication of this document), the authorised and issued share capital of the Company was as follows:

	Authorised No. of Shares	£	Issued and fully paid No. of Shares	£
Ordinary Shares (1p each)	50,000,000	500,000	21,624,939	216,249.39
C Shares (1p each)	30,000,000	300,000	12,338,816	123,388.16

2.2 As at 28 January 2010 (this being the latest practicable date prior to the publication of this document), no share or loan capital of the Company was under option or had been agreed, conditionally or unconditionally, to be put under option, nor did the Company hold any share capital in treasury.

3. Directors and their Interests

3.1 The names and business addresses of the Directors, all of whom are non-executive, are as follows:

- Peter Andrews (Chairman)
- Malcolm Diamond
- Jeremy Hamer
- Kenneth Vere Nicoll

all of One Vine Street, London W1J 0AH (the registered office of the Company).

3.2 As at 28 January 2010 (this 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 the Company were as follows:

Director	Company			% of Share Capital
	Ordinary Shares	C Shares	Total	
Peter Andrews	20,550	82,400	102,950	0.30
Malcolm Diamond	10,550	10,300	20,850	0.06
Jeremy Hamer	15,412	10,300	25,712	0.08
Kenneth Vere Nicoll	24,660	20,600	45,260	0.13

3.3 None of the Directors has an interest in VCT I Shares and none of the directors in VCT I has an interest in Shares in the Company.

3.4 None of the Directors has a service agreement with the Company. The Directors were all appointed under letters of appointment dated 12 October 2004 which may be terminated on 3 months' notice. No arrangements have been entered into by the Company, entitling the Directors to compensation for loss of office. Malcolm Diamond and Kenneth Vere Nicoll are entitled to annual fees of £15,000, whilst Jeremy Hamer (as audit committee chairman) is entitled to £17,500 and Peter Andrews (as chairman) is entitled to £20,000. Malcolm Diamond and Jeremy Hamer receive £10,000 and £12,500 of their respective fee via their consultancy companies. Fees paid to the Directors in respect of the year ended 31 December 2008 were £67,500. Aggregate emoluments for the current

year are expected to be £67,500. From the Effective Date, and subject to the Scheme becoming effective, the Directors have agreed to waive fees payable to them.

- 3.5 Kenneth Vere Nicoll owns 2.22 per cent. of the shares in Matrix Group Limited (“Matrix Group”), which is the wholly owned parent company of Matrix-Securities Limited, the Company’s secretary and administrator (and on occasion has also acted as promoter to the Company) and is interested in the contracts referred to at paragraphs 5.1.3 and 5.1.4 below. Matrix Group has a 75 per cent. interest in Prime Rate Capital Management LLP which manages £2 million of the money funds the Company holds in money-market funds. Jeremy Hamer is finance director of, and owns 1.9 per cent. of the shares in, Access Intelligence plc, in which the Company has invested £639,000 (£426,000 from the Ordinary Shares fund and £213,000 from the C Shares fund) and which is carried at fair value. Jeremy Hamer is also a shareholder (2.9%) in Glisten plc in which the Company has invested £338,640. Malcolm Diamond is a shareholder in Unicorn AM, the Company’s investment manager, and owns 0.38% of its shares, and is interested in the contracts referred to at paragraphs 5.1 and 5.2 below.
- 3.6 Other than disclosed in this paragraph 3, no Director is or has been interested in any transaction which is or was unusual in its nature or conditions or significant to the business of the Company and which was effected by the Company in the years ended 31 December 2006, 2007 and 2008, in the period ended 31 December 2009 or in the current financial year or which was effected in an earlier financial year and remains in any respect outstanding or unperformed.

4. Substantial Shareholders

As at 28 January 2010 (this being the latest practicable date prior to publication of this document), the Company is not aware of any person who has or will have an interest in the Company’s capital or voting rights which is notifiable under UK law (under which, pursuant to CA 2006 and the Listing Rules and the Disclosure & Transparency Rules of the FSA, a holding of 3 per cent. or more must be notified to the Company).

5. Material Contracts

- 5.1 Save as disclosed in this paragraph 5.1, the Company has not entered, other than in the ordinary course of business, into any contract which is or may be material to the Company within the two years immediately preceding the publication of this document or into any contract containing provisions under which the Company has any obligation or entitlement which is material to the Company as at the date of this document:
- 5.1.1 A management agreement dated 12 October 2004 between the Company (1) and Unicorn AM (2) pursuant to which Unicorn AM provides certain management services to the Company for a fee payable quarterly in advance at a rate of 2 per cent. per annum of the NAV of the Company calculated in accordance with the Company’s normal accounting policies. The agreement is terminable by either party by 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 the Company if it fails to become, or ceases to be, a VCT for tax purposes or where Unicorn AM ceases to be authorised by the Financial Services Authority or if there is a change in control of Unicorn AM. The agreement contains provisions indemnifying Unicorn AM against any liability not due to its default, gross negligence, fraud or breach of the Financial Services and Markets Act 2000.
- 5.1.2 A supplemental management agreement dated 31 October 2005 was entered into between the parties in relation to the C Share fund on the same terms and conditions as the original management agreement.
- 5.1.3 A performance incentive agreement dated 12 October 2004 between the Company (1), Unicorn AM (2) and Matrix-Securities Limited (3) pursuant to which Unicorn AM and Matrix-Securities (the “Recipients”) are entitled to receive performance related incentive fees subject to the Ordinary Share fund achieving certain defined targets.

Unicorn AM receives performance incentive fees of 20 per cent of any excess above 6p per Ordinary Share of the annual dividends paid to holders of Ordinary Shares subject to the Company achieving a NAV per Ordinary Share of 100 pence or more as calculated in the annual report and accounts for the year relating to payment. Any cumulative shortfalls below the 6p per annum dividend hurdle will have to be made up in later years.

The performance fees are allocated between the recipients, namely 85 per cent. to Unicorn AM and 15 per cent. to Matrix-Securities Limited.

The agreement will terminate automatically if the Company enters into liquidation or if a receiver or manager is appointed or if a resolution is passed that the Company is voluntarily wound up in accordance with the Articles.

- 5.1.4 A supplemental performance incentive agreement dated 31 October 2005 was entered into between the parties in relation to the C Share fund on the same terms and conditions as the original incentive agreement.
- 5.1.5 An agreement dated 12 October 2004 (as amended to take account of the C Shares) between the Company (1) and Matrix-Securities Limited (2) pursuant to which Matrix-Securities Limited has agreed to provide secretarial services to Company for an initial period of 3 years and which is terminable by either party at any time thereafter by 12 months' notice subject to earlier termination by the Company in the event of Matrix-Securities Limited having a receiver, administrator or liquidator appointed or ceasing to or threatening to cease carrying on its business or have committed a serious breach of its obligations under this agreement and not remedying the breach within 90 days of being given notice by the Company. Under this agreement Matrix-Securities Limited is entitled to an annual fee of 0.075 per cent. (plus VAT) of the aggregate amount raised by the Company pursuant to the issue of Shares subject to a maximum aggregate annual fee of £75,000 (plus VAT) for each of the Ordinary Share fund and C Share fund.
- 5.1.6 An agreement dated 12 October 2004 (as amended to take account of the C Shares) between the Company (1) and Matrix-Securities Limited (2) pursuant to which Matrix-Securities Limited has agreed to provide accounting services to the Company for an initial period of 3 years and which is terminable by either party at any time thereafter by 12 months' notice subject to earlier termination by the Company in the event of Matrix-Securities Limited having a receiver, administrator or liquidator appointed or ceasing to or threatening to cease carrying on its business or have committed a serious breach of its obligations under this agreement and it has not remedied the breach within 90 days of being given notice by the Company. Under this agreement Matrix-Securities Limited is entitled to annual fee of 0.175 per cent. of the aggregate amount raised by Company pursuant to the issue of Shares subject to a minimum annual fee of £15,000 and a maximum aggregate annual fee of £75,000 (plus VAT) for each of the Ordinary Share fund and C Share fund.
- 5.2 The following contracts will be entered into, subject, *inter alia*, to the Scheme becoming unconditional:
- 5.2.1 A termination agreement dated 28 January 2010 between the Company (1) and Unicorn AM (2) pursuant to which the managements agreement referred to at paragraph 5.1.1 and 5.1.2 above will be terminated from the Effective Date conditional on the Scheme being implemented.
- 5.2.2 A termination agreement dated 28 January 2010 between the Company (1) Unicorn AM (2) and Matrix-Securities Limited (3) pursuant to which the incentive agreement referred to at paragraph 5.1.3 and 5.1.4 above will be terminated from the Effective Date conditional on the Scheme being implemented.
- 5.2.3 A termination agreement dated 28 January 2010 between the Company (1) and Matrix-Securities Limited (2) pursuant to which the secretarial agreement and administrative agreement referred to at paragraph 5.1.5 and 5.1.6 above will be terminated from the Effective Date conditional on the Scheme being implemented.
- 5.2.4 A termination agreement dated 28 January 2010 between the Company (1) and The Bank of New York Mellon (2) pursuant to which the appointment of The Bank of New York Mellon as custodian to the Company will be terminated from the Effective Date conditional on the Scheme being implemented.
- 5.2.5 A termination agreement dated 28 January 2010 between the Company (1) and Computershare Investor Services plc (2) pursuant to which the appointment of Computershare Investor Services plc as registrar to the Company will be terminated from the Effective Date conditional on the Scheme being implemented.

5.2.6 A termination agreement dated 28 January 2010 between the Company (1) and Matrix Corporate Capital LLP (2) pursuant to which the appointment of Matrix Corporate Capital LLP as broker to the Company will be terminated from the Effective Date conditional on the Scheme being implemented.

5.2.7 A termination agreement dated 28 January 2010 between the Company (1) and Financial Decisions (2) pursuant to which Financial Decisions was appointed as a consultant and through which £12,500 of Jeremy Hamer director's fee is paid will be terminated from the Effective Date conditional on the Scheme being implemented.

5.2.8 A termination agreement dated 28 January 2010 between the Company (1) and Bluesky Partnership (2) pursuant to which Bluesky Partnership was appointed as a consultant and through which £10,000 of Malcom Diamond director's fee is paid will be terminated from the Effective Date conditional on the Scheme being implemented.

6. Overseas Shareholders

The issue of New VCT I Shares to persons resident in or citizens of jurisdictions outside the UK may be affected by the laws of the relevant jurisdiction. Such Shareholders should inform themselves about and observe any legal requirements, in particular:

- (a) none of the New VCT I Shares has been or will be registered under the United States Securities Act 1933, as amended, or qualify under applicable United States state statute and the relevant clearances have not been, and will not be, obtained from the securities commission of any province of Canada, Australia or Japan;
- (b) VCT I is not registered under the United States Investment Company Act of 1940, as amended, and investors are not entitled to the benefits of that Act; and
- (c) no offer is being made, directly or indirectly, under the Scheme, in or into or by the use of mails, or by means of instrumentality (including, without limitation, facsimile, transmission, telex or telephone) of interstate or foreign commerce, or of any facility in a national securities exchange, of the United States, Canada, or Japan.

It is the responsibility of Shareholders with registered addresses outside the UK to satisfy themselves as to the observance of the laws of the relevant jurisdiction in connection with the issue of New VCT I Shares, including the obtaining of any governmental or exchange control or other consents which may be required, the compliance with any other necessary formalities which need to be observed and the payment of any issue, transfer or other taxes or duties due in such jurisdiction.

7. Trail Commission

7.1 At the time of launch, each of the share classes within both companies undertook to pay trail commission up to cumulative maximum limits ranging from 2.25% to 4.5% of the original offer price of each share class when launched. None of the share classes has as yet reached their maximum percentage. All five classes of shares across both companies are at different stages of reaching their particular maximum. The merger of all five share classes means that it will no longer be possible to measure attainment of the particular maximum attributable to an individual share class.

7.2 The VCT I Board is mindful of the need to be fair to all intermediaries whose clients still hold shares since their original issue. Accordingly, the VCT I Board has agreed that the administrator will obtain the latest number of shares in each class that still rank for trail commission, prior to the Merger. The weighted average of the maximum limit for each share class, and the weighted average of the percentage of attaining each share class's maximum limit, will be calculated, to produce one revised maximum limit and one value for the percentage of this maximum limit that has been achieved to date. A new single register will be created, to record the new number of shares that still rank as eligible for trail commission, and trail commission will then be paid to the intermediary representing those shares in the normal manner, up to the revised weighted average limits calculated just before the Merger. It is expected that this revised arrangement will apply for the year ending 30 September 2010.

7.3 For the Company, trail commission will be paid based upon the unaudited net asset value at 31 December 2009. For VCT I trail commission will be similarly paid for the year ended 30 September 2009 once the accounts have been approved.

8. General

- 8.1 The Company was incorporated and registered in England and Wales under CA 1985 as a public company with limited liability on 23 September 2004, with registered number 05239433. The principal legislation under which the Company operates is the Companies Acts (and regulations made thereunder). The legal and commercial name of the Company is Unicorn AIM VCT II plc. The Company is domiciled in England.
- 8.2 Statutory accounts of the Company for the years ended 31 December 2006, 2007 and 2008, in respect of which the Company's auditors, PKF (UK) LLP, have made unqualified reports under Section 235 CA 1985, have been delivered to the Registrar of Companies and such reports did not contain any statements under Sections 237(2) or (3) CA 1985.
- 8.3 Save for the fees paid to Unicorn AM (including the fees paid to Unicorn AM when it acted as promoter to the Company's top-up offers) and Matrix-Securities Limited, under the arrangements set out at paragraph 5.1, the fees paid to the Directors as detailed in paragraph 3.4 above, and the various shareholdings as detailed in paragraph 3.5 above, there were no related party transactions or fees paid by the Company during the years ended 31 December 2006, 2007 and 2008, the period to 31 December 2009 or to date in the current financial year.
- 8.4 The Company has no employees or subsidiaries.
- 8.5 There has been no significant change in the financial or trading position of the Company since 31 December 2009, the date to which the last unaudited net asset value of the Company has been published.
- 8.6 The Company is not and has not been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Company is aware) since incorporation which may have, or have had in the recent past, significant effects on the Company and/or its financial position or profitability.
- 8.7 The Liquidators have given and not withdrawn their written consent to the issue of this document with the inclusion of their name and the references to them in the form and context in which they appear.
- 8.8 If the Scheme becomes effective in accordance with the expected timetable on page 3 it is anticipated that the listing of the Shares will be cancelled on 10 March 2010.
- 8.9 New VCT I Shares issued to Shareholders under the Scheme will rank *pari passu* with the existing class of New VCT I Shares and will be admitted for trading on the main market of the London Stock Exchange.

9. 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 Effective Date at the offices of Martineau at 35 New Bridge Street, London EC4V 6BW and also at the registered office of the Company:

- 9.1 the memorandum and articles of association of the Company;
- 9.2 the audited report and accounts of the Company for the financial years ended 31 December 2006, 2007 and 2008 and the unaudited half-yearly report of the Company for the six month period ended 30 June 2009;
- 9.3 the audited report and accounts of VCT I for the financial years ended 30 September 2006, 2007 and 2008;
- 9.4 the material contracts referred to in paragraph 5 above;
- 9.5 a draft (subject to non-material updating and amendment) of the Transfer Agreement;
- 9.6 the consent referred to in paragraph 8.7 above;

- 9.7 the VCT I Circular, dated 29 January 2010;
- 9.8 the VCT I Prospectus, dated 29 January 2010; and
- 9.9 this document.

29 January 2010

UNICORN AIM VCT II PLC

(Registered in England and Wales with registered number 05239433)

NOTICE OF FIRST EXTRAORDINARY GENERAL MEETING

Notice is hereby given that an extraordinary general meeting of Unicorn AIM VCT II plc (“the Company”) will be held at 4.00 pm on 25 February at One Vine Street, London W1J 0AH for the purposes of considering and, if thought fit, passing the following resolution, which will be proposed as a special resolution:

Special Resolution

That, subject to the conditions (other than the passing of this resolution) set out in paragraph 8 of Part IV of the circular to the shareholders of the Company dated 29 January 2010 (a copy of which is produced to the meeting and initialed for the purpose of identification by the chairman of the meeting (“Circular”)) having been fulfilled and notwithstanding anything in the articles of association of the Company to the contrary, the Scheme, as defined and set out in Part IV of the Circular, be and hereby is approved and the Directors and William Duncan and Jonathan Paul Philmore of RSM Tenon Limited, Unit 1, Calder Close, Calder Park, Wakefield WF4 3BA (“the Liquidators”) be and they are hereby authorised (insofar as they are not already authorised by the articles of association of the Company) to implement the Scheme and to execute any document and do any act or thing for the purpose of carrying the Scheme into effect and, in particular (but without prejudice to the foregoing generality):

- (a) the Company (acting by the Liquidators) be and hereby is authorised and directed to enter into, and the Liquidators be and they are hereby authorised and directed, pursuant to section 110 of the Insolvency Act 1986, to give effect to, a transfer agreement in the form of the draft which is produced to the meeting and signed for the purpose of identification by the chairman of the meeting with such non-material modifications thereto as the parties to such agreement may agree (“Transfer Agreement”); and
- (b) the Liquidators be and they hereby are authorised and directed to request Unicorn AIM VCT plc (“VCT I”) to arrange for the creation and issue of new ordinary shares of 1p each in the capital of VCT I on the basis described in the Transfer Agreement for distribution among the holders of the ordinary shares of 1p each and C ordinary shares of 1p each in the capital of the Company by way of satisfaction and discharge of their respective interests in so much of all of the assets and liabilities of the Company as shall be transferred to VCT I in accordance therewith and with the Scheme

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

Dated 29 January 2010

By order of the Board

Matrix-Securities Limited
Secretary

Registered Office:

One Vine Street
London
W1J 0AH

Notes:

1. Each director has an appointment letter with the Company, a copy of which will be available for inspection at the meeting.
2. To be entitled to attend and vote at the meeting (and for the purposes of the determination by the Company of the votes they may cast in accordance with Regulation 41 of the Uncertified Securities Regulation 2001), members must be registered in the register of members of the Company at 5.00 pm on 23 February 2010 (or, in the event of any adjournment, 5.00 pm on the date which is two days before the date of the adjourned meeting). Changes to the register of members of the Company after the relevant deadline shall be disregarded in determining the rights of any person to attend and vote at the meeting.
3. A member entitled to attend and vote at the meeting is entitled to appoint a proxy or proxies to attend, speak and vote on his or her behalf. A proxy need not also be a member but must attend the meeting to represent the member. Details of how to appoint the chairman of the meeting or another person as a proxy using the form of proxy are set out in the notes on the form of proxy. If a member wishes a proxy to speak on the member's behalf at the meeting the member will need to appoint their own choice of proxy (not the chairman) and give their instructions directly to them.
4. A member may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares. A member may not appoint more than one proxy to exercise rights attached to any one share. To appoint more than one proxy, (an) additional form(s) of proxy should be obtained by contacting the Company's registrar, Computershare Investor Services plc between 9.00 am and 5.30 pm (GMT) Monday to Friday (except UK public holidays) on telephone number 0870 707 1525 or, if telephoning from outside the UK, on +44 870 707 1525. Calls to Computershare Investor Services plc helpline (0870 707 1525) are charged at national rates. Further details will be available from your service provider. Calls to the helpline from outside of the UK will be charged at applicable international rates. Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. For legal reasons, Computershare Investor Services plc will be unable to give advice on the merits of the Proposals or provide financial, legal, tax or investment advice. A member should indicate in the box next to the proxy holder's name the number of shares in relation to which the proxy is authorised to act as the member's proxy. A member should also indicate by ticking the box provided if the proxy instruction is one of multiple instructions being given.
5. A reply paid form of proxy is attached to this document. To be valid, it should be lodged with the Company's registrar, Computershare Investor Services plc, The Pavilions, Bridgwater Road, Bristol BS99 6ZY, so as to be received not later than 4.00 pm on 23 February 2010 or 48 hours before the time appointed for any adjourned meeting or, in the case of a poll taken subsequent to the date of the meeting or adjourned meeting, so as to be received no later than 24 hours before the time appointed for taking the poll.
6. As at 28 January 2010 (being the last business day prior to the publication of this notice), the Company's issued voting share capital was 21,624,939 Ordinary Shares and 12,338,816 C Shares each carrying one vote each. Therefore, the total voting rights in the Company as at 28 January 2010 was 33,963,755.
7. In accordance with section 325 of the Companies Act 2006, the right to appoint proxies does not apply to persons nominated to receive information rights under section 146 of the Companies Act 2006

Any person to whom this notice is sent who is a person nominated under section 146 of the Companies Act 2006 to enjoy information rights (a "Nominated Person") may, in accordance with section 149(2) of the Companies Act 2006 and under an agreement between him/her and the member by whom he/she was nominated, have a right to be appointed (or to have someone else appointed) as a proxy for the meeting. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he/she may, under any such agreement, have a right to give instructions to the shareholder as to the exercise of voting rights.
8. The statement of the rights of members in relation to the appointment of proxies in paragraphs 3 to 5 above does not apply to Nominated Persons. The rights described in these paragraphs can only be exercised by members of the Company.
9. If a corporate shareholder has appointed a corporate representative, the corporate representative will have the same powers as the corporation could exercise if it were an individual member of the Company. If more than one corporate representative has been appointed, on a vote on a show of hands on a resolution, each representative will have the same voting rights as the corporation would be entitled to. If more than one authorised person seeks to exercise a power in respect of the same shares, if they purport to exercise the power in the same way, the power is treated as exercised; if they do not purport to exercise the power in the same way, the power is treated as not exercised.
10. Crest members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so by using the procedures described in the CREST Manual. CREST Personal Members or other CREST sponsored members, and those CREST members who have appointed a service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.
11. In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with Euroclear UK & Ireland Limited's specifications, and must contain the information required for such instruction, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a

proxy or is an amendment to the instruction given to a previously appointed proxy must in order to be valid, be transmitted so as to be received by the issuer's agent (ID 3RA50) by 4.00 pm on 23 February 2010. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Application Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

12. CREST members and, where applicable, their CREST sponsors, or voting service providers should note that Euroclear UK & Ireland Limited does not make available special procedures in CREST for any particular message. Normal system timings and limitations will, therefore, apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member, or sponsored member, or has appointed a voting service provider, to procure that his CREST sponsor or voting service provider(s) take(s) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting system providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.
13. Appointment of a proxy will not preclude a member from subsequently attending and voting at the meeting should the member subsequently decide to do so. A member can only appoint a proxy using the procedures set out in these notes and the notes to the form of proxy.
14. Further information regarding the meeting is available on the Company's website, www.unicornaimvct2.com.

UNICORN AIM VCT II PLC

(Registered in England and Wales with registered number 05239433)

NOTICE OF ORDINARY SHARE CLASS MEETING

Notice is hereby given that a meeting of the holders of ordinary shares of 1p each ("Ordinary Shares") in the capital of Unicorn AIM VCT II plc ("the Company") will be held at 4.10 pm on 25 February 2010 (or as soon thereafter as the extraordinary general meeting of the Company convened for 4.00 pm on that day has concluded) at One Vine Street, London W1J 0AH for the purposes of considering and, if thought fit, passing the following resolution, which will be proposed as an extraordinary resolution:

Extraordinary Resolution

That the holders of Ordinary Shares hereby sanction, approve and consent to:

- (a) the passing and carrying into effect of the special resolution of the Company set out in the notice of extraordinary general meeting of the Company convened for 4.00 pm on 25 February 2010 and the special resolution of the Company set out in the notice of extraordinary general meeting of the Company convened for 10.00 am on 9 March 2010 (copies of which are produced to the meeting signed by the chairman for the purposes of identification); and
- (b) any effect on, variation, abrogation, dealing with and/or deemed variation or abrogation of the rights and privileges attached to the Ordinary Shares which will, or may, result from the passing and carrying into effect of such resolutions notwithstanding that such resolutions may affect the right and privileges attached to such Ordinary Shares.

Dated 29 January 2010

By order of the Board

Matrix-Securities Limited
Secretary

Registered Office:

One Vine Street
London
W1J 0AH

Notes:

1. Each director has an appointment letter with the Company, a copy of which will be available for inspection at the meeting.
2. To be entitled to attend and vote at the meeting (and for the purposes of the determination by the Company of the votes they may cast in accordance with Regulation 41 of the Uncertified Securities Regulation 2001), members must be registered in the register of members of the Company at 5.00 pm on 23 February 2010 (or, in the event of any adjournment, 5.00 pm on the date which is two days before the date of the adjourned meeting). Changes to the register of members of the Company after the relevant deadline shall be disregarded in determining the rights of any person to attend and vote at the meeting.
3. A member entitled to attend and vote at the meeting is entitled to appoint a proxy or proxies to attend, speak and vote on his or her behalf. A proxy need not also be a member but must attend the meeting to represent the member. Details of how to appoint the chairman of the meeting or another person as a proxy using the form of proxy are set out in the notes on the form of proxy. If a member wishes a proxy to speak on the member's behalf at the meeting the member will need to appoint their own choice of proxy (not the chairman) and give their instructions directly to them.
4. A member may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares. A member may not appoint more than one proxy to exercise rights attached to any one share. To appoint more than one proxy, (an) additional form(s) of proxy should be obtained by contacting the Company's registrar, Computershare Investor Services plc between 9.00 am and 5.30 pm (GMT) Monday to Friday (except UK public holidays) on telephone number 0870 707 1525 or, if telephoning from outside the UK, on +44 870 707 1525. Calls to Computershare Investor Services plc helpline (0870 707 1525) are charged at national rates. Further details will be available from your service provider. Calls to the helpline from outside of the UK will be charged at applicable international rates. Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. For legal reasons, Computershare Investor Services plc will be unable to give advice on the merits of the Proposals or provide financial, legal, tax or investment advice. A member should indicate in the box next to the proxy holder's name the number of shares in relation to which the proxy is authorised to act as the member's proxy. A member should also indicate by ticking the box provided if the proxy instruction is one of multiple instructions being given.
5. A reply paid form of proxy is attached to this document. To be valid, it should be lodged with the Company's registrar, Computershare Investor Services plc, The Pavilions, Bridgwater Road, Bristol BS99 6ZY, so as to be received not later than 4.10 pm on 23 February 2010 or 48 hours before the time appointed for any adjourned meeting or, in the case of a poll taken subsequent to the date of the meeting or adjourned meeting, so as to be received no later than 24 hours before the time appointed for taking the poll.
6. As at 28 January 2010 (being the last business day prior to the publication of this notice), the Company had 21,624,939 Ordinary Shares in issue carrying one vote each. Therefore, the total Ordinary Share voting rights in the Company as at 28 January 2010 was 21,624,939.
7. In accordance with section 325 of the Companies Act 2006, the right to appoint proxies does not apply to persons nominated to receive information rights under section 146 of the Companies Act 2006.

Any person to whom this notice is sent who is a person nominated under section 146 of the Companies Act 2006 to enjoy information rights (a "Nominated Person") may, in accordance with section 149(2) of the Companies Act 2006 and under an agreement between him/her and the member by whom he/she was nominated, have a right to be appointed (or to have someone else appointed) as a proxy for the meeting. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he/she may, under any such agreement, have a right to give instructions to the shareholder as to the exercise of voting rights.
8. The statement of the rights of members in relation to the appointment of proxies in paragraphs 3 to 5 above does not apply to Nominated Persons. The rights described in these paragraphs can only be exercised by members of the Company.
9. If a corporate shareholder has appointed a corporate representative, the corporate representative will have the same powers as the corporation could exercise if it were an individual member of the Company. If more than one corporate representative has been appointed, on a vote on a show of hands on a resolution, each representative will have the same voting rights as the corporation would be entitled to. If more than one authorised person seeks to exercise a power in respect of the same shares, if they purport to exercise the power in the same way, the power is treated as exercised; if they do not purport to exercise the power in the same way, the power is treated as not exercised.
10. Appointment of a proxy will not preclude a member from subsequently attending and voting at the meeting should the member subsequently decide to do so. A member can only appoint a proxy using the procedures set out in these notes and the notes to the form of proxy.
11. Notice is hereby further given that the necessary quorum for the above meeting shall be the holders of Ordinary Shares present in person or by proxy holding not less than one-third of the paid up Ordinary Share capital and that if within half an hour from the time appointed for the above meeting a quorum is not present it shall be adjourned to 11.15 am on 26 February 2010 and at such adjourned meeting the holders of Ordinary Shares present in person or by proxy shall be a quorum regardless of the number of Ordinary Shares held.

12. The directors reserve the right to withdraw the resolution to be proposed at the meeting if the resolution to be proposed at the extraordinary general meeting of the Company to be held at 4.00 pm on 25 February 2010 is not passed.
13. Further information regarding the meeting is available on the Company's website, www.unicornaimvct2.com.

UNICORN AIM VCT II PLC

(Registered in England and Wales with registered number 05239433)

NOTICE OF C SHARE CLASS MEETING

Notice is hereby given that a meeting of the holders of C ordinary shares of 1p each ("C Shares") in the capital of Unicorn AIM VCT II plc ("the Company") will be held at 4.15 pm on 25 February 2010 (or as soon thereafter as the separate meeting of holders of ordinary shares of 1p each in the capital of the Company convened for 4.10 pm on that day has concluded) at One Vine Street, London W1J 0AH for the purposes of considering and, if thought fit, passing the following resolution, which will be proposed as an extraordinary resolution:

Extraordinary Resolution

That the holders of C Shares hereby sanction, approve and consent to:

- (a) the passing and carrying into effect of the special resolution of the Company set out in the notice of an extraordinary general meeting of the Company convened for 4.00 p.m. on 25 February 2010 and the special resolution of the Company set out in the notice of an extraordinary general meeting of the Company convened for 10.00 am on 9 March 2010 (copies of which are produced to the meeting signed by the chairman for the purposes of identification); and
- (b) any effect on, variation, abrogation, dealing with and/or deemed variation or abrogation of the rights and privileges attached to the C Shares which will, or may, result from the passing and carrying into effect of such resolutions notwithstanding that such resolutions may affect the right and privileges attached to such C Shares.

Dated 29 January 2010

By order of the Board

Matrix-Securities Limited
Secretary

Registered Office:

One Vine Street
London
W1J 0AH

Notes:

1. Each director has an appointment letter with the Company, a copy of which will be available for inspection at the meeting.
2. To be entitled to attend and vote at the meeting (and for the purposes of the determination by the Company of the votes they may cast in accordance with Regulation 41 of the Uncertified Securities Regulation 2001), members must be registered in the register of members of the Company at 5.00 pm on 23 February 2010 (or, in the event of any adjournment, 5.00 pm on the date which is two days before the date of the adjourned meeting). Changes to the register of members of the Company after the relevant deadline shall be disregarded in determining the rights of any person to attend and vote at the meeting.
3. A member entitled to attend and vote at the meeting is entitled to appoint a proxy or proxies to attend, speak and vote on his or her behalf. A proxy need not also be a member but must attend the meeting to represent the member. Details of how to appoint the chairman of the meeting or another person as a proxy using the form of proxy are set out in the notes on the form of proxy. If a member wishes a proxy to speak on the member's behalf at the meeting the member will need to appoint their own choice of proxy (not the chairman) and give their instructions directly to them.
4. A member may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares. A member may not appoint more than one proxy to exercise rights attached to any one share. To appoint more than one proxy, (an) additional form(s) of proxy should be obtained by contacting the Company's registrar, Computershare Investor Services between 9.00 am and 5.30 pm (GMT) Monday to Friday (except UK public holidays) on telephone number 0870 707 1525 or, if telephoning from outside the UK, on +44 870 707 1525. Calls to Computershare Investor Services helpline (0870 707 1525) are charged at national rates. Further details will be available from your service provider. Calls to the helpline from outside of the UK will be charged at applicable international rates. Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. For legal reasons, Computershare Investor Services will be unable to give advice on the merits of the Proposals or provide financial, legal, tax or investment advice. A member should indicate in the box next to the proxy holder's name the number of shares in relation to which the proxy is authorised to act as the member's proxy. A member should also indicate by ticking the box provided if the proxy instruction is one of multiple instructions being given.
5. A reply paid form of proxy is attached to this document. To be valid, it should be lodged with the Company's registrar, Computershare Investor Services plc, The Pavilions, Bridgwater Road, Bristol BS99 6ZY, so as to be received not later than 4.15 pm on 23 February 2010 or 48 hours before the time appointed for any adjourned meeting or, in the case of a poll taken subsequent to the date of the meeting or adjourned meeting, so as to be received no later than 24 hours before the time appointed for taking the poll.
6. As at 28 January 2010 (being the last business day prior to the publication of this notice), the Company had 12,338,816 C Shares in issue carrying one vote each. Therefore, the total C Share voting rights in the Company as at 28 January 2010 was 12,338,816.
7. In accordance with section 325 of the Companies Act 2006, the right to appoint proxies does not apply to persons nominated to receive information rights under section 146 of the Companies Act 2006.

Any person to whom this notice is sent who is a person nominated under section 146 of the Companies Act 2006 to enjoy information rights (a "Nominated Person") may, in accordance with section 149(2) of the Companies Act 2006 and under an agreement between him/her and the member by whom he/she was nominated, have a right to be appointed (or to have someone else appointed) as a proxy for the meeting. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he/she may, under any such agreement, have a right to give instructions to the shareholder as to the exercise of voting rights.
8. The statement of the rights of members in relation to the appointment of proxies in paragraphs 3 to 5 above does not apply to Nominated Persons. The rights described in these paragraphs can only be exercised by members of the Company.
9. If a corporate shareholder has appointed a corporate representative, the corporate representative will have the same powers as the corporation could exercise if it were an individual member of the Company. If more than one corporate representative has been appointed, on a vote on a show of hands on a resolution, each representative will have the same voting rights as the corporation would be entitled to. If more than one authorised person seeks to exercise a power in respect of the same shares, if they purport to exercise the power in the same way, the power is treated as exercised; if they do not purport to exercise the power in the same way, the power is treated as not exercised.
10. Appointment of a proxy will not preclude a member from subsequently attending and voting at the meeting should the member subsequently decide to do so. A member can only appoint a proxy using the procedures set out in these notes and the notes to the form of proxy.
11. Notice is hereby further given that the necessary quorum for the above meeting shall be the holders of C Shares present in person or by proxy holding not less than one-third of the paid up C Share capital and that if within half an hour from the time appointed for the above meeting a quorum is not present it shall be adjourned to 11.20 am on 26 February 2010 and at such adjourned meeting the holders of C Shares present in person or by proxy shall be a quorum regardless of the number of C Shares held.

12. The directors reserve the right to withdraw the resolution to be proposed at the meeting if the resolution to be proposed at the extraordinary general meeting of the Company and/or the resolution to be proposed at the separate meeting of the holders of ordinary shares of 1p each in the capital of the Company to be held at 4.00 pm and 4.10 pm respectively on 25 February 2010 are not passed.
13. Further information regarding the meeting is available on the Company's website, www.unicornaimvct2.com.

UNICORN AIM VCT II PLC

(Registered in England and Wales with registered number 05239433)

NOTICE OF SECOND EXTRAORDINARY GENERAL MEETING

Notice is hereby given that an extraordinary general meeting of Unicorn AIM VCT II plc (“the Company”) will be held at 10.00 am on 9 March 2010 at One Vine Street, London W1J 0AH for the purposes of considering and, if thought fit, passing the following resolution, which will be proposed as a special resolution:

Special Resolution

That:

- (i) subject to the conditions (other than the passing of this resolution) set out in paragraph 8 of Part IV of the circular to shareholders of the Company dated 29 January 2010 (a copy of which is produced to the meeting and initialled for the purpose of identification by the chairman of the meeting (“Circular”)) having been fulfilled, in each case prior to the passing of this resolution;
 - (a) the Company be wound up voluntarily under the provisions of the Insolvency Act 1986 and William Duncan and Jonathan Paul Philmore of RSM Tenon Limited, Unit 1, Calder Close, Calder Park, Wakefield WF4 3BA (“the Liquidators”) be and they are hereby appointed liquidators for the purposes of such winding-up and any power conferred on them by law or by this resolution may be exercised, and any act required or authorised under any enactment to be done by them may be done, by them jointly or by each of them alone; and
 - (b) the Liquidators be remunerated on a time costs basis as agreed with the board of directors from time to time plus VAT, disbursements and expenses;
- (ii) the Liquidators of the Company appointed pursuant to paragraph (i)(a) set out in this notice be and hereby are authorised under Section 165 of the Insolvency Act 1986 to exercise the powers specified in Part I of Schedule 4 of the Insolvency Act 1986; and
- (iii) the cancellation of the listing of the Company’s shares on the Official List following the implementation of the Scheme (as defined in the Circular) be and hereby is approved.

Dated 29 January 2010

By order of the Board

Matrix-Securities Limited
Secretary

Registered Office:

One Vine Street
London
W1J 0AH

Notes:

1. Each director has an appointment letter with the Company, a copy of which will be available for inspection at the meeting.
2. To be entitled to attend and vote at the meeting (and for the purposes of the determination by the Company of the votes they may cast in accordance with Regulation 41 of the Uncertified Securities Regulation 2001), members must be registered in the register of members of the Company at 5.00 pm on 7 March 2010 (or, in the event of any adjournment, 5.00 pm on the date which is two days before the date of the adjourned meeting). Changes to the register of members of the Company after the relevant deadline shall be disregarded in determining the rights of any person to attend and vote at the meeting.
3. A member entitled to attend and vote at the meeting is entitled to appoint a proxy or proxies to attend, speak and vote on his or her behalf. A proxy need not also be a member but must attend the meeting to represent the member. Details of how to appoint the chairman of the meeting or another person as a proxy using the form of proxy are set out in the notes on the form of proxy. If a member wishes a proxy to speak on the member's behalf at the meeting the member will need to appoint their own choice of proxy (not the chairman) and give their instructions directly to them.
4. A member may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares. A member may not appoint more than one proxy to exercise rights attached to any one share. To appoint more than one proxy, (an) additional form(s) of proxy should be obtained by contacting the Company's registrar, Computershare Investor Services between 9.00 am and 5.30 pm (GMT) Monday to Friday (except UK public holidays) on telephone number 0870 707 1525 or, if telephoning from outside the UK, on +44 870 707 1525. Calls to Computershare Investor Services helpline (0870 707 1525) are charged at national rates. Further details will be available from your service provider. Calls to the helpline from outside of the UK will be charged at applicable international rates. Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. For legal reasons, Computershare Investor Services will be unable to give advice on the merits of the Proposals or provide financial, legal, tax or investment advice. A member should indicate in the box next to the proxy holder's name the number of shares in relation to which the proxy is authorised to act as the member's proxy. A member should also indicate by ticking the box provided if the proxy instruction is one of multiple instructions being given.
5. A reply paid form of proxy is attached to this document. To be valid, it should be lodged with the Company's registrar, Computershare Investor Services plc, The Pavilions, Bridgwater Road, Bristol BS99 6ZY so as to be received not later than 10.00 am on 7 March or 48 hours before the time appointed for any adjourned meeting or, in the case of a poll taken subsequent to the date of the meeting or adjourned meeting, so as to be received no later than 24 hours before the time appointed for taking the poll.
6. As at 28 January 2010 (being the last business day prior to the publication of this notice), the Company's issued voting share capital was 21,624,939 Ordinary Shares and 12,338,816 C Shares each carrying one vote each. Therefore, the total voting rights in the Company as at 28 January 2010 was 33,963,755.
7. In accordance with section 325 of the Companies Act 2006, the right to appoint proxies does not apply to persons nominated to receive information rights under section 146 of the Companies Act 2006.

Any person to whom this notice is sent who is a person nominated under section 146 of the Companies Act 2006 to enjoy information rights (a "Nominated Person") may, under an agreement between him/her and the member by whom he/she was nominated, have a right to be appointed (or to have someone else appointed) as a proxy for the meeting. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he/she may, under any such agreement, have a right to give instructions to the shareholder as to the exercise of voting rights.
8. The statement of the rights of members in relation to the appointment of proxies in paragraphs 3 to 5 above does not apply to Nominated Persons. The rights described in these paragraphs can only be exercised by members of the Company.
9. If a corporate shareholder has appointed a corporate representative, the corporate representative will have the same powers as the corporation could exercise if it were an individual member of the Company. If more than one corporate representative has been appointed, on a vote on a show of hands on a resolution, each representative will have the same voting rights as the corporation would be entitled to. If more than one authorised person seeks to exercise a power in respect of the same shares, if they purport to exercise the power in the same way, the power is treated as exercised; if they do not purport to exercise the power in the same way, the power is treated as not exercised.
10. Appointment of a proxy will not preclude a member from subsequently attending and voting at the meeting should the member subsequently decide to do so. A member can only appoint a proxy using the procedures set out in these notes and the notes to the form of proxy.
11. Crest members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so by using the procedures described in the CREST Manual. CREST Personal Members or other CREST sponsored members, and those CREST members who have appointed a service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

12. In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with Euroclear UK & Ireland Limited's specifications, and must contain the information required for such instruction, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or is an amendment to the instruction given to a previously appointed proxy must in order to be valid, be transmitted so as to be received by the issuer's agent (ID 3RA50) by 10.00 am on 7 March 2010. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Application Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.
13. CREST members and, where applicable, their CREST sponsors, or voting service providers should note that Euroclear UK & Ireland Limited does not make available special procedures in CREST for any particular message. Normal system timings and limitations will, therefore, apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member, or sponsored member, or has appointed a voting service provider, to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting system providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.
14. Further information regarding the meeting is available on the Company's website, www.unicornaimvct2.com.

FORM OF PROXY – FIRST EXTRAORDINARY GENERAL MEETING

For use at the Extraordinary General Meeting of Unicorn AIM VCT II plc (“the Company”) to be held at One Vine Street, London W1J 0AH at 4.00 pm on 25 February 2010.

I/We
(Block Capitals Please)

of.....

being a shareholder(s) of the above-name Company, appoint the chairman of the meeting or

.....
for the following number of shares

to act as my/our proxy to vote for me/us and on my/our behalf at the Extraordinary General Meeting of the Company to be held at One Vine Street, London W1J 0AH at 4.00 pm on 25 February 2010 (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:

Special Resolution	For	Against	Vote Withheld
Approval of the Scheme and authorise its implementation by the Liquidators			

Signature Dated2010

Notes:

- The notice of the meeting is set out in the circular to shareholders of the Company dated 29 January 2010. Definitions used in the circular apply herein.
- If any other proxy is preferred, strike out the words “chairman of the meeting” and add the name and address of the proxy you wish to appoint and initial the alteration. The proxy need not be a member.
- You may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares. You may not appoint more than one proxy to exercise rights attached to any one share. To appoint more than one proxy, (an) additional form(s) of proxy should be obtained by contacting the Company’s registrar, Computershare Investor Services plc between 9.00 am and 5.30 pm (GMT) Monday to Friday (except UK public holidays) on telephone number 0870 707 1525 or, if telephoning from outside the UK, on +44 870 707 1525. Calls to Computershare Investor Services plc helpline (0870 707 1525) are charged at national rates. Further details will be available from your service provider. Calls to the helpline from outside of the UK will be charged at applicable international rates. Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. For legal reasons, Computershare Investor Services plc will be unable to give advice on the merits of the Proposals or provide financial, legal, tax or investment advice Please indicate in the box next to the proxy holder’s name the number of shares in relation to which they are authorised to act as your proxy. Please also indicate by ticking the box provided if the proxy instruction is one of multiple instructions being given.
- Any alterations to the form should be initialled.
- If the appointer is a corporation, this form must be completed under its common seal or under the hand of an officer or attorney duly authorised in writing.
- The signature of any one of joint holders will be sufficient, but the names of all the joint holders should be stated.
- To be valid, this form and the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of such power, must reach the registrars of the Company at Computershare Investor Services plc, The Pavilions, Bridgwater Road, Bristol BS99 6ZY, not less than 48 hours before the time appointed for holding the meeting or adjournment as the case may be.
- The completion of this form will not preclude you from attending the meeting and voting in person.



SECOND FOLD

BUSINESS REPLY SERVICE
Licence No. RRLU-BGHH-XJLX



Computershare Investor Services plc
The Pavilions
Bridgwater Road
Bristol
BS99 6ZY

FIRST FOLD

THIRD FOLD (TUCK IN)

FORM OF PROXY – ORDINARY SHARE CLASS MEETING

For use at the separate meeting (“Ordinary Share Class Meeting”) of the holders of ordinary shares of 1p each (“Ordinary Shares”) in the capital of Unicorn AIM VCT II plc (“the Company”) to be held at One Vine Street, London W1J 0AH at 4.10 pm on 25 February 2010.

I/We
(Block Capitals Please)

of.....
being a shareholder(s) of the above-name Company, appoint the chairman of the meeting or

for the following number of shares

to act as my/our proxy to vote for me/us and on my/our behalf at the Ordinary Share Class Meeting to be held at One Vine Street, London W1J 0AH at 4.10 pm on 25 February 2010 (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:

Extraordinary Resolution	For	Against	Vote Withheld
Approval of the resolutions to be proposed at the extraordinary general meetings of the Company to be held on 25 February 2010 and 9 March 2010 and variation of class rights resulting therefrom			

Signature Dated2010

Notes:

- The notice of the meeting is set out in the circular to shareholders of the Company dated 29 January 2010. Definitions used in the circular apply herein.
- If any other proxy is preferred, strike out the words “chairman of the meeting” and add the name and address of the proxy you wish to appoint and initial the alteration. The proxy need not be a member.
- You may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares. You may not appoint more than one proxy to exercise rights attached to any one share. To appoint more than one proxy, (an) additional form(s) of proxy should be obtained by contacting the Company’s registrar, Computershare Investor Services plc between 9.00 am and 5.30 pm (GMT) Monday to Friday (except UK public holidays) on telephone number 0870 707 1525 or, if telephoning from outside the UK, on +44 870 707 1525. Calls to Computershare Investor Services plc helpline (0870 707 1525) are charged at national rates. Further details will be available from your service provider. Calls to the helpline from outside of the UK will be charged at applicable international rates. Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. For legal reasons, Computershare Investor Services plc will be unable to give advice on the merits of the Proposals or provide financial, legal, tax or investment advice Please indicate in the box next to the proxy holder’s name the number of shares in relation to which they are authorised to act as your proxy. Please also indicate by ticking the box provided if the proxy instruction is one of multiple instructions being given.
- Any alterations to the form should be initialled.
- If the appointer is a corporation, this form must be completed under its common seal or under the hand of an officer or attorney duly authorised in writing.
- The signature of any one of joint holders will be sufficient, but the names of all the joint holders should be stated.
- To be valid, this form and the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of such power, must reach the registrars of the Company at Computershare Investor Services plc, The Pavilions, Bridgwater Road, Bristol BS99 6ZY, not less than 48 hours before the time appointed for holding the meeting or adjournment as the case may be.
- The completion of this form will not preclude you from attending the meeting and voting in person.



SECOND FOLD

BUSINESS REPLY SERVICE
Licence No. RRLU-BGHH-XJLX



Computershare Investor Services plc
The Pavilions
Bridgwater Road
Bristol
BS99 6ZY

FIRST FOLD

THIRD FOLD (TUCK IN)

FORM OF PROXY – C SHARE CLASS MEETING

For use at the separate meeting (“C Share Class Meeting”) of the holders of C ordinary shares of 1p each (“C Shares”) in the capital of Unicorn AIM VCT II plc (“the Company”) to be held at One Vine Street, London W1J 0AH at 4.15 pm on 25 February 2010.

I/We
(Block Capitals Please)

of.....
being a shareholder(s) of the above-name Company, appoint the chairman of the meeting or
.....

for the following number of shares

to act as my/our proxy to vote for me/us and on my/our behalf at the C Share Class Meeting to be held at One Vine Street, London W1J 0AH at 4.15 pm on 25 February 2010 (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:

Extraordinary Resolution	For	Against	Vote Withheld
Approval of the resolutions to be proposed at the extraordinary general meetings of the Company to be held on 25 February 2010 and 9 March 2010 and variation of class rights resulting therefrom			

Signature Dated2010

Notes:

- The notice of the meeting is set out in the circular to shareholders of the Company dated 29 January 2010. Definitions used in the circular apply herein.
- If any other proxy is preferred, strike out the words “chairman of the meeting” and add the name and address of the proxy you wish to appoint and initial the alteration. The proxy need not be a member.
- You may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares. You may not appoint more than one proxy to exercise rights attached to any one share. To appoint more than one proxy, (an) additional form(s) of proxy should be obtained by contacting the Company’s registrar, Computershare Investor Services plc between 9.00 am and 5.30 pm (GMT) Monday to Friday (except UK public holidays) on telephone number 0870 707 1525 or, if telephoning from outside the UK, on +44 870 707 1525. Calls to Computershare Investor Services plc helpline (0870 707 1525) are charged at national rates. Further details will be available from your service provider. Calls to the helpline from outside of the UK will be charged at applicable international rates. Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. For legal reasons, Computershare Investor Services plc will be unable to give advice on the merits of the Proposals or provide financial, legal, tax or investment advice Please indicate in the box next to the proxy holder’s name the number of shares in relation to which they are authorised to act as your proxy. Please also indicate by ticking the box provided if the proxy instruction is one of multiple instructions being given.
- Any alterations to the form should be initialled.
- If the appointer is a corporation, this form must be completed under its common seal or under the hand of an officer or attorney duly authorised in writing.
- The signature of any one of joint holders will be sufficient, but the names of all the joint holders should be stated.
- To be valid, this form and the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of such power, must reach the registrars of the Company at Computershare Investor Services plc, The Pavilions, Bridgwater Road, Bristol BS99 6ZY, not less than 48 hours before the time appointed for holding the meeting or adjournment as the case may be.
- The completion of this form will not preclude you from attending the meeting and voting in person.



SECOND FOLD

BUSINESS REPLY SERVICE
Licence No. RRLU-BGHH-XJLX



Computershare Investor Services plc
The Pavilions
Bridgwater Road
Bristol
BS99 6ZY

FIRST FOLD

THIRD FOLD (TUCK IN)

FORM OF PROXY – SECOND EXTRAORDINARY GENERAL MEETING

For use at the Extraordinary General Meeting of Unicorn AIM VCT II plc (“the Company”) to be held at One Vine Street, London W1J 0AH at 10.00 am on 9 March 2010.

I/We
 (Block Capitals Please)

of.....
 being a shareholder(s) of the above-name Company, appoint the chairman of the meeting or

for the following number of shares

to act as my/our proxy to vote for me/us and on my/our behalf at the Extraordinary General Meeting of the Company to be held at One Vine Street, London W1J 0AH at 10.00 am on 9 March 2010 (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:

Special Resolution	For	Against	Vote Withheld
Approval to (i) put the Company into liquidation and appoint the Liquidators for the purposes of such winding up, (ii) authorise the Liquidators to exercise certain powers for which the express sanction of Shareholders is required under the IA 1986, such as paying classes of creditors in full and (iii) cancel the listing of the Company’s shares.			

Signature Dated2010

Notes:

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Bristol
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FIRST FOLD

THIRD FOLD (TUCK IN)

