

Amati AIM VCT plc
Terms and Conditions of the Dividend Reinvestment Scheme (DRIS)

Please read these terms and conditions carefully and keep them in case you need to refer to them in the future.

This information should not be regarded as a recommendation to buy or hold Shares in the Company. The value of Shares and the income from them can fall as well as rise and you may not recover the amount of money you invest.

If you are in any doubt about what you should do, you should consult an independent financial adviser. If you have any questions about the Dividend Reinvestment Scheme, you can write to: DRIS Administration, City Partnership (UK) Limited, The Mending Rooms, Park Valley Mills, Meltham Road, Huddersfield HD4 7BH.

1. In these DRIS Terms and Conditions, capitalised terms shall have, unless the context otherwise permits, the meanings set out in the “Definitions” section of the Prospectus.
2. Applicants may, by their participation in the DRIS, subscribe for new Shares in the Company. The monies subscribed through the DRIS (being cash dividends paid on Shares held by, or on behalf of, Applicants participating in the DRIS) shall be invested in new Shares. The Scheme Administrator shall not have the discretion to vary such investments and Applicants may not instruct the Scheme Administrator to make any other investments in respect of monies subscribed through the DRIS. Applicants who are Shareholders may only join the DRIS in respect of their Shares in the Company if dividends on all the Shares registered in their name are mandated to the DRIS. The number of Shares held by any such Applicant which are mandated to the DRIS shall be altered immediately following any change to the number of Shares in respect of which such Shareholder is the registered holder as entered in the share register of the Company from time to time. Applicants who hold their Shares through a nominee may, with the prior agreement of the Scheme Administrator, join the DRIS in respect of the number of Shares of the Company specified as “Nominee Shareholdings” and notified to the Scheme Administrator by the Applicant and the Shareholder in whose name the Shares are held. Shares that are issued pursuant to the DRIS in respect of Nominee Shareholdings will be (i) in respect of nominee holdings where the entire holding is mandated to the DRIS, allotted in the name of the nominee Shareholder, and automatically mandated to the DRIS, or (ii) in respect of partial elections to the DRIS by a nominee, allotted in the name of the nominee Shareholder, and thereafter a new election will need to be made for each subsequent dividend payment; in each case unless it has been previously agreed with the Scheme Administrator, or is agreed subsequently, that the Shares are allotted to the Applicant.
3. On or as soon as practicable after a Reinvestment Day, the funds subscribed through the DRIS on behalf of each Applicant shall be applied on behalf of that Applicant in the subscription for the maximum number of new Shares as can be acquired with those funds;
 - (a) The number of new Shares issued to an Applicant pursuant to condition 3 above shall be calculated by dividing the aggregate value of the dividends paid on the Shares to which that Applicant is entitled by the greatest of (i) the net asset value per share of the Company (as determined by the Manager), (ii) the nominal value per Share and (iii) the mid-price value per Share, each as at the close of business on the Business Day preceding the date of issue of such Shares;
 - (b) Any balance of cash held by the Company on his or her behalf after the subscription shall continue to be held in that account on behalf of the Applicant to whom it relates and added to the cash available in respect of that Applicant for the subscription of Shares on the next Reinvestment Day. No interest shall accrue or be payable in favour of any Applicant on any such cash balances; and
 - (c) The DRIS involves the reinvestment of the whole dividend paid on each holding each time a dividend is paid by the Company. Partial reinvestment of dividends by nominees is only permitted with the specific agreement of the Scheme Administrator. Subject to clause 2, Shareholders will remain in the DRIS, so that all future dividends will be reinvested in the same way, until they give notice to the Scheme Administrator that they wish to terminate their participation in the DRIS, either in relation to a particular dividend, or all future dividends.

4. The Registrar shall immediately after the subscription of Shares in accordance with condition 3 hereof take all necessary steps to ensure that the Applicants are entered into the share register of the Company as the registered holders of the Shares issued to them in accordance with condition 3 above, and that share certificates in respect of such Shares are issued and delivered to the Applicants at their own risk, as soon as is reasonably practicable (unless such Shares are to be uncertificated). Shareholders (or such other person as aforesaid) will receive with their share certificates (if any) a statement detailing:
 - (a) the dividend available for reinvestment;
 - (b) the price per Share subscribed and the date of issue;
 - (c) the number of Shares issued and the total cost; and
 - (d) the cash to be carried forward for investment on the next Reinvestment Day.
5. Application to join the DRIS can be made at any time. However, to be reinvested, applications to join the DRIS need to have been received by the Scheme Administrator at least 15 days prior to a dividend being paid.
6. All costs and expenses incurred by the Scheme Administrator in administering the DRIS will be borne by the Company.
7. Each Applicant warrants to the Scheme Administrator that:
 - (a) during the continuance of his or her participation in the DRIS he or she will remain the sole beneficial owner of the Shares mandated to the DRIS free from encumbrances or security interests;
 - (b) all information set out in the DRIS application form is correct and to the extent any of the information changes he or she will notify the changes to the Scheme Administrator; and
 - (c) during the continuance of his or her participation in the DRIS he or she will comply with the provisions of condition 8 below.
8. The right to participate in the DRIS may not be available to any person who is a citizen, resident or national of, or has a registered address in, any jurisdiction outside the United Kingdom. It is the responsibility of any Applicant wishing to participate in the DRIS to be satisfied as to the full observance of the laws of the relevant jurisdiction(s) in connection therewith, including obtaining any governmental or other consents which may be required and observing any other formalities needing to be observed in any such jurisdiction(s). No such person receiving a copy of the DRIS documents may treat them as offering such a right unless an offer could properly be made without such compliance. The Company and/or Scheme Administrator may refuse, in their sole discretion, any person entry to, or their continued participation in, the DRIS.
9. The Applicant acknowledges that neither the Scheme Administrator, the Company nor the Manager are providing a discretionary management service. The Scheme Administrator, the Company and/or the Manager shall not be responsible for any loss or damage suffered by any Applicant as a result of their participation in the DRIS unless due to the negligence or default of the Scheme Administrator, the Company or the Manager (respectively), or its or their servants or agents.
10. The Applicant may at any time by notice to the Scheme Administrator terminate his or her participation in the DRIS and withdraw any monies held by the Company on his or her behalf in relation thereto. If an Applicant shall at any time cease to hold any Shares in the Company, he or she shall be deemed to have served such a notice in respect of his or her participation in the DRIS. If such notice is served or deemed to have been served, the Company or Scheme Administrator shall pay all of the monies held by the Company on the Applicant's behalf to the Applicant at the address set out in the DRIS application form, subject to any deductions which the Scheme Administrator may be entitled or bound to make hereunder.
11. If an Applicant withdraws from the DRIS and a cash balance remains of less than £1 that balance will not be repaid, but will be donated to a recognised registered charity.
12. The Company and the Scheme Administrator shall be entitled, at any time and from time to time, to suspend the operation of the DRIS and/or to terminate the DRIS without notice to the Applicants and/or

to refuse to reinvest dividends due on Shares held by a nominee. In the event of termination, the Company or Scheme Administrator shall, subject to condition 11 above, pay to each Applicant all of the monies held by the Company on his or her behalf.

13. All notices and instructions to be given to the Scheme Administrator shall be in writing and delivered or posted to City Partnership (UK) Limited, The Mending Rooms, Park Valley Mills, Meltham Road, Huddersfield, HD4 7BH.
14. The Company shall be entitled to amend the DRIS Terms and Conditions on giving one month's notice in writing to all participating Applicants. If such amendments have arisen as a result of any change in statutory or other regulatory requirements, notice of such amendment will not be given to Applicants unless in the Company's opinion the change materially affects the interests of Applicants. Amendments to the DRIS Terms and Conditions which are of a formal, minor or technical nature or made to correct a manifest error and which do not adversely affect the interests of Applicants may be effected without notice.
15. By completing and delivering the DRIS application form, the Applicant:
 - (a) agrees to provide the Company with any information which it may request in connection with such application and to comply with legislation relating to venture capital trusts or other relevant legislation (as the same may be amended from time to time); and
 - (b) declares that a loan has not been made to the Applicant or any associate of the Applicant which would not have been made, or would not have been made on the same terms, but for the Applicant offering to subscribe for, or acquiring, Shares and that the Shares are being acquired for bona fide commercial purposes and not as part of a scheme or arrangement the main purpose of which, or one of the main purposes of which, is the avoidance of tax.
16. Currently, subscriptions by individuals aged 18 or over for eligible shares in venture capital trusts only attract tax reliefs if in any tax year such subscriptions to all venture capital trusts by such individuals do not exceed £200,000 (including subscriptions pursuant to dividend reinvestment schemes) and the Applicant is responsible for ensuring their compliance with the rules applicable to venture capital trust investments made by them, including through the DRIS, in order for them to receive any venture capital trust tax reliefs. Applicants are responsible for ascertaining their own tax status and liabilities and neither the Scheme Administrator nor the Company accepts any liability in the event they do not receive any venture capital trust tax reliefs.
17. Since dividends on Shares acquired in excess of £200,000 per Applicant in any tax year will not be exempt from income tax in the same way as Shares acquired within this limit, the Applicant will generally be liable to tax on such dividends. Nevertheless the whole of such dividends shall be invested unless the Scheme Administrator is notified to the contrary in writing at least 15 days before a Reinvestment Day.
18. The Company shall not be required to issue Shares hereunder if the Directors so decide and, in such circumstances, any funds mandated to the DRIS will be paid in cash to the Shareholder.
19. These DRIS Terms and Conditions shall be governed by, and construed in accordance with, English Law and each Applicant submits to the jurisdiction of the English courts and agrees that nothing shall limit the right of the Company to bring any action, suit or proceeding arising out of or in connection with the DRIS in any other manner permitted by law or in any court of competent jurisdiction.
20. The Company shall not be required to admit new members to the DRIS in circumstances where the proposed level of dividends to be paid by the Company could mean that the issue of Shares under the DRIS would trigger the requirement for the Company to issue a prospectus under the Prospectus Rules.
21. All documents, including share certificates, will be despatched by first class post at the risk of the Shareholder.

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

Additional Notes

An application for Shares issued pursuant to the DRIS to be listed has been or will be made shortly following the date of each dividend. Shares issued pursuant to the DRIS will rank equally with the other existing Shares in the Company, and *pari passu* for dividends. Where Shares are held in certificated form then new Shares will be issued in certificated form. Where Shares are held in un-certificated form then new Shares will be issued in un-certificated form. The date of issue of any Shares issued pursuant to the DRIS will be on or shortly after the Reinvestment Day. No fractions of Shares will be issued. Shares may be held in un-certificated form. Applications have been or will be made to the UK Listing Authority for Shares issued pursuant to the DRIS to be admitted to the premium segment of the Official List of the UK Listing Authority and to trading on the London Stock Exchange's Main Market for listed securities.

The Scheme Administrator and, if any are appointed from time to time, its agents (including any broker) may effect transactions notwithstanding that they have a direct or indirect material interest or a relationship of any description with another party which may involve a conflict with its duty to DRIS participants under the DRIS.

The Scheme Administrator is authorised to disclose any information regarding Shareholders or their participation in the DRIS to any relevant authority, or as required by such authority, whether by compulsion of law or not. The Scheme Administrator shall not be liable for any disclosure made in good faith provided that the Scheme Administrator believes that such disclosure has been made in accordance with the foregoing requirements.

Each of the provisions of the DRIS shall be severable and distinct from one another and if one or more of such provisions is invalid or unenforceable the remaining provisions shall not in any way be affected.

The Scheme Administrator has procedures to help resolve all complaints from DRIS Applicants effectively. If an Applicant has any complaints about the service provided to him please write to the Scheme Administrator at City Partnership (UK) Limited, The Mending Rooms, Park Valley Mills, Meltham Road, Huddersfield HD4 7BH.

This service is a Company sponsored scheme which means that the Scheme Administrator charges the Company a fee which is representative to the costs of operating it. This arrangement means that DRIS participants are not charged an annual fee. If an Applicant would like more detail on this arrangement please write to the Scheme Administrator at the address below.

The Scheme Administrator will take reasonable care in operating the DRIS. The Scheme Administrator does not accept liability for any indirect or consequential loss suffered by an Applicant or for any loss which does not arise as a result of its breach of these DRIS Terms and Conditions, negligence, wilful default or fraud.

The Scheme Administrator shall not be responsible for delays or failure to perform any of its obligations due to acts beyond its control. Such acts shall include, but not be limited to, acts of God, strikes, lockout, riots, acts of war, terrorist acts, epidemics, governmental regulations superimposed after the fact, communication line failures, power failure, earthquakes or other disasters.

Any personal data obtained from an Applicant in providing this service will be held by the Scheme Administrator in accordance with the relevant legislation. The Scheme Administrator will only hold, use or otherwise process such personal data of an Applicant as is necessary to provide him or her with the service. The Applicant's details will only be disclosed in accordance with the principles set out in the Data Protection Act 1998:

- to any person if that person has legal or regulatory powers over the Scheme Administrator;
- to any other person or body in order to facilitate the operation of the DRIS.

An Applicant has a right to request to view the personal data that the Scheme Administrator holds on him or her. The Scheme Administrator may charge an Applicant a small fee for providing him or her access to this information.

All communications between the Scheme Administrator and an Applicant will be conducted in the English language.

These DRIS Terms and Conditions are governed by and shall be construed in accordance with the laws of England and Wales.