



**ShareSoc**

UK Individual Shareholders Society

PO Box 62, Chislehurst, BR7 5YB

Phone: 020-8467-2686

Email: [sharesoc@btconnect.com](mailto:sharesoc@btconnect.com)

Web: [www.sharesoc.org](http://www.sharesoc.org)

August 2014

To all Oxford Technology VCT and Oxford Technology 3 VCT Shareholders

## **Oxford Technology Shareholder Action Group - AGM Voting Recommendations**

Shareholders in the Oxford Technology VCTs should be aware that the Annual General Meetings have been postponed until the 27th August and new Meeting Notices and proxy voting forms have been issued. These replace the previous proxy voting forms because the resolutions are different and hence you need to send off your new voting instructions. Please return the proxy form NOW to the Company's Registrars whether or not you intend to attend the Meeting.

**Our recommendations for how to vote on each resolution are given below (these have changed from our previous recommendations on some of the resolutions).**

Our voting recommendations for both VCT 1 and VCT 3 are as follows:

**Approval of Accounts. Withhold your Vote.** We still have some doubts about the accounts, and as this is effectively an advisory resolution we suggest this is the appropriate course of action.

**Re-appointment of the Directors. Vote FOR.** In other words, vote for the election of new directors Alex Starling and Richard Roth at VCT 1 and Robin Goodfellow at VCT 3. We welcome fresh blood on the boards of these VCTs.

**Re-appointment of James Cowper LLP as auditor. No recommendation.** We give no recommendation on this resolution. We have some concerns in respect to the auditors but it may be appropriate to retain them for the time being particularly if a merger is being considered. The new directors are best placed to make a decision on the auditors and have recommended you vote in favour.

**Approval of the Directors Remuneration Report and Remuneration Policy. No recommendations.** We dislike the arrangements to remunerate "past and present directors" and others if the return to the original shareholders exceeds a certain level as spelled out in the Remuneration Policy Report. This is an unusual arrangement for any investment trust, but there are some countervailing arguments. We therefore suggest you make your own mind up on these resolutions.

**All other resolutions. Vote FOR** (Purchases of shares, continuation as a VCT and allotment/issue of shares). There is no reason to vote against these resolutions.

**PLEASE RETURN YOUR PROXY VOTING FORM NOW,  
APPOINTING THE CHAIRMAN AS PROXY**

Continued over.....

Note that if for some reason you have not received a copy of the new Proxy Voting Form, please let us know.

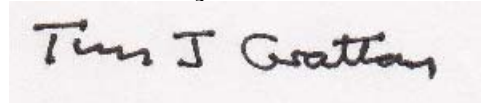
We also encourage you to attend the Annual General Meeting on the 27th August in person to hear what the proposals are for these companies in the future and how they hope to resolve the difficulties with HMRC.

Some shareholders in VCT 1 and VCT 3 may also be shareholders in VCT 2 and VCT 4. We give no specific recommendations in those cases. But it is noted that Mr Cary says he intends to remain a director of those companies even though he is stepping down from the boards of VCT 1 and VCT 3. We do not consider it advisable that he should remain on the boards of any of these companies. Apart from the corporate governance issue of having the fund manager on the board, as we said in our previous note *"clearly [these VCTs] have been run in a similar way and it is only fortuitous that they have not faced the same difficulties. All these VCTs have demonstrated poor performance over the many years they have been in existence"*.

If you have any questions that are not covered in this letter, you can email me directly at [tim.j.grattan@sharesoc.org](mailto:tim.j.grattan@sharesoc.org) or you can telephone me directly on the phone number below.

Note that more background information is present on our web site here: [www.sharesoc.org/campaigns5.html](http://www.sharesoc.org/campaigns5.html) which gives the history of recent events and where more news will appear as it arises.

Yours sincerely

A handwritten signature in black ink that reads "Tim J Grattan". The signature is written in a cursive style and is centered within a light-colored rectangular box.

Tim Grattan  
Direct: 01483 767741

Terms and conditions. The Shareholder Action Group for Oxford Technology VCTs is part of ShareSoc (the UK Individual Shareholders Society Ltd) which is a "not for profit" organisation registered in the form of a company limited by guarantee in England. See [www.sharesoc.org](http://www.sharesoc.org) for further information.