

PRODUCTS THAT PERFORM PEOPLE THAT LISTEN

OCTOPUS

Octopus Titan VCT 1 plc

Octopus Titan VCT 2 plc

Top up 2010

TERMS AND CONDITIONS (INCLUDING APPLICATION FORM)



OCTOPUS
INVESTMENTS

TERMS AND CONDITIONS OF APPLICATION

1. In these terms and conditions, which apply to the application for new Ordinary Shares in the capital of each of Octopus Titan VCT 1 plc and Octopus Titan VCT 2 plc ("Octopus Titan 1 & 2"), "Applicant" means a person whose name appears in the application form attached to these terms and conditions ("Application Form"), and "Application" means the offer ("Offer") by an Applicant by completing an Application Form and posting (or delivering) it to Octopus Investments Limited, 8 Angel Court, London EC2R 7HP (the "Receiving Agents" or "Octopus"). The "Offer Price" shall be calculated by reference to the actual Net Asset Value attributed by the Directors to the Shares divided by 0.945 (to allow for costs of the Offer of 5.5 per cent) calculated, in pence, to two decimal places. Save where the context otherwise requires, words and expressions defined in this document have the same meanings when used in the Application Form and explanatory notes in relation thereto.

The section headed "Application Procedure" as set out below forms part of these terms and conditions of Application.

2. The contract created by the acceptance of an Application (or any proportion of it) under the Offer will be conditional on acceptance being given by the Receiving Agents.
3. The right is reserved by each of Octopus Titan 1 & 2 to present all cheques and banker's drafts for payment on receipt and to retain share certificates and application monies pending clearance of successful Applicants' cheques and bankers' drafts. Each of Octopus Titan 1 & 2 may treat Applications as valid and binding even if not made in all respects in accordance with the prescribed instructions and Octopus Titan 1 & 2 may, at their discretion, accept an Application in respect of which payment is not received by Octopus Titan 1 & 2. If any Application is not accepted in full or if any contract created by acceptance does not become unconditional, the application monies or, as the case may be, the balance thereof will be returned (without interest) by returning each relevant Applicant's cheque or banker's draft or by crossed cheque in favour of the Applicant, through the post at the risk of the person(s) entitled thereto. In the meantime, application monies will be retained by the Receiving Agents in a separate account.
4. By completing and delivering an Application Form, you:
 - i. offer to invest in new Ordinary Shares the amount specified in your Application Form (or such lesser amount for which your Application is accepted) at the Offer Price on the terms of and subject to this document and subject to the Memorandum and Articles of Association of each of Octopus Titan 1 & 2;
 - ii. agree that your Application may not be revoked and that this paragraph shall constitute a collateral contract between you and each of Octopus Titan 1 & 2 which will become binding upon despatch by post to, or (in the case of delivery by hand) on receipt by, the Receiving Agents of your Application Form;

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- iii. agree and warrant that your cheque or banker's draft may be presented for payment on receipt and will be honoured on first presentation and agree that if it is not so honoured you will not be entitled to receive a certificate in respect of the new Ordinary Shares until you make payment in cleared funds for such new Ordinary Shares and such payment is accepted by each of Octopus Titan 1 & 2 in their absolute discretion (which acceptance shall be on the basis that you indemnify it and the Receiving Agents against all costs, damages, losses, expenses and liabilities arising out of or in connection with the failure of your remittance to be honoured on first presentation) and you agree that, at any time prior to the unconditional acceptance by each of Octopus Titan 1 & 2 of such late payment, Octopus Titan 1 & 2 may (without prejudice to their other rights) rescind the agreement to subscribe such new Ordinary Shares and may issue such new Ordinary Shares to some other person, in which case you will not be entitled to any payment in respect of such new Ordinary Shares, other than the refund to you, at your risk, of the proceeds (if any) of the cheque or banker's draft accompanying your Application, without interest;
- iv. agree that, in respect of those new Ordinary Shares for which your Application has been received and is not rejected, your Application may be accepted at the election of each of Octopus Titan 1 & 2 either by notification to the London Stock Exchange of the basis of allocation or by notification of acceptance thereof to the Receiving Agents;
- v. agree that any monies refundable to you may be retained by the Receiving Agents pending clearance of your remittance and any verification of identity which is, or which Octopus Titan 1 & 2 or the Receiving Agents may consider to be, required for the purposes of the Money Laundering Regulations 2007 and that such monies will not bear interest;
- vi. authorise the Receiving Agents to send share certificates in respect of the number of new Ordinary Shares for which your Application is accepted and/or a crossed cheque for any monies returnable, by post, without interest, to your address set out in the Application Form and to procure that your name is placed on the register of members of Octopus Titan 1 & 2 in respect of such new Ordinary Shares;
- vii. agree that all Applications, acceptances of Applications and contracts resulting therefrom shall be governed in accordance with English law, and that you submit to the jurisdiction of the English courts and agree that nothing shall limit the right of Octopus Titan 1 & 2 or Octopus to bring any action, suit or proceeding arising out of or in connection with any such Applications, acceptances of Applications and contracts in any other manner permitted by law or any court of competent jurisdiction;
- viii. confirm that, in making such Application, you are not relying on any information or representation in relation to Octopus Titan 1 & 2 other than the information contained in this document and accordingly you agree that no person responsible solely or jointly for this document, the cover correspondence or any part thereof or involved in the preparation thereof shall have any liability for such information or representation (save for fraudulent misrepresentation or wilful deceit);
- ix. irrevocably authorise the Receiving Agents to do all things necessary to effect registration of any new Ordinary Shares subscribed by or issued to you into your name and authorise any representative of the Receiving Agents to execute any document required therefore;

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- x. agree that, having had the opportunity to read this document, you shall be deemed to have had notice of all information and statements concerning each of Octopus Titan 1 & 2 and the new Ordinary Shares contained therein;
 - xi. confirm that you have reviewed the restrictions contained in paragraph 6 below and warrant that you are not a "US Person" as defined in the United States Securities Act of 1933 ("Securities Act") (as amended), nor a resident of Canada and that you are not applying for any Shares with a view to their offer, sale or delivery to or for the benefit of any US Person or a resident of Canada;
 - xii. declare that you are an individual aged 18 or over;
 - xiii. agree that all documents and cheques sent by post to, by or on behalf of either of Octopus Titan 1 & 2 or the Receiving Agents will be sent at the risk of the person entitled thereto;
 - xiv. agree, on request by Octopus Titan 1 & 2 or Octopus to disclose promptly in writing to Octopus, any information which Octopus may reasonably request in connection with your Application including, without limitation, satisfactory evidence of identity to ensure compliance with the Money Laundering Regulations and authorise Octopus Titan 1 & 2 or Octopus to disclose any information relating to your Application as Octopus Titan 1 & 2 or Octopus consider appropriate;
 - xv. agree that Octopus will not treat you as its customer by virtue of your Application being accepted or owe you any duties or responsibilities concerning the price of the new Ordinary Shares or the suitability for you of an investment in new Ordinary Shares or be responsible to you for providing the protections afforded to its customers;
 - xvi. where applicable, authorise each of Octopus Titan 1 & 2 to make on your behalf any claim to relief from income tax in respect of any dividends paid by each of Octopus Titan 1 & 2;
 - xvii. declare that the Application Form has been completed to the best of your knowledge;
 - xviii. undertake that you will notify each of Octopus Titan 1 & 2 if you are not or cease to be either a Qualifying Subscriber or beneficially entitled to the new Ordinary Shares; and
 - xix. declare that a loan has not been made to you or any associate, which would not have been made or not have been made on the same terms, but for you offering to subscribe for, or acquiring, new Ordinary Shares and that the new Ordinary Shares are being acquired for bona fide commercial purposes and not as part of a scheme or arrangement the main purpose of which is the avoidance of tax.
5. No person receiving a copy of this document, covering correspondence or an Application Form in any territory other than the UK may treat the same as constituting an invitation or offer to him, nor should he in any event use such Application Form unless, in the relevant territory, such an invitation or offer could lawfully be made to him or such Application Form could lawfully be used without contravention of any regulations or other legal requirements. It is the responsibility of any person outside the UK wishing to make an Application to satisfy himself as to full observance of the laws of any relevant territory in connection therewith, including obtaining any requisite governmental or other consents, observing any other formalities requiring to be observed in such territory and paying any issue, transfer or other taxes required to be paid by such territory.

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6. The new Ordinary Shares have not been and will not be registered under the United States Securities Act of 1933, as amended, and may not be offered or sold in the United States of America, its territories or possessions or other areas subject to its jurisdiction (the "USA"). In addition, Octopus Titan 1 & 2 have not been and will not be registered under the United States Investment Company Act of 1940, as amended. The Investment Manager will not be registered under the United States Investment Advisers Act of 1940, as amended. No application will be accepted if it bears an address in the USA.
7. The basis of allocation will be determined by Octopus Titan 1 & 2 (after consultation with Octopus) in their absolute discretion. The right is reserved to reject in whole or in part and scale down and/or ballot any Application or any part thereof including, without limitation, Applications in respect of which any verification of identity which Octopus Titan 1 & 2 or Octopus consider may be required for the purposes of the Money Laundering Regulations has not been satisfactorily supplied. Dealings prior to the issue of certificates for Shares will be at the risk of Applicants. A person so dealing must recognise the risk that an Application may not have been accepted to the extent anticipated or at all. The Offer shall be suspended if (i) the issue of new Ordinary Shares pursuant to the Offer would result in the company being required to prepare a prospectus pursuant to the Prospectus Rules of the FSA or (ii) the issue of such shares would result in the breach of the Listing Rules of the FSA.

8. Money Laundering Regulations

Investors should be aware of the following requirements in respect of the above law.

Under the Money Laundering Regulations, Octopus is required to check the identity of clients who invest over £10,000 or who invest using third party cheques. Octopus may therefore undertake an electronic search for the purposes of verifying your identity. To do so Octopus may check the details you supply against your particulars on any database (public or other) to which Octopus has access. Octopus may also use your details in the future to assist other companies for verification purposes. A record of this search will be retained. If Octopus cannot verify your identity it may ask for a recent, original utility bill and an original HMRC Tax Notification or a copy of your passport certified by a bank, solicitor or accountant from you or a Client Verification Certificate from your IFA.

Your cheque or bankers' draft must be drawn in sterling on a account at a branch (which must be in the United Kingdom, the Channel Islands or the Isle of Man) of a bank which is either a member of the Cheque and Credit Clearing Company Limited or the CHAPS Clearing Company Limited, a member of the Scottish Clearing Banks Committee or the Belfast Clearing Committee or which has arranged for its cheques or bankers' drafts to be cleared through facilities provided for members of any of those companies or associations and must bear the appropriate sorting code in the top right hand corner. The right is reserved to reject any Application Form in respect of which the cheque or bankers' draft has not been cleared on first presentation.

9. Intermediary Commission

Authorised financial intermediaries will usually be entitled to receive an initial commission of 2.5% on the amount invested by their client. Additionally, provided that the intermediary continues to act for the client and the client continues to be the beneficial owner of the Shares, Octopus Titan 1 & 2 will pay intermediaries an annual trail commission of 0.5% of the initial net asset value.

APPLICATION PROCEDURE

Octopus Titan 1 & 2

Please send the completed Application Form together with your cheque or bankers' draft to Octopus Investments Limited, 8 Angel Court, London EC2R 7HP. If you have any questions on how to complete the Application Form please contact Octopus Investments on 0800 294 6860.

Section 1

Please insert your full name, permanent address, daytime telephone number, date of birth, email address and national insurance number in Section 1. Your national insurance number, which you will find on your pay slip, is required to ensure you obtain your income tax relief. Joint applications are not permitted but husbands and wives may apply separately.

Section 2

Please note that the minimum investment is £1,000. The maximum investment, on which tax reliefs on investments in VCTs are available, is £200,000. Attach your cheque or bankers' draft to the Application Form for the total amount of your investment. Alternatively, you can make your investment via bank transfer.

Please make cheques payable to "Octopus VCT Client Money Account" and crossed "A/C Payee only". Cheques must be from a recognised UK bank account and your payment must relate solely to this application.

Bank transfers should be paid to "Octopus VCT Client Money Account", Sort Code 40-03-28, Account Number 42351145. Please reference bank transfers with your surname and initials.

Section 3

Read the declaration below and sign and date the Application Form.

If this form is completed and signed by the investor named in Section 1:

By signing this form I HEREBY DECLARE THAT:

- i. I have read the terms and conditions of application therein and agree to be bound by them;
- ii. I will be the beneficial owner of the new Ordinary Shares of Octopus Titan VCT 1 plc and Octopus Titan VCT 2 plc issued to me under this Offer;
- iii. I understand the risk factors associated with an investment in Octopus Titan VCT 1 plc and Octopus Titan VCT 2 plc; and to the best of my knowledge and belief, the personal details I have given are correct.

If this form is completed and signed by an authorised financial intermediary or any other person apart from the investor: By signing this form on behalf of the individual whose details are shown above, I make a declaration (on behalf of such individual) on the terms of sub-paragraphs i. to iii. above

Section 4

If the application is from an authorised financial intermediary, please include full name and address, telephone number and details of your firm's authorisation under the Financial Services and Markets Act 2000. The right is reserved to withhold payment of commission if Octopus is not, in its sole discretion, satisfied that the financial intermediary is authorised.

Frequently asked questions

- Q: Who should I make the cheque payable to?
A: Cheques should be made payable to "Octopus VCT Client Money Account".
- Q: Can you invest via bank transfer instead?
A: Yes - bank transfers should be paid to "Octopus VCT Client Money Account", Sort Code 40-03-28, Account Number 42351145. Please reference bank transfers with your surname and initials.
- Q: Where should I send my application?
A: Your application form and cheque should be sent to Octopus Investments Limited, 8 Angel Court, London, EC2R 7HP.
- Q: What happens after I invest?
A: We will send you confirmation that we have received your application by return of post. You should expect to receive your share certificate and tax certificate within a few weeks of making your investment.
- Q: Where an investment equates to fractions of shares, are shareholders rounded up or down to the nearest share?
A: Shareholders are rounded up.

APPLICATION FORM

New Octopus Titan 1 & 2 Ordinary Shares

Before completing this application form you should read the Terms and Conditions of Application and the Application Procedure.

1 Your Personal Details

Mr/Mrs/Miss/Other _____

Address _____

First Name _____

Middle Name(s) _____

Surname _____

Date of Birth _____

Postcode _____

National Insurance Number _____

Telephone (Day) _____

Email _____

Telephone (Home) _____

2 Your Investment Offer

I offer to invest the following amount in new Ordinary Shares in Octopus Titan VCT 1 plc and Octopus Titan VCT 2 plc under the Terms and Conditions of the Application. The Application must be for a minimum of £1,000.

£

- I enclose a cheque or bankers' draft drawn on a UK clearing bank made payable to "Octopus VCT Client Money Account".
- I have made a bank transfer into the Octopus VCT Client Money Account.

3 Your Signature

Date:

4 Your Financial Advisor

Financial Adviser _____

Administrator _____

Mr/Mrs/Miss/Other _____

Mr/Mrs/Miss/Other _____

First Name _____

First Name _____

Surname _____

Surname _____

Tel: _____

Tel: _____

FSA Number and Company Stamp

5 Our Investor Services Programme

1. I am an existing shareholder in Octopus Titan 1 & 2

2. How would you like to be updated?

Email Letter

Telephone call from one of the fund managers

3. How often would you like to be updated?

Every time we make an investment

Every three months

Every six months

4. Would you like to receive invitations to investment seminars/workshops?

Yes but only concerning the Octopus Titan 1 & 2

Yes to include other Octopus products No

5. From time to time we may choose to contact you by telephone to explain an aspect of your investment. Please indicate below if you are willing for us to call you:

Yes I am happy to be called occasionally

No thank you

Please tick here if you do not want us to contact you with information about other Octopus products which we feel may be of interest to you

