

## **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 pursuant to the Financial Services and Markets Act 2000.

If you have sold or otherwise transferred all of your shares in Albion Technology & General VCT 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 and transfer was effected for delivery to the purchaser or transferee.

**Howard Kennedy Corporate Services LLP ("Howard Kennedy")**, which is authorised and regulated in the United Kingdom by the Financial Conduct Authority, is acting for the Company in respect of the subject matter of this Circular and no one else and, subject to the responsibilities and liabilities imposed by FSMA or the regulatory regime established thereunder, will not be responsible to anyone other than the Company for providing the protections afforded to clients of Howard Kennedy or for providing advice to any other person in relation to the contents of this document or on any other matter referred to in this Circular.

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# **ALBION TECHNOLOGY & GENERAL VCT PLC**

*(Incorporated in England and Wales with registered number 04114310)*

## **Recommended proposals to approve changes to the Company's Management Agreement, including a reduction in the management fee and revised performance incentive arrangements**

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Your attention is drawn to the letter from the Chairman of the Company set out on pages 3 to 7 which contains a recommendation from the Board to vote in favour of the Resolution to be proposed at the General Meeting to be held on 26 May 2022 at the offices of Bird & Bird LLP, 12 New Fetter Lane, London EC4A 1JP immediately following the Annual General Meeting. This will be a hybrid event with virtual participation via the Lumi platform. Further details will be made available at [www.albion.capital/VCT-hub/AGMs-events](http://www.albion.capital/VCT-hub/AGMs-events).

Notice of the General Meeting is set out at the end of this Circular.

To be valid, the form of proxy relating to the General Meeting should be completed and returned not later than 4pm on 24 May 2022, either by post or by hand to Computershare Investor Services Plc, The Pavilions, Bridgwater Road, Bristol, BS99 6ZY or completed electronically at [www.investorcentre.co.uk/eproxy](http://www.investorcentre.co.uk/eproxy).

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## PART I

### LETTER FROM THE CHAIRMAN

# ALBION TECHNOLOGY & GENERAL VCT PLC

*(Incorporated in England and Wales with registered number 04114310)*

#### *Directors*

Robin Archibald (*Chairman*)  
Margaret Payn  
Mary Anne Cordeiro  
Patrick Reeve

#### *Registered Office:*

1 Benjamin Street  
London  
EC1M 5QL

13 April 2022

Dear Shareholders

### **Recommended proposals to approve changes to the Management Agreement between the Company and its Manager, Albion Capital Group LLP**

#### **1. Introduction**

Following an extensive review by the Board of Albion Technology & General VCT PLC of the remuneration package of Albion Capital Group LLP (the “Manager”) as the Company’s investment manager, I am writing to you to propose changes to the current Management Agreement with the Manager.

The existing annual management fee is 2.5 per cent. of the net assets of the Company. In addition, the Manager can earn a performance incentive fee (“PIF”) based on the performance of the portfolio exceeding a specific hurdle based on historic data. The aim of the Board’s review has been to reduce the management fee payable to the Manager and revise the PIF to align the Manager’s remuneration more closely with the outcomes earned by Shareholders.

The changes proposed apply to the overall remuneration package payable to the Manager and are summarised below:

- an immediate reduction, backdated to 1 January 2022, in the annual management fee from 2.5 per cent. to 2.0 per cent. of the net assets of the Company (the overall cap on total costs of 2.75 per cent. will be retained, with the Manager bearing any costs that exceed this amount);
- the introduction of a separate annual administration fee of 0.2 per cent. of the net assets of the Company, subject to a maximum of £200,000 per annum and a minimum of £50,000 per annum, with Board review every three years to consider inflation; and
- a new PIF calculated on a five year rolling average performance basis, with a 5 per cent. hurdle applied to the opening net asset value each year in line with our current dividend target.

These proposed changes will result in a considerable reduction to the Company’s ongoing operating expenses by lowering the annual management fees payable to the Manager. This reduction will be balanced by the opportunity for the Manager to earn a PIF, but only if the portfolio, after the costs of managing the Company, outperforms the new hurdle. A PIF will only become payable when average returns to shareholders are in excess of 5 per cent. per annum over a five year period. The first payment of a performance fee, if earned, will be in 2024 based on the audited results of the five years ended 31 December 2023.

These proposals are to be put to a Shareholder vote in a single Ordinary Resolution at the General Meeting to be held on 26 May 2022 immediately following the Annual General Meeting. If the Ordinary Resolution is not passed the existing management fee arrangements will continue in place.

In addition to providing further details of the Proposals, this document also explains the reasons why the Board recommends that you vote in favour of the Resolution. Your attention is directed to the section entitled “Action to be taken” on page 6 of this document which sets out the details of the action you should take.

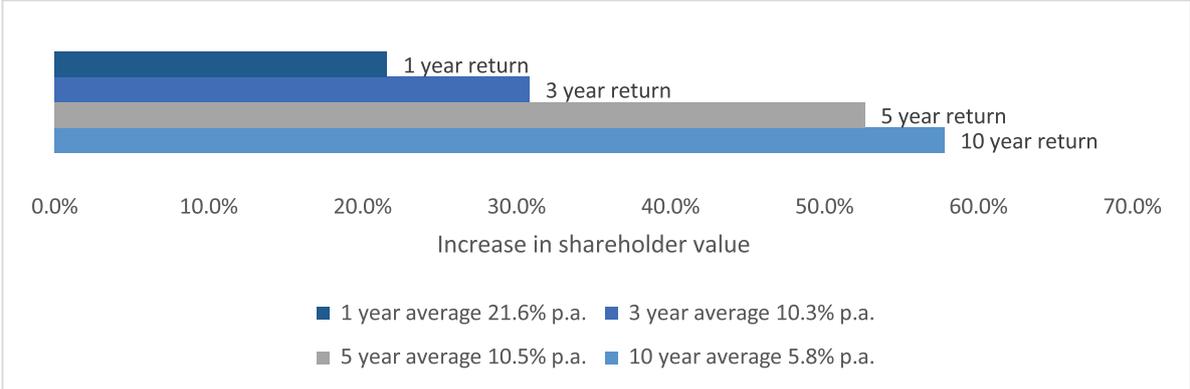
**2. Performance over the past 10 years**

Before reviewing the current incentive arrangements, it is worth reviewing the Company’s performance over the past 10 years. As shown in the table below, total shareholder value for Ordinary Shares, despite its volatility, has delivered an average increase of 6.6 per cent. per annum on the opening net asset value each year over the past ten years. This period broadly accords with the period since the Company merged with Albion Income and Growth VCT PLC (“AAIG”).

<i>Year ended</i>	<i>Movement in shareholder value in the year†</i> (%)
31 December 2012	4.6
31 December 2013	8.0
31 December 2014	2.5
31 December 2015	(4.7)
31 December 2016	3.6
31 December 2017	6.0
31 December 2018	13.2
31 December 2019	11.9
31 December 2020	(0.3)
31 December 2021	21.6

† Calculated as the movement in NAV plus dividends paid in the year divided by the opening net asset value, and derived from the audited accounts of the Company from the relevant accounting year.

In addition, the chart below shows the one year, three year, five year and ten year total return to shareholders. This return comprises dividends paid and the change in net asset value over four measurement periods.



**3. Summary of the Current Performance Incentive**

The current PIF was established when the Company launched in 2000. It was updated when the Company merged with AAIG in 2013, to reflect the weightings of the various share classes in existence for each company at the time of merger (the historic share classes).

The current PIF has a hurdle performance rate of RPI plus 2 per cent. per annum (uncompounded), assessed against the starting NAV at the point for the admission to listing of the historic share classes. The hurdle has accumulated over time such that it is unrealistically high for the majority of the share capital of the Company and so renders the PIF ineffective. No PIF has been earned by the Manager since 2005. The Company has

generated a total return of 49.0 per cent. since 2013 (an average of over 6.0 per cent. per annum, which is above the medium term dividend target of 5 per cent.) and a suitable performance fee arrangement should reward this.

The current PIF is complex to understand (as detailed in the circular dated 10 October 2013) and no longer relates to the capital composition of the Company: numerous share buy-backs have been undertaken and regular dividends have been paid out of the original capital, and significant new capital has been raised from Top-Up Offers. In addition, the ongoing shareholder base has also changed substantially. It is not considered relevant to use performance calculations based on the capital composition in place in 2013, much of which has been distributed and where the original shareholders have realised their holdings in the Company while new shareholders have joined each year.

#### **4. Proposed New Performance Incentive**

It continues to be the Board's view that a well-constructed and aligned performance incentive arrangement is important to ensure efficiency of returns for Shareholders. This is for two key reasons:

- it aligns more closely the interests of the Manager with those of Shareholders; the Manager would receive lower annual management fees based on a percentage of the net assets of the Company and would then share a portion of the outperformance of the investments above a fixed hurdle – i.e., rewarded on clear outperformance over a measurable period of five years; and
- in an increasingly competitive and fluid environment for attracting and retaining venture capital professionals, it enables the Manager to hire and retain experienced, skilled and incentivised investment staff to continue to provide the opportunity to deliver the returns that Shareholders might expect. New investment professionals are not motivated by performance fees that require a material catch-up relating to the past when they had no involvement with the original construction of the portfolio.

It is clear to the Board for the reasons identified above that the existing performance fee arrangement is not effective and propose that it be amended as follows:

By foregoing over 10 per cent. of current annual management fees, the Manager can instead earn an annual performance fee, payable from 2024 onwards, if the Company achieves a total return, comprising the movement in net assets plus dividends paid, that is in excess of a hurdle. The performance fee, if any, will be payable on the average excess over the preceding five years to 31 December, calculated using the Company's audited Annual Accounts and Financial Statements in each period. The five year period for the calculation of the proposed new performance fee aligns with the minimum VCT holding period for Shareholders to benefit from the income tax reliefs on VCT share subscriptions. We believe this is a reasonable period for the investment horizon for Shareholders.

A hurdle of 5 per cent. return per annum must be generated (based on the opening NAV in each year) to earn any performance fees. The 5 per cent. hurdle has been determined as it is in line with the Board's current policy of targeting an annual dividend yield of around 5 per cent. per annum and ensures dividends are covered before any additional performance fees are due to the Manager. The running costs of the Company in effect add to the hurdle to receiving any performance fees. These continue to be capped under the proposed arrangements at 2.75 per cent., this results in an effective minimum investment performance hurdle of over 7.5 per cent. per annum before any performance fees can be earned. The performance fee payable will continue to be calculated as 15 per cent. of the excess above the hurdle, which is below the average across the VCT sector, where 20 per cent. is more common.

By applying a five-year rolling average performance measurement period, any performance fees earned are being more closely aligned with the medium to longer term nature of the underlying investment objective. This is broadly based on targeting a return of around 5 per cent. on opening NAV, which is how the dividend policy has been set. Using the five-year average basis smooths the calculation of any performance fee rather than having extremes of performance in any single year with the potential for a reversal the following year. All performance fee calculations would use the weighted average of shares in issue over the performance measurement period.

The first five year performance period is proposed to start on 1 January 2019 and will take into account the audited results of the five years ending 31 December 2023, with any fee payable being paid following the Company's Annual General Meeting in 2024. The concept of a Watermark is being replaced by the five-

year moving average in determining whether any performance fee is earned. The calculation will be repeated for subsequent five year periods with the second five year period commencing on 1 January 2020 and ending on 31 December 2024, and so on.

The calculation will be based on a per shares basis and any fee payable will be on weighted average shares in issue during the period which will take account of increases and decreases in share capital.

The detail of the Proposals will be documented in a Deed of Variation to the existing investment management agreement referred to in paragraph 6 of Part II of this Circular.

## **5. Amendment to the annual management fees**

With effect from 1 January 2022 the management fee will be reduced from 2.5 per cent. of net assets to 2.0 per cent. of net assets.

A separate annual administration fee will be charged which will be calculated as 0.2 per cent. of net assets, subject to a maximum fee of £200,000 per annum and a minimum of £50,000 per annum. This will be payable quarterly, alongside the management fee. The administration fee minimum and maximum amounts will be reviewed every three years by the Board with consideration for inflation.

These changes will result in a considerable reduction in the annual running costs of the Company. The Company's closing NAV at 31 December 2021 was £107 million. If the NAV is maintained throughout 2022 and the ongoing charges remain the same as in 2021, this would result in a saving of approximately £250,000 for Shareholders for the year.

The cap on the Company's overall costs will remain at 2.75 per cent. of net assets, where the Manager will deduct any excess costs over that amount from their annual management fees, as has been the case since 2015 when the cap was reduced from 3 per cent. The Board expects that the cap will not be exceeded in the near term as a result of the reduction in annual management fees above but would come into effect if there were to be a dramatic reduction in net assets.

## **6. Shareholder Approval**

Under the Listing Rules, the Manager is a related party of the Company and the Proposals, therefore, constitute a "related party transaction", requiring the approval of the Independent Shareholders. The Resolution approving the Proposals, which will be given effect by the Deed of Variation, will, therefore, be proposed at the General Meeting.

If the Resolution is not passed by the Independent Shareholders, the Deed of Variation will not become effective and the terms of the existing Management Agreement will remain in force.

## **7. Risk factors**

If the proposals set out in this Circular are not approved by Shareholders the operating costs will remain closer to 2.75 per cent., the existing PIF arrangements will remain in place and the Manager expects to find it more difficult to recruit and retain quality professional investment management staff. This may affect the performance of the Manager and, thereby, returns to Shareholders, as the ability to pay performance incentive fees is an important component of management returns for managing a venture capital portfolio.

## **8. Action to be taken**

Shareholders will find included with the Circular a form of proxy for use at the General Meeting. Whether or not you propose to attend the General Meeting, you are requested to complete and return the form of proxy so as to be received not less than 48 hours before the time appointed for holding the General Meeting. Completion and return of the form of proxy will not prevent a Shareholder from attending and voting in person at the General Meeting should a Shareholder wish to do so.

## **9. Recommendation**

The Board considers that the Proposals are in the best interests of the Company and the Shareholders as a whole and recommends that you vote in favour of the Resolution. Patrick Reeve is the chairman of the Manager which is a related party of the Company under the Listing Rules. Although Patrick Reeve is not an Associate of the Manager, and therefore is not himself a related party participating in this specific arrangement, he is interested in the transaction as chairman of the Manager. Accordingly, Patrick Reeve has not taken part in the Board's consideration of the Proposals.

In supporting this fee package, the Board is conscious of being fair to all the stakeholders in the Company, with Shareholders' and the Manager's interests being balanced and aligned around outperformance being achieved from the portfolio before any performance fee is earned. Resetting the performance incentive is offset by a reduction in the running costs to the Company of managing its portfolio, while retaining the overall cap on expenses.

The calculation of the performance fee is relatively transparent, as is the basis of the management fee, and will be reviewed every five years to ensure that the basis of the fees achieves its aims and remains fair for all the stakeholders in the Company. This will include consideration of any unforeseen circumstances, which the fee proposal is designed to accommodate. The proposals, if approved by Shareholders at the forthcoming General Meeting, will have retrospective effect and will result in amendments to the existing investment management agreement.

The Directors, who have been so advised by Howard Kennedy, consider the Proposals are fair and reasonable as far as the Shareholders are concerned. In providing its advice, the Sponsor has taken account of the Directors' commercial assessment of the Proposals.

All the Directors, other than Patrick Reeve, intend voting in favour of the Resolution in respect of their own beneficial shareholdings in the Company which, at the date of this Circular, total 53,972 Ordinary Shares (representing approximately 0.03 per cent. of the issued Ordinary Shares (excluding treasury shares)).

Patrick Reeve, a director of the Company and the chairman of the Manager, will not vote on the Resolution in respect of his holding of Ordinary Shares as he is not an Independent Shareholder.

Additionally, as the Manager is regarded as a related party under the Listing Rules, the Manager and its Associates cannot vote on the Resolution and it has undertaken to take all reasonable steps to ensure that its Associates will not vote on the Resolution.

Yours sincerely

**Robin Archibald**  
*Chairman*

## PART II

### ADDITIONAL INFORMATION

#### 1. Responsibility

The Company and the Directors, whose names appear on page 3, accept responsibility for the information contained in this document. To the best of the knowledge and belief of the Company and 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. Issued Share Capital

As at 12 April 2022 (being the latest practicable date before publication of this Circular), there were 161,661,066 issued Ordinary Shares each ranking *pari passu*, excluding 20,904,204 Ordinary Shares held in treasury. The Ordinary Shares are listed on the Official List.

#### 3. Directors' and Other Interests

3.1 The interests of the Directors, or persons connected with such Directors, (all of which are beneficial unless otherwise stated) in the issued Ordinary Shares as at 12 April 2022 (being the latest practicable date before publication of this Circular) were:

<i>Director</i>	<i>Ordinary Shares</i>
Robin Archibald	39,618
Margaret Payn	7,246
Mary Anne Cordeiro	7,108
Patrick Reeve	627,691

3.2 Save as disclosed above, no Director, nor (so far as is known to the relevant Director) any person connected with a Director, has any interest in the issued Ordinary Shares.

#### 4. Major Shareholdings

As at 12 April 2022 (being the latest practicable date prior to the publication of this Circular), the Directors were not aware of any direct or indirect holdings of 3 per cent. or more of the Company's issued Ordinary Shares or of any person who, directly or indirectly, jointly or severally, exercises control over the Company.

#### 5. Material Contracts

Other than the contracts listed in (a) to (k) below, the Company has not entered into (i) any contract (not being a contract entered into in the ordinary course of business) within the two years immediately preceding the date of this Circular which is or may be material; or (ii) any other contract (not being a contract entered into in the ordinary course of business) which contains any provision under which the Company has any obligation or entitlement which is material to the Company as at the date of this Circular.

(a) A Management Agreement dated 19 July 2021 pursuant to which the Manager provides discretionary investment management and administration services to the Company.

Under the Management Agreement, the Manager is paid an annual fee equal to 2.5 per cent. of the Company's net assets which is paid quarterly in arrears.

The total annual running costs of the Company, including fees payable to the Manager, Directors' fees, professional fees and the costs incurred by the Company in the ordinary course of business (but excluding any exceptional items and performance fees payable by the Manager) are capped at an amount equal to 2.75 per cent. of the Company's net assets, with any excess being met by the Manager by way of a reduction in management fees.

The Manager is, in addition, entitled to a performance fee. No performance fee is payable to the Manager until the total return exceeds RPI plus 2 per cent. per annum per Share from the date of first admission to the Official List of the Ordinary Shares, former C Shares and former AAIG Shares. If the target return is not achieved in a period, the cumulative shortfall is carried forward to the next accounting period and has to be made up before an incentive fee becomes payable. To the extent that the total return exceeds the threshold over the relevant period, a performance fee will be paid to the Manager of an amount equal to 15 per cent. of the excess.

The Management Agreement is terminable by either party by one year's prior written notice, subject to earlier termination by either party in the event of, *inter alia*, either party committing a material breach of the Management Agreement and failing to rectify the same within 45 days of being requested to do so or if the Company fails to become or ceases to be a venture capital trust for tax purposes or if the Manager shall cease to be lawfully able to carry out its obligations under the Management Agreement.

If terminated by the Company without due cause or on less than requisite notice, the Manager shall be entitled to receive an amount representing the fees which would have been payable during the period for which notice shall not have been given, calculated by reference to the previous quarterly payments.

The Management Agreement will terminate automatically without compensation, if either party enters into liquidation or has a receiver or administrator appointed over it or its assets, if the Manager ceases to be permitted to act as manager, if the Manager commits an act of fraud or upon the passing of a resolution for the voluntary liquidation, reconstruction or reorganisation of the Company as provided under the Company's Articles of Association.

The Management Agreement contains provisions indemnifying the Manager against any liability not due to its default, negligence, fraud, breach of FSMA or the rules of the FCA.

In line with common practice in the VCT sector, the Manager, from time-to-time, is entitled to an arrangement fee, payable by the portfolio company, of approximately 2 per cent. of the investment made and is entitled to any non-executive director fees in respect of the Manager's representation on the boards of portfolio companies.

For the purposes of calculating the fees paid to the Manager, the values of the investments are calculated in accordance with the Company's normal accounting policies, with any disputes being referred to the Company's auditors.

- (b) An offer agreement dated 5 January 2021 between the Albion VCTs, the directors of the Albion VCTs, the Manager and the Sponsor, under which the Sponsor agreed to act as sponsor to the 2020/2021 Offers (the "**January 2021 Offer Agreement**"). The Albion VCTs and the Manager gave customary representations, warranties and indemnities to the Sponsor. The Sponsor was entitled to terminate the January 2021 Offer Agreement at any time prior to admission if, amongst others, it became aware of any material breach of warranty prior to admission or if any statement contained in the prospectus was or had become untrue, inaccurate or misleading in any material and adverse respect. Under the January 2021 Offer Agreement, the Albion VCTs agreed to pay the Manager a fee of an amount equal to 2.5 per cent. of the gross proceeds of the 2020/2021 Offers received by the Albion VCTs out of which the Manager would bear all of the costs of the offers.
- (c) An offer agreement dated 6 January 2022 between the Albion VCTs, the directors of the Albion VCTs, the Manager and the Sponsor, under which the Sponsor agreed to act as sponsor to the 2021/2022 Offers (the "**January 2022 Offer Agreement**"). The Albion VCTs and the Manager gave customary representations, warranties and indemnities to the Sponsor. The Sponsor was entitled to terminate the January 2022 Offer Agreement at any time prior to admission if, amongst others, it became aware of any material breach of warranty prior to admission or if any statement contained in the prospectus was or had become untrue, inaccurate or misleading in any material and adverse respect. Under the January 2022 Offer Agreement, the Albion VCTs agreed to pay the Manager a fee of an amount equal to 2.5 per cent. of the gross proceeds of the 2021/2022 Offers received by the Albion VCTs out of which the Manager would bear all of the costs of the offers.

- (d) An allocation of investments agreement dated 15 July 2019 (the “**Allocation Agreement**”) between the Manager and the Albion VCTs, pursuant to which the parties have agreed how the allocation of investment opportunities will be regulated. This agreement provides that where more than one of the Albion VCTs wishes to invest in an portfolio company, the allocation shall be made in accordance with the ratio of funds available for investment, save that (i) where an Albion VCT has less than 85 per cent. of its holdings being qualifying, such weighting shall be increased to 1.5 times or (ii) where an Albion VCT is in the process of disposing an investment, such expected funds shall have a weighting reduced to 0.5 times.
- (e) A letter of engagement dated 8 October 2020 between certain of the Albion VCTs (including the Company) and the Sponsor (the “**2020 Engagement Letter**”) pursuant to which the Sponsor agreed to act as sponsor to the Albion VCTs for the purposes of the 2020/2021 Offers. The engagement could be terminated at any time by either party on giving reasonable written notice to the other.
- (f) A letter of engagement dated 12 October 2021 between the Albion VCTs and the Sponsor (the “**2021 Engagement Letter**”) pursuant to which the Sponsor agreed to act as sponsor to the Albion VCTs for the purposes of the 2022 offers. The engagement could be terminated at any time by either party on giving reasonable written notice to the other.
- (g) An agreement between the Albion VCTs and the Manager dated 5 January 2021 (the “**January 2021 Trust Agreement**”) pursuant to which Albion Venture Capital Trust PLC agreed to hold the subscription monies received under the 2020/2021 Offers as trustee for itself and the other Albion VCTs until Shares were allotted by the Albion VCTs, following which funds were distributed to the relevant Albion VCTs.
- (h) An agreement between the Albion VCTs and the Manager dated 6 January 2022 (the “**January 2022 Trust Agreement**”) pursuant to which Albion Venture Capital Trust PLC has agreed to hold the subscription monies received under the 2021/2022 Offers as trustee for itself and the other Albion VCTs until Shares are allotted by the Albion VCTs, following which funds will be distributed to the relevant Albion VCTs.
- (i) An agreement dated 1 October 2018 made between investment funds managed or advised by the Manager (including the Albion VCTs), the Manager and Ocorian (UK) Limited, novated by an agreement dated 1 January 2021 between the same parties and Ocorian Depository (UK) Limited (the “**Ocorian Agreement**”) pursuant to which Ocorian Depository (UK) Limited provides depository services to the Manager and the funds. Ocorian Depository (UK) Limited is entitled to an implementation fee of £10,000 and total annual fees of £80,400, split equally across all 6 Albion Managed VCTs. The agreement is terminable on 6 months' notice.
- (j) An agreement dated 17 June 2020 made between the Company and Panmure Gordon (UK) Limited (“**Panmure Gordon**”) pursuant to which Panmure Gordon provides corporate broking services to Albion Technology & General VCT PLC. Panmure Gordon is entitled to an annual fee of £10,000 subject to annual increase linked to the Retail Price Index up to a maximum annual fee of £12,500. The agreement is terminable on 3 months' notice or earlier in certain circumstances.
- (k) The Deed of Variation described in paragraph 6 below.

## 6. The Deed of Variation

On 13 April 2022 the Company and the Manager entered into the Deed of Variation which, subject to the passing of the Resolution, will vary the Management Agreement as follows:

- (a) By reducing the management fee from 2.5 per cent. of NAV per annum to 2.0 per cent. of NAV per annum and providing for a new administration fee of 0.2 per cent. per annum of NAV subject to a minimum fee of £50,000 per annum and a maximum fee of £200,000 per annum (the administration fee minimum and maximum amounts will be reviewed every three years by the Board with consideration for inflation), and payable quarterly
- (b) By deleting existing Schedule 5 to the Management Agreement and substituting a new Schedule 5 containing the New Performance Incentive.

## 7. Directors' Service Contracts and Remuneration

None of the Directors has a service contract with the Company and the services of the Directors are provided to the Company pursuant to letters of appointment, under which they are required to devote such time to the affairs of the Company as the Board reasonably requires consistent with their role as a non-executive director.

The Directors are each currently entitled to receive the following annual fees:

<i>Director</i>	£
Robin Archibald	27,500
Margaret Payn	25,500
Mary Anne Cordeiro	23,500
Patrick Reeve	Nil

As noted in the Directors Remuneration report on page 49 of the Annual report and Financial statements for the year ended 31 December 2021, it was agreed to increase the chair remuneration to £31,000, the audit chair to £28,500 and other non-executive remuneration to £25,500 from 1 July 2022, save for Patrick Reeve who agreed to waive his fees. Furthermore, in the year commencing 1 January 2023, the base annual remuneration would move to £35,000 for the Chairman, £31,000 for the audit chair and £27,000 for the other non-executive directors.

The absolute level of directors' fees is reducing as the Board will operate with a smaller number of members in the future. Details of remuneration changes are included in the remuneration report in the Annual Report and Financial Statements for the year ended 31 December 2021.

## 8. Significant Changes

Since 31 December 2021 (being the end of the last financial period for the Company for which audited financial information has been published), there has been no significant change in the financial or trading position of the Company.

## 9. Other

- 9.1 The Company was incorporated and registered in England and Wales under the Companies Act 1985 as a public company limited by shares on 21 November 2000, with registered number 04114310 under the name Close Technology & General VCT PLC. The Company's name was changed to Albion Technology & General VCT PLC on 25 March 2009, which is the current legal and commercial name of the Company. The registered office of the Company is at 1 Benjamin Street, London EC1M 5QL.
- 9.2 Howard Kennedy Corporate Services LLP is acting for the Company and no one else in connection with the advice given to the Board referred to in this Circular. Howard Kennedy Corporate Services LLP is authorised and regulated in the United Kingdom by the Financial Conduct Authority (firm reference number 523524).
- 9.3 Howard Kennedy has given and has not withdrawn its written consent to (i) the issue of this Circular with the references to it in the form and context in which they appear and (ii) the inclusion of the statement on page 7 of this Circular that it has advised the Board that it considers the Proposals to be fair and reasonable as far as the Shareholders are concerned.
- 9.4 The investment manager of the Company is Albion Capital Group LLP, which was incorporated on 6 November 2008 in England and Wales as a limited liability partnership and is authorised and regulated by the Financial Conduct Authority (firm reference number 492536).
- 9.5 As at the date of this Circular, no warrants or options to subscribe for Shares are outstanding.
- 9.6 Save for the agreements referred to paragraph 5(a) to 5(d), and 5(g) to 5(i) above, and the Deed of Variation referred to in paragraph 6 above, the Company has not entered into any related party transactions during the financial years ended 31 December 2019, 31 December 2020 and 31 December 2021 and since 31 December 2021.

## **10. Documents Available for Inspection**

Copies of the following documents are available for inspection from the date of this Circular at the registered office of the Company at 1 Benjamin Street, London EC1M 5QL during normal business hours on any day (Saturdays, Sundays and public holidays excepted) and at [www.albion.capital/funds/AATG](http://www.albion.capital/funds/AATG) until the conclusion of the General Meeting and will also be available for inspection at the place of the General Meeting during, and for at least 15 minutes before, the General Meeting:

10.1 this circular;

10.2 the consent letter from Howard Kennedy referred to in paragraph 9.3 of this Part II; and

10.3 the memorandum and articles of association of the Company.

Date 13 April 2022

**PART III**  
**DEFINITIONS**

<b>“Accounting Date”</b>	31 December in each year;
<b>“Albion VCTs”</b>	Albion Development VCT PLC, Albion Enterprise VCT PLC, the Company, Albion Venture Capital Trust PLC, Crown Place VCT PLC and Kings Arms Yard VCT PLC
<b>“AAIG Shares”</b>	the ordinary shares of 1p each that were formerly in issue in the capital of Albion Income & Growth VCT plc
<b>“Annual General Meeting”</b>	the annual general meeting of the Company to be held on 26 May 2022 (or any adjournment thereof)
<b>“Associate”</b>	has the meaning given in the Listing Rules
<b>“Board” or “Directors”</b>	the board of directors of the Company
<b>“the Circular”</b>	this document dated 13 April 2022
<b>“the Company”</b>	Albion Technology & General VCT PLC
<b>“Current Performance Incentive”</b>	the performance incentive agreement between the Company and Albion Capital as set out in the Management Agreement
<b>“Deed of Variation”</b>	the deed of variation dated 13 April 2022 between the Company and the Manager, varying certain terms of the Management Agreement and the principal terms of which are summarised in paragraph 6 of Part II of this Circular
<b>“Excess Return”</b>	the amount, if any, by which the Total Return exceeds the Hurdle
<b>“Financial Period”</b>	a financial period of the Company commencing on 1 January and ending on the following Accounting Date
<b>“FCA”</b>	The Financial Conduct Authority, or its successor regulator
<b>“FSMA”</b>	The Financial Services and Markets Act 2000
<b>“General Meeting”</b>	the general meeting of the Company to be held on 26 May 2022 (or any adjournment thereof)
<b>“Howard Kennedy” or “Sponsor”</b>	Howard Kennedy Corporate Services LLP, registered number OC354088
<b>“Hurdle”</b>	the NAV per Share at the start of a Financial Period (based on the audited NAV per Share on the immediately preceding Accounting Date) as increased by the Hurdle Rate up to and including the following Accounting Date
<b>“Hurdle Rate”</b>	5 per cent. per annum
<b>“Independent Shareholders”</b>	Shareholders other than Patrick Reeve, the Manager and its Associates
<b>“Listing Rules”</b>	the listing rules issued by the FCA in accordance with section 73A of FSMA

<b>“Management Agreement”</b>	the Management agreement between the Company and the Manager dated 19 July 2021 summarised in paragraph 5(a) of Part II of this Circular
<b>“Manager”</b> or <b>“Albion Capital”</b>	Albion Capital Group LLP, registered number OC341254, whose registered office is 1 Benjamin Street, London, EC1M 5QL
<b>“NAV”</b>	net asset value
<b>“New Performance Incentive”</b> or <b>“PIF”</b>	the proposed new performance incentive to be included in the Deed of Variation, forming part of the Proposals, and summarised on pages 5 and 6
<b>“Official List”</b>	the Official List of the Financial Conduct Authority
<b>“Proposals”</b>	the proposals to amend the Management Agreement by introducing a New Performance Incentive, amending the annual management fees and providing for a new administration fee, as summarised in paragraph 6 of Part II of this Circular
<b>“Resolution”</b>	the resolution to be proposed at the General Meeting
<b>“Shareholders”</b>	holders of Shares
<b>“Shares”</b> or <b>“Ordinary Shares”</b>	ordinary shares of 1 penny each in the capital of the Company;
<b>“Total Return”</b>	the increase/decrease in the audited NAV per Share over each Financial Period, plus the aggregate amount of dividends per Share paid during that Financial Period
<b>“Total Shareholder Value”</b>	Closing Net Asset Value plus dividends paid since inception
<b>“VCT”</b>	a venture capital trust, as defined in Section 259 Income Taxes Act 2007
<b>“Watermark”</b>	the increasing level of return which would need to be achieved from inception of the performance incentive arrangement to result in a performance incentive becoming payable
<b>“2020/2021 Offers”</b>	the Albion VCTs offers for subscription, as set out in a prospectus dated 5 January 2021
<b>“2021/2022 Offers”</b>	the Albion VCTs offers for subscription, as set out in a prospectus dated 6 January 2022

# ALBION TECHNOLOGY & GENERAL VCT PLC

*(Incorporated in England and Wales with registered number 04114310)*

## NOTICE OF GENERAL MEETING

**SHAREHOLDERS SHOULD TAKE NOTE THAT THIS WILL BE A HYBRID GM AND FURTHER DETAILS WILL BE MADE AVAILABLE AT [WWW.ALBION.CAPITAL/VCT-HUB/AGMS-EVENTS](http://WWW.ALBION.CAPITAL/VCT-HUB/AGMS-EVENTS).**

**NOTICE IS HEREBY GIVEN** that a General Meeting of Albion Technology & General VCT PLC (the "Company") will be held at the offices of Bird & Bird LLP, 12 New Fetter Lane, London EC4A 1JP on 26 May 2022 immediately following the conclusion of the Annual General Meeting of the Company convened for 3pm on that date for the purpose of considering and, if thought fit, passing the following resolution which will be proposed as an ordinary resolution:

### ORDINARY RESOLUTION

That the Deed of Variation, as defined in, and details of which are set out in, the circular issued to the Company's shareholders dated 13 April 2022, be and is hereby approved.

By Order of the Board

Albion Capital Group LLP  
Company Secretary  
Registered office  
1 Benjamin Street  
London EC1M 5QL

13 April 2022

Notes

1. Members entitled to attend, speak and vote at the 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.investorcentre.co.uk/eproxy](http://www.investorcentre.co.uk/eproxy) 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 4 pm on 24 May 2022.

In accordance with good governance practice, the Company is offering shareholders use of an online service, offered by the Company's registrar, Computershare Investor Services, at [www.investorcentre.co.uk/eproxy](http://www.investorcentre.co.uk/eproxy). Shareholders can use this service to vote or appoint a proxy online. The same voting deadline of 4 pm on 24 May 2022 applies as if you were using your Personalised Voting Form to vote or appoint a proxy by post to vote for you. 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 registrar 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.com/CREST](http://www.euroclear.com/CREST). Shareholders should not show this information to anyone unless they wish to give proxy instructions on their behalf.

2. Any person to whom this Notice is sent who is a person nominated under section 146 of the Companies Act 2006 ('the Act') to enjoy information rights (a "Nominated Person") may, under an agreement between him or her and the member by whom he or she was nominated, have a right to be appointed (or to have someone else appointed) as a proxy for the General Meeting. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he or she may, under any such agreement, have a right to give instructions to the member as to the exercise of voting rights. The statement of rights of members in relation to the appointment of proxies in note 1 above does not apply to Nominated Persons. The rights described in that note can only be exercised by members of the Company.
3. To be entitled to attend and vote at the General Meeting (and for the purpose of the determination by the Company of the votes they may cast), members must be registered in the register of members of the Company at 4pm on 24 May 2022 (or, in the event of any adjournment, on the date which is two working days before the time of the adjourned meeting). Changes to the register of members after the relevant deadline shall be disregarded in determining the rights of any person to attend and vote at the meeting.
4. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for this General Meeting and any adjournment(s) 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 voting 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.

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 and Ireland Limited's specifications, and must contain the information required for such instruction, as described in the CREST Manual (available via [www.euroclear.com/CREST](http://www.euroclear.com/CREST)). 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 by 4pm on 24 May 2022. For this purpose, the time of receipt will be taken to be the time (as determined by the time stamp 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.

CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear UK and 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 or her 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 service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

5. 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 shares.

6. A copy of this Notice, and other information regarding the meeting, as required by section 311A of the Act, is available from [www.albion.capital/funds/AATG](http://www.albion.capital/funds/AATG) under the 'Financial Reports and Circulars' section.
7. Any member attending the meeting has the right to ask questions. The Company must cause to be answered any such question relating to the business being dealt with at the meeting but no such answer need be given if (a) to do so would interfere unduly with the preparation for the meeting or involve the disclosure of confidential information, (b) the answer has already been given on a website in the form of an answer to a question, or (c) it is undesirable in the interests of the Company or the good order of the meeting that the question be answered.
8. As at 12 April 2022 (being the latest practicable date prior to the publication of this Notice), the Company's issued share capital consists of 182,565,270 Ordinary shares. The Company holds 20,904,204 shares in treasury. Therefore, the total voting rights in the Company as at 12 April 2022 are 161,661,066.

