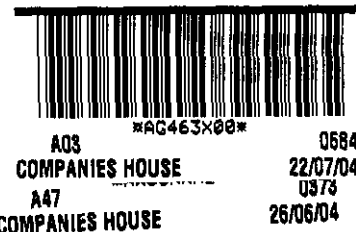


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Notice of Annual General Meeting

Notice is hereby given that the Sixth Annual General Meeting of Baronsmead VCT 2 plc will be held at the offices of ISIS Asset Management plc, 100 Wood Street, London EC2V 7AN, on 16 June 2004 at 11.00 am for the following purposes:

To consider and, if thought fit, pass the following Resolutions:

Ordinary Business

1. That the Report and Accounts for the year to 31 March 2004 be received.
2. That the Directors' Remuneration Report for the year to 31 March 2004 be approved.
3. That Mrs G Nott, who retires by rotation at the Annual General Meeting, be re-elected as a Director.
4. That PKF, be re-appointed as Auditors and that the Directors be authorised to determine their remuneration.
5. That in Article 101 of the Company's Articles of Association, the references to Directors' remuneration of £50,000 be amended to £75,000.

Special Business

Ordinary Resolutions

6. That the authorised share capital of the Company be increased to £8,000,000 by the creation of 29,500,000 additional shares of 10p each.
7. That:
 - (a) the Directors of the Company (the "Directors") be and are hereby generally and unconditionally authorised in accordance with section 80 of the Companies Act 1985 (the "Act"), to exercise all the powers of the Company to allot relevant securities (as defined in that section) up to an aggregate nominal amount of £3,805,588 during the period commencing on the passing of this resolution and expiring on 15 June 2009 (unless previously revoked, varied or extended by the Company in general meeting), 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 relevant securities to be allotted after such expiry; and
 - (b) all previous authorities given to the Directors in accordance with section 80 of the Act be and they are hereby revoked, provided that such revocation shall not have retrospective effect.

Special Resolutions

8. That subject to the passing of resolutions 6 and 7 set out in the notice of this meeting:
 - (a) the Directors of the Company (the "Directors") be and are hereby empowered, pursuant to section 95 of the Companies Act 1985 (the "Act"), to allot equity securities for cash pursuant to the authority given in accordance with section 80 of the Act by that resolution as if section 89(1) of the Act did not apply to any such allotment, provided that this power shall be limited to the allotment of equity securities in connection with:
 - (i) an offer of securities, open for acceptance for a period fixed by the Directors, to holders of ordinary shares of 10p each in the Company and such other equity securities of the Company as the Directors may determine on the register on a fixed record date in proportion (as nearly as may be) to their respective holdings of such securities or in accordance with the rights attached thereto (but subject to such exclusions or other arrangements as the Directors may deem necessary or expedient to deal with fractional entitlements that would otherwise arise or with legal or practical problems under the laws of, or the requirements of any recognised regulatory body or any stock exchange in, any territory or otherwise howsoever);
 - (ii) the dividend reinvestment plan as more particularly described in the Report of Directors;
 - (iii) (otherwise than pursuant to sub-paragraphs (i) and (ii) above) up to an aggregate nominal amount of £3,805,588; and shall expire on the date falling 15 months after the date of the passing of this resolution or, if earlier, at the conclusion of the next annual general meeting of the Company, 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;
 - (b) words and expressions defined in or for the purposes of Part IV of the Act shall bear the same meanings in this resolution.
9. That the Company is hereby generally and unconditionally authorised to make market purchases (within the meaning of section 163 of the Companies Act 1985) of ordinary shares of 10p each in the Company ("Ordinary Shares"), provided that:
 - (a) the maximum number of Ordinary Shares hereby authorised to be purchased shall be 6,287,423;
 - (b) the minimum price which may be paid for each Ordinary Share is 10p;
 - (c) the maximum price which may be paid for an Ordinary Share shall be not more than 5 per cent above the average of the market values of the Ordinary Shares for the five business days before the purchase is made;
 - (d) the authority hereby conferred shall expire at the conclusion of the annual general meeting of the Company in 2005 or, if earlier, on the expiry of 15 months from the passing of this resolution, unless such authority is renewed prior to such time; and
 - (e) the Company may make a contract to purchase Ordinary Shares under the authority hereby conferred prior to the expiry of such authority which will or may be completed or executed wholly or partly after the expiration of such authority.

By Order of the Board

Gary Fraser

for ISIS Asset Management plc, Secretary
80 George Street
Edinburgh EH2 3BU
17 May 2004

All resolutions passed
16 June 2004
Certified a true copy
by Gary Fraser 24/6/04
for ISIS Asset Management plc
Secretary

A member who is entitled to attend and vote at this meeting is entitled to appoint one or more proxies to attend and, on a poll, vote on his/her behalf. Such a proxy need not also be a member of the Company.

To be valid, a Proxy Card must be lodged with the Company's Registrar, Capita Registrars, Northern House, Woodsome Park, Fenay Bridge, Huddersfield HD8 0JQ at least 48 hours before the meeting. A Proxy Card for use by ordinary shareholders is enclosed. Completion of the Proxy Card will not prevent a shareholder from attending the meeting and voting in person.