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If you have sold or otherwise transferred all your holding of ordinary shares of 1 penny each in the capital of the Company ("**Ordinary Shares**") you should immediately forward this document, including the accompanying Form of Proxy, as soon as possible to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee. If you have sold or otherwise transferred some only of your holding of Ordinary Shares you should contact the bank, stockbroker or other agent through whom the sale or transfer was effected.

The distribution of this document in jurisdictions other than the United Kingdom may be restricted by law and, therefore, persons into whose possession this document comes should inform themselves about and observe any such restrictions. Any failure to comply with these restrictions may constitute violation of the securities laws of any such jurisdiction.

Nothing in this document should be interpreted as an offer of securities, a solicitation of an offer to buy or subscribe for securities, or a term or condition of any offering of Ordinary Shares.

This document should be read as a whole. Your attention is drawn to the letter from the Chairman of the Company, which contains a unanimous recommendation from the Directors that you vote in favour of the Resolutions to be proposed at the General Meeting.

KINGS ARMS YARD VCT PLC

(Incorporated in England and Wales under the Companies Act 1985 with registered number 03139019)

Notice of General Meeting

Authority to allot Ordinary Shares and disapplication of pre-emption rights

Notice of a General Meeting of Kings Arms Yard VCT PLC which is to be held at 1 King's Arms Yard, London EC2R 7AF on Wednesday, 17 December 2014 at 2.00 pm, is set out in this document. Whether or not you intend to attend the General Meeting, you are encouraged to complete and return the attached Form of Proxy as soon as possible and, in any event, so as to be received by the Company's registrars, Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS99 6ZY by 2.00 pm on Monday, 15 December 2014.

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Latest time and date for receipt of Forms of Proxy 2.00 pm on 15 December 2014

General Meeting 2.00 pm on 17 December 2014

All of the times referred to in this document refer to London time.

LETTER FROM THE CHAIRMAN OF THE COMPANY

KINGS ARMS YARD VCT PLC

*(Incorporated in England and Wales
under the Companies Act 1985 with registered number 03139019)*

Registered Office:
1 King's Arms Yard
London
EC2R 7AF

Directors
Robin Field
Thomas Chambers
Martin Fiennes

21 November 2014

To: the Shareholders

Dear Shareholder,

1. Introduction

The Company announced on 17 November 2014 that it is proposing to raise up to £4.25 million (before expenses), together with an overallotment facility of a further £1.75 million, by way of an offer for subscription of new Ordinary Shares (the "**Offer**"). Further details of, and the reasons for, the Offer are contained in the Securities Note which is enclosed with this circular. A copy of the full prospectus relating to Offer, comprising the Securities Note, the Registration Document and the Summary, is available from www.albion-ventures.co.uk.

Currently, the Company does not have sufficient authority in place to allot Ordinary Shares on a non-pre-emptive basis to reach its target amount under the Offer and to accommodate the over-allotment facility. Accordingly, it is proposed that the following resolutions will be proposed at the General Meeting:

- to authorise the Directors to issue and allot up to 40,425,741 Ordinary Shares representing 20 per cent. of the issued share capital of the Company (excluding shares held in Treasury); and
- to disapply pre-emption rights in connection with the proposed allotment and issue of (i) Ordinary Shares up to an aggregate nominal amount representing 20 per cent. of the Company's issued share capital (excluding shares held in Treasury) pursuant to the Offer; (ii) Ordinary Shares up to an aggregate nominal amount representing 10 per cent. of the Company's issued share capital (excluding shares held in Treasury) from time to time pursuant to a dividend reinvestment scheme; and (iii) Ordinary Shares up to an aggregate nominal amount representing 10 per cent. of the Company's issued share capital (excluding shares held in Treasury) from time to time for allotments from time to time.

If approved, the authorisation to allot up to 40,425,741 Ordinary Shares and the disapplication of pre-emption rights in relation to such allotment will expire on the date falling 18 months after the date of the passing of the resolutions or at the conclusion of the 2015 Annual General Meeting of the Company, if earlier.

2. General meeting

The General Meeting is to be held at 2.00 pm on Wednesday 17 December 2014 at 1 King's Arms Yard, London EC2R 7AF for the purpose of seeking Shareholders' approval for the Resolutions. Notice of the General Meeting is set out at the end of this document.

3. Action to be taken

You will find enclosed with this document a Form of Proxy. Whether you intend to be present at the General Meeting or not, you are asked to complete the Form of Proxy in accordance with the instructions printed thereon and to return it to the Company's registrars, Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS99 6ZY as soon as possible and, in any event, so as to be received by no later than by 2.00 pm on Monday, 15 December 2014. The completion and return of the Form of Proxy will not preclude you from attending the General Meeting and voting in person if you wish to do so.

If the Form of Proxy is not returned by 2.00 pm on Monday, 15 December 2014, your vote will not count.

If you are in any doubt as to the action you should take, you should immediately seek your own independent financial advice from your stockbroker, bank manager, solicitor, accountant or other independent financial adviser authorised under Financial Services and Markets Act 2000 or, if you are outside the UK, by another appropriately authorised independent financial adviser.

4. Recommendation

The Board considers the Resolutions are in the best interests of the Company and its Shareholders as a whole. Accordingly, your Board unanimously recommends that Shareholders vote in favour of the Resolutions to be proposed at the General Meeting as they intend to do in respect of their own beneficial holdings, amounting to an aggregate of 1,298,758 Ordinary Shares representing approximately 0.64 per cent. of the Company's share capital as at the date of this document.

Yours sincerely,

Robin Field

Chairman

NOTICE OF GENERAL MEETING

KINGS ARMS YARD VCT PLC

(Incorporated in England and Wales with registered number 03139019)

(the "**Company**")

Notice is hereby given that a General Meeting of Kings Arms Yard VCT PLC will be held at 2.00 pm on Wednesday, 17 December 2014 at 1 King's Arms Yard, London EC2R 7AF for the purpose of considering and, if thought fit, passing the following resolutions of which resolution 1 will be proposed as an ordinary resolution and resolution 2 as a special resolution.

ORDINARY RESOLUTION

1. THAT, in substitution for all other subsisting authorities to the extent unused, the Directors of the Company be and are hereby generally and unconditionally authorised in accordance with section 551 of the Companies Act 2006 (the "**Act**"), to exercise all the powers of the Company to allot shares in the Company ("**Rights**") up to an aggregate nominal amount of £404,257.41 provided that this authority shall expire 18 months from the date this resolution is passed or, if earlier, at the conclusion of the Annual General Meeting of the Company held in 2015 (unless previously revoked, varied, renewed or extended by the Company in general meetings), but so that this authority shall allow the Company to make before the expiry of this authority offers or agreements which would or might require shares to be allotted or Rights to be granted after such expiry.

SPECIAL RESOLUTION

2. THAT, subject to the passing of resolution 1 set out in the notice of this meeting the Directors be and are hereby empowered pursuant to sections 570 and 573 of the Act, to allot equity securities as defined in section 560 of the Act for cash pursuant to the authority given pursuant to resolution 1 set out in the notice of this meeting, or by way of a sale of Treasury shares, as if section 561(1) of the Act did not apply to any such allotment, provided that this power shall be limited to:
 - (a) the allotment of equity securities up to an aggregate nominal amount representing 20 per cent. of the issued share capital (excluding Treasury shares) pursuant to one or more offers for subscription;
 - (b) the allotment of equity securities up to an aggregate nominal amount representing 10 per cent. of the issued share capital (excluding Treasury shares) from time to time pursuant to any dividend reinvestment scheme operated by the Company; and
 - (c) the allotment of equity securities (otherwise than pursuant to sub-paragraphs (a) and (b) above) up to an aggregate nominal amount representing 10 per cent. of the issued share capital (excluding Treasury shares) from time to time

and the power conferred by this resolution shall expire on the date falling 18 months from the date this resolution is passed or, if earlier, at the conclusion of the Annual General Meeting of the Company to be held in 2015 (unless previously revoked, varied, renewed or extended by the Company in general meeting), except that the Company may, before such expiry, make offers or agreements which would or might require equity securities to be allotted after such expiry and the Directors shall be

entitled to allot equity securities pursuant to any such offers or agreements as if the power conferred by this resolution had not expired.

Registered Office:
1 King's Arms Yard
London
EC2R 7AF

By order of the Board
Albion Ventures LLP
Secretary

21 November 2014

- (a) Members entitled to attend, speak and vote at this General Meeting may appoint a proxy or proxies (who need not be a member of the Company) to exercise these rights in their place at the meeting. A member may appoint more than one proxy, provided that each proxy is appointed to exercise the rights attached to different shares. Proxies may only be appointed by:
- completing and returning the Form of Proxy enclosed with this Notice to Computershare Investor Services PLC, The Pavilion, Bridgwater Road, Bristol, BS99 6ZY;
 - going to www.eproxyappointment.com and following the instructions provided there; or
 - by having an appropriate CREST message transmitted, if you are a user of the CREST system (including CREST personal members).

Return of the Form of Proxy will not preclude a member from attending the meeting and voting in person. A member may not use any electronic address provided in the Notice of this meeting to communicate with the Company for any purposes other than those expressly stated.

To be effective the Form of Proxy must be completed in accordance with the instructions and received by the Registrars of the Company by 2.00 pm on Monday, 15 December 2014 being 2 working days before the General Meeting.

In accordance with good governance practice, the Company is offering shareholders use of an online service, provided by the Company's registrar, Computershare Investor Services, at www.eproxyappointment.com. Shareholders can use this service to vote or appoint a proxy online. The same voting deadline of 2.00 pm on 15 December 2014 applies as if you were using your Personalised Voting Form to vote or appoint a proxy to vote for you. Shareholders will need to use the unique Shareholder Reference Number, PIN and Control Number that is printed in their Form of Proxy. Shareholders should not show this information to anyone unless they wish to give proxy instructions on their behalf.

Any person receiving a copy of this Notice as a person nominated by a member to enjoy information rights under section 146 of the Companies Act 2006 (a Nominated Person) should note that the provisions concerning the appointment of a proxy or proxies to attend the meeting in place of a member do not apply to a Nominated Person as only shareholders have the right to appoint a proxy. However, a Nominated Person may have a right under an agreement between the Nominated Person and the member by whom he or she was nominated to be appointed, or to have someone else appointed, as proxy for the meeting. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he/she may have a right to give instructions to the member as to the exercise of voting rights at the meeting.

Shareholders who hold their shares electronically may submit their votes through CREST, by submitting the appropriate and authenticated CREST message so as to be received by the Company's Registrars not later than 48 hours before the start of the meeting. Instructions on how to vote through CREST can be found by accessing the following website: www.euroclear/CREST. Shareholders are advised that CREST and the internet are the only methods by which completed proxies can be submitted electronically.

If you are a CREST system user (including a CREST personal member) you can appoint one or more proxies or give an instruction to a proxy by having an appropriate CREST message transmitted. To appoint one or more proxies or to give an instruction to a proxy (whether previously appointed or otherwise) via the CREST system, CREST messages must be received by Computershare (ID number 3RA50) not later than 48 hours before the time appointed for holding the meeting. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp generated by the CREST system) from which Computershare is able to retrieve the message. CREST personal members or other CREST sponsored members should contact their CREST sponsor for assistance with appointing proxies via CREST. For further information on CREST procedures, limitations and system timings please refer to the CREST manual. The Company may treat as invalid a proxy appointment sent by CREST in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulation 2001.

- (b) Any corporation which is a member can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a member provided that they do not do so in relation to the same share or shares.
- (c) Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, the Company gives notice that only those shareholders entered on the relevant register of members (the "Register") for certificated or uncertificated shares of the Company (as the case may be) at close of business on 15 December 2014 (the "Specified Time") will be entitled to attend, speak or vote at the meeting in respect of the number of shares registered in their name at the time. Changes to entries on the Register after the Specified Time will be disregarded in determining the rights of any person to attend, speak or vote at the meeting. Should the meeting be adjourned to a time not more than 48 hours after the Specified Time, that time will also apply for the purpose of determining the entitlement of members to attend, speak and vote (and for the purpose of determining the number of votes they may cast) at the adjourned meeting. Should the meeting be adjourned for a longer period then, to be so entitled, members must be entered on the Register at close of business on the day two days prior to the adjourned meeting or, if the Company gives notice of the adjourned meeting, at the time specified in the notice.
- (d) As at 19 November 2014 (being the latest practicable day prior to the publication of this notice), the Company's issued share capital consisted of 202,128,705 Ordinary Shares (excluding shares held in Treasury), carrying one vote each. So, the total voting rights in the Company as at that date were 202,128,705.
- (e) A copy of this notice, and other information required by section 311A of the Companies Act, can be found at www.albion-ventures.co.uk.