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PROVEN VCT PLC

NEW ORDINARY SHARE OFFER

Securities Note (including application form)

Tax years 2015-16 and 2016-17



Managed by
BERINGEA LLP

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

If you are in any doubt about the contents of this document, you should consult your bank manager, solicitor, accountant or other independent Financial Adviser duly authorised under the Financial Services and Markets Act 2000 ("FSMA") who specialises in advising on investment in shares and other securities without delay.

This document constitutes a securities note (the "Securities Note"). Additional information relating to the Company is contained in a registration document (the "Registration Document"). A brief summary conveying the essential characteristics of, and risks associated with, the Company and the new ordinary shares in the capital of the Company (the "New Ordinary Shares"), which are being offered for subscription (the "Offer"), is contained in a summary note (the "Summary"). The Securities Note, the Registration Document and the Summary together constitute a prospectus (the "Prospectus") dated 3 December 2015. The Prospectus has been prepared in accordance with the Prospectus Rules made under section 74 of FSMA and approved by the Financial Conduct Authority ("FCA") in accordance with section 84 of FSMA.

Persons receiving this document should note that, in connection with the Offer, Howard Kennedy is acting for the Company and no-one else and, subject to the responsibilities and liabilities imposed by FSMA, will not be responsible to any other person for providing the protections afforded to customers of Howard Kennedy nor for providing advice in connection with the Offer. Howard Kennedy is acting as sponsor of the Company in connection with the Offer, and is authorised and regulated in the United Kingdom by the FCA.

Application will be made to the UK Listing Authority for the New Ordinary Shares to be admitted to the premium segment on the Official List. Application will also be made to the London Stock Exchange for the New Ordinary Shares to be admitted to trading on its main market for listed securities. It is expected that Admission will become effective, and that dealings in the New Ordinary Shares will commence, within 10 business days of the issue of such New Ordinary Shares.

Your attention is drawn to the risk factors set out on pages 4 and 5 of this document and to the terms and conditions of application set out on pages 36 to 39 of this document.

The Company and its Directors, whose names appear on page 21 of this document, accept responsibility for the information contained in the Prospectus. To the best of the knowledge of the Company and the Directors (who have taken all reasonable care to ensure that such is the case) the information contained in the Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information.

OFFER FOR SUBSCRIPTION

To raise up to £30,000,000 by way of an issue of New Ordinary Shares in the Company, with an over allotment facility of up to a further £10,000,000, payable in full in cash on application.

**ProVen VCT plc
(Registered Number 03911323)
(Incorporated in England & Wales under the Companies Act 1985)**

The procedure for, and the terms and conditions of, application under this Offer are set out at the end of this document together with an Application Form.

Completed Application Forms must be posted or delivered by hand to the Receiving Agent, Beringea LLP, 39 Earlham Street, London WC2H 9LT. The Offer opens on 3 December 2015 and will close not later than 1.00 pm on 5 April 2016 in respect of the 2015/2016 Offer and not later than 1.00 pm on 31 May 2016 in respect of the 2016/2017 Offer, or as soon as the Offer is fully subscribed. The Directors, in their absolute discretion, may decide to increase the Offer by a further £10,000,000 up to a maximum of £40,000,000, close the Offer earlier or extend the closing date of the 2016/2017 Offer to a date no later than 30 November 2016.

This document should be read in conjunction with the Registration Document and the Summary, copies of which are available from the locations listed on page 32 of this document.

No person receiving a copy of this document or an Application Form in any territory other than the UK may treat the same as constituting an offer or invitation to him to subscribe for or purchase New Ordinary Shares unless, in such territory, such offer or invitation could lawfully be made.

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RISK FACTORS

As a prospective Investor there are a number of risk factors which you should be aware of before investing in the New Ordinary Shares. Prospective Investors should read the whole of the Prospectus and not rely solely on the information in the sections entitled "Risk Factors".

The Directors consider the following risks relating to the New Ordinary Shares to be material for potential Investors, but the risks listed below do not necessarily comprise all those relating to the New Ordinary Shares and are not set out in order of priority. Additional risks and uncertainties currently unknown to the Directors (such as changes in legal, regulatory or tax requirements), or which the Directors currently believe are immaterial, may also have a materially adverse effect on the New Ordinary Shares. Material risks relating to the Company are set out in the Registration Document.

- Levels, bases of, and relief from, taxation are subject to change. Such changes could be retrospective. The tax reliefs described are based on current legislation, practice and interpretation. The ability of Investors to secure the tax reliefs available to investors in VCTs depends on their individual circumstances.
- Changes in legislation concerning VCTs in general, and Qualifying Investments and Qualifying Trades in particular, may restrict or adversely affect the ability of the Company to meet its objectives, and may reduce the returns to Investors.
- There can be no assurances that the Company will meet its objectives. The Company will face competition for investment opportunities and there can be no assurances that sufficient suitable investment opportunities will be identified.
- It is the intention of the Directors that the Company be managed so as to qualify as a VCT, but there can be no guarantee that such status will be maintained. If the Company fails to meet the qualifying requirements for VCTs, this could result in adverse tax consequences for Investors, including being required to repay the 30% income tax relief.
- In order to comply with VCT legislation, the Qualifying Companies must be unquoted and have gross assets of not more than £15 million immediately prior and £16 million immediately after the investment and generally be no more than 7 years old (10 years for a Knowledge Intensive Company) except where previous Risk Finance State Aid was received by the company within 7 years or where a turnover test is satisfied. Likewise, each company must have less than 250 full time (or equivalent) employees at the time of investment (500 employees in the case of a Knowledge Intensive Company). The Company may invest in businesses which are considerably smaller than the maximum size allowed by the VCT legislation. They may also have a short trading history. Investment in small unquoted companies involves substantially higher risk than investing in larger, longer established businesses such as those listed on the main market of the London Stock Exchange. In particular, small companies often have limited product lines, markets and/or financial resources and may be dependent for their management on a smaller number of key individuals.
- Qualifying Investments made by the Company will be in companies whose shares are not readily marketable and, therefore, may be difficult to realise. There may also be constraints imposed on the realisation of investments in order to maintain the VCT tax status of the Company.
- As a minority investor the Company will not control the boards of directors of investee companies and may not be in a position to fully protect its interests.
- Investors should be aware that the sale of New Ordinary Shares within five years of their subscription will require the repayment of the 30% income tax relief obtained on the subscription for these Shares. Accordingly, an investment in the Company should be considered as a longer term investment.
- The Company is seeking up to £30 million, with an over allotment facility of a further £10 million, through the Offer. To the extent that a smaller level of funds is raised, the portfolio may be less diversified than if the Offer had been fully subscribed.
- Past performance of the funds managed by the Manager is not an indication of the future performance of the Company.
- A significant proportion (24.3% as at 31 August 2015) of the Company's net assets is concentrated in five investments. The largest single investment represented 8.9% of the net assets at that date. This concentration will be reduced by raising funds under the Offer. Potential Investors should be aware that the future investment performance of the New Ordinary Shares will be more dependent on these investments as a result.

- Although the Company aims to make investments in small and medium sized unquoted companies with excellent growth prospects, some of the existing investee companies may have limited scope for future growth. The Directors' valuation of these companies takes this limited growth potential into account.
- The Company's objective of achieving a total return greater than that available from investment in a portfolio of quoted companies is only a target and is not guaranteed. The value of an investment in the Company depends on the performance of its underlying assets and that value and the income derived from the investment may go down as well as up.
- The total dividends per New Ordinary Share paid during a financial period may exceed the increase, if any, in the NAV per New Ordinary Share arising from net income and realised and unrealised gains during the period. If this is the case, the NAV per New Ordinary Share will fall over the period.
- During the July 2015 summer budget new conditions were announced that became effective in the Finance (No 2) Act 2015 in November 2015. This introduced a maximum age limit for companies receiving VCT investments (generally 7 years from first commercial sale, except where previous Risk Finance State Aid was received by the company within 7 years or where a turnover test is satisfied), and a maximum amount of Risk Finance State Aid which a company can receive over its lifetime (£12m, or £20m for Knowledge Intensive Companies). There are further restrictions on the use of VCT funds received by investee companies. These changes may mean that there are fewer opportunities for investment, and that the Company may not be able to provide further investment funds for companies already in its portfolio.
- Where the European Commission believes that Risk Finance State Aid has been provided which is not in accordance with The Risk Finance Guidelines, they may require the UK Government to recover that Risk Finance State Aid. There is currently no mechanism in place for this, but recovery may be from the investee companies, the Company or the Company's investors.
- Prospective Investors should be aware that the value of the New Ordinary Shares may fluctuate and an Investor may not receive back the full amount originally invested.
- Whilst the Company is targeting an annual dividend yield of 5% per annum, there is no guarantee that this will be achieved. The Company's ability to pay dividends may be adversely affected by a lack of distributable reserves, insufficient cash and/or legislative requirements. There is no certainty about the amount and timing of future dividends or that any dividends will be paid.
- Although it is anticipated that the New Ordinary Shares will be admitted to a premium listing on the Official List and to trading on the London Stock Exchange's main market for listed securities, there is likely to be an illiquid market primarily because the initial income tax relief is only available to those subscribing for newly issued shares. It may, therefore, be difficult for Shareholders to sell their New Ordinary Shares. In addition, it is likely that the market value of the New Ordinary Shares will be less than their underlying net asset value.
- Whilst it is the intention of the Directors that the Company will buy back New Ordinary Shares from Shareholders at a discount to NAV of not more than 5%, there can be no guarantee that the Company will buy back New Ordinary Shares from Shareholders or that if it does the discount to NAV will not be greater than 5%. Share buy backs will be subject to applicable legislation and VCT regulations and the availability of sufficient cash in the Company for follow-on investments and operational requirements. The number of Ordinary Shares bought back in each year by the Company will be a maximum of 10% of the number of Ordinary Shares in issue.
- Tax relief on subscriptions for shares in a VCT is restricted where, within six months (before or after) that subscription, the investor had disposed of shares in the same VCT. Existing Shareholders should be aware that the sale of existing Ordinary Shares in the Company within these periods could, therefore, put their income tax relief relating to the Offer at risk.



EXPECTED TIMETABLE

Offer opens

3 December 2015

Final closing dates and deadlines for receipt of Applications, unless fully subscribed earlier:¹

2015/2016 Offer
2016/2017 Offer

1.00pm on 5 April 2016¹
1.00pm on 31 May 2016¹

First admission

within 10 business days of the first allotment²

Dealings commence

within 10 business days of each allotment²

Share and tax certificates sent out

within 15 business days of each allotment²

¹ The Directors reserve the right to extend the 2016/2017 Offer at their absolute discretion but to a date no later than 30 November 2016. The Offer will close earlier than the dates stated above if it is fully subscribed.

² New Ordinary Shares will be allotted and issued in respect of valid applications received for the 2015/2016 Offer on 5 April 2016 and any other date prior to 5 April 2016 on which the Directors decide, and for the 2016/2017 Offer on 31 May 2016 and any other dates after 5 April 2016 and prior to the close of the Offer on which the Directors decide.

OFFER STATISTICS

Maximum amount to be raised

£40,000,000*

Minimum Investment per Investor

£5,000

Maximum estimated number of New Ordinary Shares to be issued based on the latest published NAV per Ordinary Share as at the date of this document, adjusted for dividends paid on 20 November 2015 of 2.5p per Ordinary Share

40,248,962**

Maximum net proceeds for the Company, after issue costs

£38,800,000**

Maximum expenses of the Offer

£2,200,000***

* Assuming the over allotment facility of up to a further £10,000,000 is used.

** Assuming the over allotment facility of up to a further £10,000,000, a Promoter's Fee of 3% and no Adviser Charge.

*** Assuming the over allotment facility of up to a further £10,000,000 is used, a Promoter's Fee of 5.5% and no Adviser Charge.

DISCOUNT FOR EARLY INVESTMENT

Applicants (and their spouses) who had an existing shareholding in one of the ProVen VCTs on 30 September 2015, and whose Application Form is received by 1.00 pm on 29 January 2016, will be entitled to additional New Ordinary Shares with an aggregate subscription price equivalent to 2% of the amount subscribed. All other Applicants whose Application Form is received by 1.00 pm on 29 January 2016 will be entitled to additional New Ordinary Shares with an aggregate subscription price equivalent to 1% of the amount subscribed. The subscription price of the Additional Shares will be met by the Manager.

LETTER FROM THE CHAIRMAN

ProVen VCT plc
Registered in England & Wales no: 03911323

39 Earlham Street
London
WC2H 9LT
Tel: 020 7845 7820

3 December 2015

Dear Potential Investor,

I am delighted to be able to introduce the latest share offer (the "Offer") from ProVen VCT, which is an opportunity to invest in the existing investment portfolio of a long established VCT. ProVen VCT's NAV total return over the last 10 years is £173.70 for every £100 invested¹. More details of the Company's historic performance are given on page 8.

Since the year ended 28 February 2013 ProVen VCT has had a target of paying dividends of approximately 5% of the opening NAV each year. After taking into account the initial 30% income tax relief on subscription for shares this equates to a tax free yield of over 7%. The Board believes that this target is consistent with the NAV remaining broadly stable over time, although this will depend on the returns achieved by the Company's investments and cannot be guaranteed. Larger dividends may be paid if there is a realisation or series of realisations from the portfolio which results in an exceptionally large profit. For the three financial years since this target was adopted, the Company paid tax free dividends of 5p, 7.5p and 5p respectively. This is equivalent to an average dividend yield of 5.7% p.a. The Company paid an interim dividend of 2.5p per Ordinary Share for the year ending 29 February 2016.

ProVen VCT is managed by Beringea LLP (the "Manager"), an award winning venture capital investment manager which has over 25 years' experience of investing in unquoted companies and which has managed the Company since it was launched.

ProVen VCT has invested over £29.0 million since 1 January 2014 and the Manager continues to experience a strong flow of new investment opportunities. The Board of ProVen VCT has, therefore, decided to raise more funds to ensure that the Company can take full advantage of these.

More details of the Offer are set out on the following pages. To invest, please complete the Application Form at the end of this document. If you have any questions about the Offer or how to complete the Application Form, please call the Manager on 020 7845 7820. Please be aware, however, that the Manager is not able to give personal financial or tax advice.

I look forward to welcoming new investors to the Company as well as existing Shareholders increasing their holdings.

Yours faithfully

Andrew Davison
Chairman
ProVen VCT plc

¹ Source: www.aicstats.co.uk at 31 October 2015

WHY INVEST IN THE OFFER?

OVERVIEW

The Offer is targeting returns which are greater than those available from investing in a portfolio of quoted companies, through the Company's established strategy of investing in a portfolio of carefully selected small and medium sized private companies with the potential for rapid growth. For more information about the Company's investment strategy and examples of the types of businesses in which it invests, please see the section of this document headed "Growth Capital Investing" on page 11.

The returns generated by the investment portfolio will be enhanced by several attractive tax benefits, including 30% income tax relief on the amount invested and tax-free dividends.

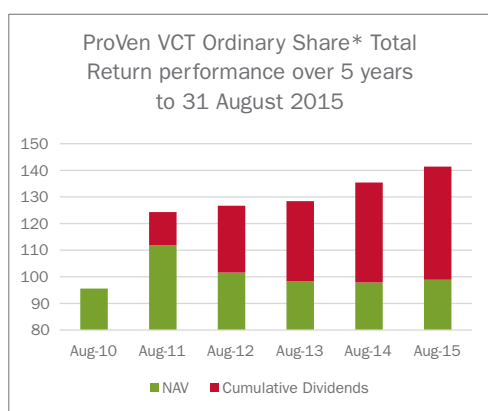
The Company has been managed since inception by Beringea LLP (and its predecessor companies), a specialist, award winning, venture capital firm, which manages more than £135 million of VCT assets. Beringea LLP is part of an international fund management group which manages more than \$500 million of venture capital assets.

As at 31 August 2015 ProVen VCT had net assets of £64.8 million.

TRACK RECORD

PERFORMANCE OF PROVEN VCT OVER THE LAST 5 YEARS

The total return performance of the Ordinary Shares over the last 5 years (unaudited, to 31 August 2015) is shown in the chart below:



* On a pro-forma basis. A one-for-two consolidation of the original Ordinary Shares of 5p into Ordinary Shares of 10p took place in October 2012.

The total return (NAV plus cumulative dividends paid) per Ordinary Share increased from 95.6p (on a pro-forma basis) at 31 August 2010 to 141.4p at 31 August 2015, an increase of 48% over the period.

The total return on the original Ordinary Shares since the launch of the Company in April 2000 is £1.72 per £1 invested. The annual rate of return to investors since launch, including initial income tax relief, is 8.5% p.a..

PERFORMANCE OF PROVEN VCT ORIGINAL ORDINARY SHARES SINCE LAUNCH

Total return (NAV plus cumulative dividends paid) per £1 invested	£1.72
Cumulative dividends per £1 invested included in total return	£1.24
Annual rate of return since launch¹	8.5%

¹ Includes initial income tax relief of 20%, the amount applicable when the Company was launched. This is calculated assuming that dividends are not reinvested and includes the pro-forma net asset value per original Ordinary Share at 31 August 2015.

Past performance is not a guide to future performance.

TARGET DIVIDEND YIELD OF 5% P.A. TAX-FREE

ProVen VCT has a target dividend yield of approximately 5% of NAV per annum. This is equivalent to a gross dividend yield to Investors of 7.1% p.a., after taking into account the initial 30% income tax relief on subscription. As no tax is payable on VCT dividends, the effective gross dividend yield to a 40% taxpayer is 9.5% p.a. and 10.3% p.a. to an additional rate taxpayer. The Board believes that this target is consistent with the NAV remaining broadly stable over time, although this will depend on the returns achieved by the Company's investments and cannot be guaranteed. The objective of paying a dividend of approximately 5% of NAV each year is a target and there is no guarantee that this will be achieved.

TARGET DIVIDEND YIELD

Target dividend yield (% of NAV)	5.0%
Tax-free yield after initial 30% tax relief¹	7.1%
Gross equivalent yield	
40% taxpayer	9.5%
45% taxpayer	10.3%

¹ Target dividend yield divided by 0.7 to allow for the 30% initial tax relief. The effective subscription price per New Ordinary Share paid by Investors will be higher than the NAV of Ordinary Shares at the date of allotment because of initial charges and/or fees paid to Financial Advisers.

ProVen VCT may pay a special dividend in addition to the target 5% yield if there is a realisation or series of realisations from the portfolio which results in an exceptionally large gain.

The annual dividend yield since the adoption of the current dividend policy in the financial year ended 28 February 2013 is shown in the table below:

DIVIDEND YIELD FROM PROVEN VCT SINCE THE ADOPTION OF THE CURRENT DIVIDEND POLICY			
Period to the end of February ¹			
	2013	2014	2015
ProVen VCT	5.1%	7.3%	4.8%

¹ Dividend yield is calculated as the dividend per Ordinary Share for the year, divided by the NAV per Ordinary Share at the start of the year. No account is taken in the table above of the initial tax relief.

Dividend payments for the year to 28 February 2014 included a special dividend of 2.5p per Ordinary Share arising from the profits realised on the disposals of Fjordnet and Espresso Group during the year.

The level of previous dividend payments is not a guide to future dividend payments, which will depend on there being sufficient distributable reserves and cash resources, and on VCT regulations.

An interim dividend of 2.5p per Ordinary Share for the year ending 28 February 2016 was paid on 20 November 2015 to Shareholders on the register at 23 October 2015.

Investors who would prefer a capital growth option can re-invest their dividends through the Company's dividend reinvestment scheme to obtain more shares in the Company. Any amounts reinvested should be eligible for income tax relief of 30%, subject to the usual VCT restrictions. Investors wishing to take advantage of this opportunity should read the rules of the dividend reinvestment scheme in Part 5 and sign in the relevant box in Section 6 of the Application Form.

LIQUIDITY FOR SHAREHOLDERS

ProVen VCT has a policy of buying back its shares at a discount to NAV of 5%. A policy of buying back shares from all Shareholders who wish to sell, subject to an annual limit of 10% of the shares in issue, has been operated by the Company continuously since July 2004.

Investors should note that if they sell their New Ordinary Shares less than 5 years from the date of allotment they will have to repay the initial tax relief.

ESTABLISHED PORTFOLIO

Investors in the Offer will gain immediate access to an established portfolio of 41 companies. This has a number of benefits to Investors:

Visibility of portfolio: Investors are investing into a known portfolio, rather than a "blind pool".

Diversification: ProVen VCT's assets are spread over 41 companies, which means that poor performance by any single company would have only a limited effect on the Company's overall performance.

Maturity of investments: Several of ProVen VCT's qualifying investments have been in its portfolio for a number of years. The Manager would expect to exit from some of these companies within the next 1-2 years. Any profits made on these disposals will be available for distribution to Shareholders as tax-free dividends in line with the Company's dividend policy.

Some examples of recent sales of successful investments from the ProVen VCT portfolio are given in the table below:

EXAMPLES OF RECENT SALES OF SUCCESSFUL INVESTMENTS				
Year of Sale	Company	ProVen VCT Sale Investment	Proceeds ¹	Multiple of investment
2015	Speed-Trap Holdings	£1.8m	£3.8m ⁴	2.1x
2014	Eagle Rock	£1.2m	£1.7m ²	1.4x
2013	Espresso	£2.1m	£4.9m	2.3x
2013	Fjordnet	£1.9m ³	£5.6m ³	2.9x
2013	Tossed	£1.2m	£1.7m	1.4x
2011	Steak Media	£0.45m	£2.5m	5.5x
2011	Saffron Digital	£0.5m	£2.8m	5.6x

¹ Sales proceeds includes interest/dividends received over the life of the investment and amounts held in escrow and/or earnout proceeds where these are believed to be recoverable

² Excludes potential future receipts from any "earn-out"

³ Excludes the partially utilised working capital facility provided by ProVen VCT

⁴ Includes proceeds received from the sale of shares in IS Solutions plc, which were received as part of the initial disposal of Speed Trap Holdings

The past performance of these investments is no guide to the future performance of other portfolio companies. Some investments have been written off or disposed of at zero value.

RISK REDUCTION

The Manager has many years experience of investing in unquoted small and medium sized companies and its approach incorporates several features which are designed to reduce substantially the risk profile of the Company, namely:

- Creating a widely diversified portfolio of VCT Qualifying and non-VCT Qualifying Investments (currently 41 companies)
- Extensive investigation of potential investment opportunities
- Structuring investments to maximise the recovery of invested capital on exit, for example through the use of loan notes, where possible
- Close monitoring of investments, including placing a member of the investment team on the board of most portfolio companies
- Retaining a portion of the portfolio in lower risk investments, including cash deposits and secured loans

TAX BENEFITS TO VCT INVESTORS

- Income tax relief of 30% of the amount subscribed, providing that the shares are held for at least 5 years. Relief is restricted to the amount which reduces the Investor's income tax liability to nil and on investments up to a maximum of £200,000 per person per tax year
- Tax-free dividends
- Capital gains tax exemption on disposal of shares

THE OFFER

The Company is seeking to raise up to £30 million through the Offer, with an over allotment facility of up to a further £10 million. The minimum subscription is £5,000 and subscriptions for larger amounts can be made in multiples of £1,000. There is no maximum size of investment but tax reliefs are only available on investments in VCTs of up to a maximum of £200,000 per person per tax year. Details of the Pricing Formula which will determine the number of New Ordinary Shares to be allotted are given on page 24.

ADDITIONAL SHARES FOR EARLY INVESTMENT

A discount of 2% off the normal subscription price will be given to existing shareholders (and their spouses) in one of the ProVen VCTs whose Application Forms are received by 1.00pm on 29 January 2016. All other Investors whose Application Forms are received by 1.00pm on 29 January 2016 will receive a 1% discount to the normal subscription price. The discount will be given in the form of additional New Ordinary Shares which will be paid for by the Manager.

HOW TO INVEST

An Application Form can be found at the end of this document.

GROWTH CAPITAL INVESTING

Introduction

The small and medium sized company ("SME") sector is a vital part of the UK economy, accounting for over half of private sector employment. Some of these companies have the potential to grow very quickly, given access to sufficient finance and support for management. However, SMEs often find it difficult to raise the capital they need. Banks are frequently not willing to lend to SMEs because of a lack of security for their loans. Furthermore, as private companies, SMEs cannot access public stock markets to raise finance.

The principal investment strategy of ProVen VCT is to identify a number of small and medium sized UK private companies with the potential to grow rapidly and to provide them with the capital and management support they need to be able to take full advantage of this potential. In return for this capital, ProVen VCT will take a shareholding in the company, allowing it to benefit from future increases in the business's value.

Rapidly growing SMEs make attractive acquisition targets for larger companies looking for ways to boost their own rate of growth. A sale to a larger business is, therefore, the most frequent means by which ProVen VCT achieves profitable disposals of successful portfolio companies. Any profit made on an investment will then be available to be paid out to Shareholders as a dividend in line with the Company's dividend policy.

The attractions of investing in SMEs

One of the key reasons why some SMEs are able to grow so quickly is precisely because of the fact that they are relatively small at the point of investment. While still challenging, it is often much easier to achieve a ten-fold growth in the turnover of a company by increasing sales from £1 million to £10 million, than it is to increase sales from £100 million to £1 billion.

Another attraction of investing in SMEs is that, because they tend to focus on quite specific market sectors, they are much less dependent than larger companies on the performance of the whole economy to generate growth. If an SME develops new products or services which are significantly differentiated from, and superior to, other offerings, they can create a demand which drives exceptional rates of growth, far exceeding the growth rate of the overall economy. Some examples of ProVen VCT investee companies which have achieved this are given on the following pages.

This dependence on a few key products or services does, however, make SMEs more vulnerable to changes in their markets, such as the introduction of competing offerings. A diversified portfolio of investments such as the one that ProVen VCT has, reduces the impact of any individual investment underperforming.

A key feature of SMEs which differentiates them from most quoted companies is that the directors and other key employees usually have

sizeable shareholdings. This means that the management team is highly incentivised to make their business grow, thereby increasing the value of their personal investments, and to realise this value through a sale of the business at an appropriate time.

Investing in private companies, and taking a significant equity stake in the business, allows the Manager to have a significant influence over the business. By appointing one of its investment managers to the board of each company in which ProVen VCT invests, the Manager is able to add significant value to the business, as well as being able to identify any potential problems at an early stage and ensuring that appropriate action is taken.

There is also much greater flexibility over how investments in private companies are structured, compared to investments in quoted companies, which are normally in ordinary shares only. ProVen VCT is able to use a variety of financial instruments, which in some investments includes providing part of its funding as secured loan notes, enabling it to reduce the risk of its investment while continuing to benefit from an increase in the value of the equity.

Key characteristics of target companies

In identifying companies for ProVen VCT to invest in, the Manager is looking for companies which have some or all of the following key characteristics:

- **A proven demand for the company's product or service.** Companies will normally have turnover of between £1 million and £25 million per annum at the point that ProVen VCT invests although the Company may make investments in companies with lower turnover.
- **Evidence of an opportunity for rapid growth** in the sales and profits of the business over the next few years.
- **A strong management team** with a proven track record of achievement. It is also vital that the management have a substantial shareholding in the business to ensure that they are incentivised to make the business succeed.
- **Clear potential to sell the company within a 3-4 year time period.**

Use of the funds invested by ProVen VCT

The funds provided by ProVen VCT will be deployed in accordance with its investment policy and typically used by a portfolio company for one, or a combination, of the following purposes:

- Adding to the senior management team
- Sales and marketing initiatives

- Establishing new UK offices
- International expansion
- Development and launch of additional products or services
- Financing additional working capital as the business grows

Investing in the digital media sector

Many of the companies in which ProVen VCT invests are in the “digital media” sector, encompassing businesses which use the internet to distribute information or content to their customers. The internet has the dual advantage of providing a low cost and highly scalable route to market, which means that increasing customer demand can quickly be converted into rapid business growth. ProVen VCT also invests in companies which provide digital media services, including digital design and online marketing services, to other businesses.

Beringea, the manager of ProVen VCT, has developed substantial experience of investing in the digital media sector and as a result of its reputation in this area it sees many opportunities to invest in exciting digital media companies. This experience also gives Beringea the ability to evaluate these opportunities effectively and to add value to the companies in which ProVen VCT invests.

Investing in other sectors

In order to ensure that its investment portfolio is broadly diversified, ProVen VCT also invests in SMEs in a wide variety of other sectors, across most of the UK economy.

Other types of investment

Investments made after 18 November 2015 will be to provide growth capital to established companies. The Company will not invest in start-ups. Previously, the Company occasionally invested in other types of transaction, including management buy-outs, although it only invested in one management buyout in the 5 years prior to 18 November 2015.

EXAMPLES

OF PROVEN VCT'S GROWTH CAPITAL INVESTMENTS

A number of examples of growth capital investments in ProVen VCT's current portfolio and one investment made in the past and sold in 2013 (Fjordnet) are given below. Potential Investors should note that as ProVen VCT has already sold its investment in Fjordnet they will not gain exposure to this company by investing in the Offer. The past performance of these companies is not a guide to how they, or other companies in which ProVen VCT invests, will perform in the future.

MONICA VINADER LIMITED

Monica Vinader is a British luxury jewellery brand. The company began distributing the eponymous jewellery line in 2007, starting with high end department stores such as Harrods and Liberty.

ProVen VCT and PGI VCT made their first investment in September 2010 to finance the opening of the first Monica Vinader stand-alone store in South Molton Street, in London's Mayfair.

The ProVen VCTs invested a further £1.5 million in May 2013, as part of a £2.5m total round, to open more Monica Vinader stores in the UK, to increase the company's online presence and to expand internationally. The company now has a strong presence online, three stand-alone stores in London and two in Hong Kong, as well as new concessions in major retailers, such as Selfridges and Nordstrom. It is planning to widen its international distribution in North America, Asia and Middle East during 2016.



WATCHFINDER.CO.UK LIMITED

Watchfinder.co.uk Limited is a reseller of pre-owned luxury watches. The company buys pre-owned watches from the public, services them to near new specification in its manufacturer approved service centre, and resells them through www.watchfinder.co.uk and its retail shops in London's Royal Exchange, Bluewater Shopping Mall and Leeds Victoria Quarter. Watchfinder is able to validate the authenticity of its inventory, ensure the watch is serviced and provide its own extended warranty.

Nearly one-third of Watchfinder's customers are repeat customers and a further one-third both buy and sell a watch at the same time.

ProVen VCT invested £2.6 million in Watchfinder in 2014, alongside an investment from PGI VCT, to allow the company to accelerate its growth by increasing its inventory.



CHARGEMASTER PLC

Chargemaster is a UK based designer, manufacturer and operator of electric vehicle ("EV") charging points. The Company provides EV charging units for the home, business and public sector. These are manufactured at the company's Luton base and include rapid chargers, post-mounted stations, wall-mounted stations and domestic home chargers. Chargemaster also runs a subscription service, The Polar Network, that offers EV owners access to charge points throughout the UK.

ProVen VCT invested £2.4 million in the company, alongside £1.1 million from PGI VCT, to enable it to expand its operations throughout Europe. The company was attractive for several reasons: most notably the strength of the management team, the rapidly expanding market for EVs (driven in part by Government and EU legislation and subsidy) and the strength of products developed and manufactured by the company. Following the investment, the company has enjoyed continued strong profitable growth with sales more than doubling in the year ended December 2014.

The EV market is expected to continue to grow in 2016 as substantially all the major motor manufacturers will be introducing new and more compelling EVs and EV hybrids to the market. In order to stay ahead of the competition, Chargemaster will continue to build on its growing network of charge points and is also making a substantial investment in new charging technology designed to improve the EV charging experience.



MYOPTIQUE GROUP LIMITED

MyOptique is an online eyewear retailer and is at the forefront of the online disruption of the €25bn European eyewear market. Established as a "pure-play" e-commerce company 10 years ago, it has to date served over 3 million customers in twelve international markets. The company is one of the 2014 UK "Future Fifty" high growth companies alongside other high profile internet companies, including Hailo, Zoopla and Mind Candy.

Having reached significant scale, with over £25 million of turnover for the year to April 2015, MyOptique plans to build on its experience of profitable customer acquisition, brand development and efficient operational delivery to drive further rapid expansion. To support the company's growth plans, ProVen VCT invested £1.6 million alongside investments from PGI VCT and other venture capital investors in May 2014, as part of a total funding round of £16 million.

Proven VCT invested a further £0.8 million in August 2015, alongside an investment from PGI VCT and other investors, to support the acquisition of German company 4Care and UK-based EyeWearBrands.

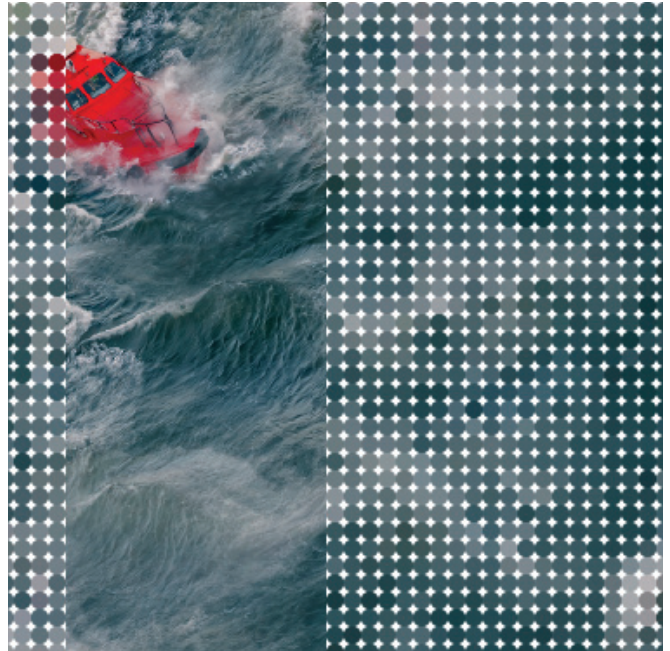


COGNOLINK LIMITED

Cognolink is a provider of primary research services to professional investment firms and their advisers, including hedge funds, private equity and mutual fund managers and management consultants. Cognolink helps its clients to make important investment decisions by connecting them to authoritative market intelligence provided by industry specialists.

Cognolink was founded in London in 2007 and then quickly expanded into international markets, opening a New York office in 2010, followed by offices in Hong Kong, Shanghai, Beijing and Mumbai. The company grew rapidly from its inception.

ProVen VCT invested £949,000 in Cognolink in November 2012, alongside PGI VCT, to support further international expansion and the development of additional research products. Since the VCTs invested the company has continued to deliver strong growth, recording turnover of nearly £22 million in 2014, an increase of 57% on the previous year. The company recently moved into larger offices in both London and New York to accommodate its growing workforce.



FJORDNET LIMITED

Fjordnet is a pioneering digital design agency which works with its clients, usually global businesses, to create service solutions that work across multiple technology platforms. It created the BBC iPlayer for mobile devices and has worked on multiple projects for Nokia, among other clients.

Having established offices in London, Helsinki and Berlin, ProVen VCT and PGI VCT provided growth capital to Fjordnet which allowed it to grow and open further international offices in Madrid, New York, Paris, San Francisco, Istanbul and Stockholm. This investment completed in December 2008. Following the ProVen VCTs' investment, Fjordnet was one of the fastest growing companies in the UK, appearing in The Sunday Times Fast Track 100 list of the UK's fastest growing companies in both 2009 (47th) and 2010 (29th).

In May 2013 Fjordnet was sold to Accenture, a global management consulting, technology services and outsourcing company. The deal has resulted in a total return of £5.6 million on a cost of £1.9 million.



PART 1

THE OFFER

1. REASONS FOR THE OFFER

Reasons for the Offer

The Directors believe that the Offer will benefit both new and existing Shareholders by enabling the Company to:

- take full advantage of the strong flow of attractive investment opportunities currently being seen by the Manager;
- increase the diversification of the investment portfolio; and
- reduce the annual operating cost per Ordinary Share, by spreading the fixed operating costs of the Company over a larger asset base.

The net proceeds of the Offer will be applied in accordance with the Company's investment policy, which is set out below.

2. INVESTMENT POLICY

Investment objective

The Company's investment objective is to achieve long term returns greater than those available from investing in a portfolio of quoted companies, by investing in:

- a portfolio of carefully selected Qualifying Investments in small and medium sized unquoted companies with excellent growth prospects;
- a portfolio of non-Qualifying Investments including cash, liquidity funds, fixed interest securities, debt and debt-related securities in growth companies and non-Qualifying venture capital investments;

within the conditions imposed on all VCTs, and to minimise the risk of each investment and the portfolio as a whole.

Investment Policy

The Company's investment policy covers several areas as follows:

Qualifying investments

The Company seeks to make investments in VCT qualifying companies with the following characteristics:

- a strong, balanced and well-motivated management team with a proven track record of achievement;
- a defensible market position;
- good growth potential;
- an attractive entry price for the Company;
- the ability to structure the investment with a proportion of secured loan notes in order to reduce risk; and

- a clearly identified route for a profitable realisation within a 3-4 year period.

The Company invests in companies requiring capital for expansion, but does not invest in start-ups. Investments are spread across a range of different sectors.

Other investments

Funds not invested in qualifying investments will be held in cash, liquidity funds, fixed interest securities of A-rating or better, investments originated in line with the Company's qualifying VCT policy but which are not regarded as qualifying holdings for VCT purposes, and debt and debt-related securities in growth companies.

Listing Rules

In accordance with the Listing Rules:

- (i) the Company may not invest more than 10%, in aggregate, of the value of the total assets of the Company at the time an investment is made in other listed closed-ended investment funds except listed closed-ended investment funds which have published investment policies which permit them to invest no more than 15% of their total assets in other listed closed-ended investment funds;
- (ii) the Company must not conduct any trading activity which is significant in the context of the Company; and
- (iii) the Company must, at all times, invest and manage its assets in a way which is consistent with its objective of spreading investment risk and in accordance with its published investment policy set out in this document. This investment policy is in line with Chapter 15 of the Listing Rules and Part 6 Income Tax Act 2007.

Venture capital trust regulations

In continuing to maintain its VCT status, the Company complies with the regulations as set out in Part 6 of the Income Tax Act 2007.

Borrowings

It is not the Company's intention to have any borrowings. The Company does, however, have the ability to borrow a maximum amount which is equal to the nominal capital of the Company and its distributable and undistributable reserves. There are no plans to utilise this facility at the current time.

The Directors do not intend to vary the Company's investment policy, which will be adhered to for at least three years following the Offer. However, should a material change in the investment policy (including the conditions above) be deemed appropriate this will be done with Shareholders' approval and in accordance with the Listing Rules.

3. ASSET ALLOCATION

Over the three years following the Offer, a proportion of the funds raised will be progressively invested in Qualifying Investments with the objective that ultimately approximately 75% of the Company's assets will be invested in Qualifying Investments. Initially, whilst suitable Qualifying Investments are being identified, the funds will be invested in a portfolio of non-Qualifying Investments including cash deposits, money market funds, fixed interest securities, secured loans, debt and debt related securities in growth companies (directly or indirectly) and non-Qualifying venture capital investments. Progressively, this portfolio will be realised in order to fund investments in Qualifying Investments. Following the initial three year investment period the maximum exposure of the Ordinary Share portfolio to Qualifying Investments will be 80%. The remaining portion of the Ordinary Share portfolio will be retained in non-Qualifying Investments to fund the annual running costs of the Company, to reduce the risk profile of the overall portfolio and to fund any further investments in its investee companies.

It is expected that after investing 75% of its assets in Qualifying Investments, the Ordinary Share portfolio will have at least 50 investments (assuming full subscription) to provide diversification and risk protection. Under current VCT legislation a Qualifying Company's gross assets may not exceed £15 million immediately before and £16 million immediately after the investment, and it must have fewer than 250 employees, prior to investment (500 in the case of a Knowledge Intensive Company). The Qualifying Company cannot receive more than £12m (£20m if the company is deemed to be a Knowledge Intensive Company) of State Aid investment (including from VCTs) over the company's lifetime. The Qualifying Company's first commercial sale must be no more than 7 years before the VCT's investment (10 years for a Knowledge Intensive Company), except where previous Risk Finance State Aid was received by the company within 7 years or where a turnover test is satisfied. Funds received from an investment by a VCT cannot be used to acquire another existing business or trade. No single investment will represent more than 15% of the Company's investments at the time the investment is made.

4. RISK MANAGEMENT

With many years experience of managing the risks involved in investing in unquoted companies, Beringea has implemented a number of measures designed to reduce risk as much as possible, given the investment strategy. Key risk management features include:

- *Broad portfolio of companies* – The Company will invest in a broad portfolio of different companies, thereby reducing the potential impact of poor performance by any individual investment;
- *Low-risk non-qualifying investments* – These will include cash deposits, money market funds, fixed interest securities and secured loans, with the intention of generating maximum yield consistent with minimising the risk to Investors' capital;
- *Stage of investment* – The Company will invest in established companies to provide capital for expansion;
- *Rigorous investment process* – Beringea has established rigorous procedures for reviewing and approving potential investments, as described above, aimed at ensuring a high standard of investment decision-making;

- *Investment into loan notes and preference shares* – Investments will be structured, where appropriate, with a proportion of the funding in the form of loan notes or preference shares, which must be repaid in priority to ordinary shares on a sale of the investee company. Consequently, the investment risk is reduced. Some or all of the loan notes and preference shares may be repaid during the life of the investment, thereby reducing the Company's exposure without affecting the percentage of the equity it holds;
- *Close monitoring of investments/Position on the board of the company* – Beringea will closely monitor the performance of all investments in order to identify any problems and to enable it to take swift corrective action, including in certain circumstances the replacement of under-performing managers. Generally, one of Beringea's investment managers will be appointed to the board of each investee company;
- *Control over key decisions by investee companies* – Beringea will negotiate detailed legal agreements with each investee company, giving it significant influence over the development of the business;
- *Co-investment* – The ability for the Company to co-invest the funds raised under the Offer alongside other funds managed by Beringea, such as PGI VCT, will enable the Company to invest in larger and more mature businesses than it might otherwise be able to access, thereby reducing the risk of the investment portfolio.

5. CO-INVESTMENT POLICY

In order to ensure that new investment opportunities are apportioned fairly between the ProVen VCTs, their allocation is governed by the terms of a co-investment agreement. This broadly provides that new VCT Qualifying investments which meet the Company's investment strategy will be offered first to the Company and PGI VCT. These investments will be apportioned to these companies in the chronological order in which funds were raised. For funds raised in the same financial year the allocation will be in proportion to the total VCT investment value of the relevant fund raisings. The amount which is apportioned to each VCT will be restricted, in order to ensure good portfolio diversification.

For each follow-on investment, the amount to be invested will be offered first to the ProVen VCTs that already have an investment in the target company, pro-rata to their existing investment.

6. THE MANAGER

The Manager

The Company is managed by Beringea, an award winning, specialist venture capital firm which manages more than £135 million of VCT assets. Beringea has over 25 years experience of managing investments in unquoted companies and has managed the Company since it was launched in 2000. Beringea is part of an international fund management group which manages more than \$500 million of venture capital assets. Further details of the investment management agreement (as amended) between Beringea and the Company are set out in Part 6 of the Registration Document.

Investment Process

Beringea has used the experience gained over its 25-plus year history to develop a rigorous investment process designed to ensure the highest standard of investment decision making. The first stage of this

is to select a small proportion of the large number of investment opportunities received by Beringea for further investigation. All of these opportunities are then subjected to a thorough due diligence investigation, comprising a review of the company's management, the market in which the company operates, its competitive position within the market and the opportunities and risks facing the business. The due diligence process usually involves detailed market research, including interviews with customers and suppliers, as well as building and reviewing financial models. Beringea may also appoint specialist professional advisers, such as accountants and market research consultants, to assist it with its investigation.

If there is a satisfactory outcome to the due diligence process, a formal proposal will be submitted to Beringea's investment committee for consideration. The investment committee has full discretion to make investment decisions on behalf of the Company.

Post Investment Management

Once an investment has been made, Beringea uses the experience of its investment management team to add as much value as possible to the investee company. It also monitors all investments closely to ensure that any problems are identified at an early stage, so that appropriate action can be taken swiftly if necessary. The key steps it takes to achieve this will normally include the following:

- appointing one of Beringea's investment team to the board of investee companies;
- attending regular board meetings, helping to develop strategy, sharing experience from a wide variety of different unquoted companies, making introductions to other portfolio companies in order to create business opportunities and advising in a variety of different areas;
- ensuring good corporate governance;
- reviewing regular management accounts in order to identify potential issues or opportunities;
- having the right to approve key strategic decisions, including the adoption of budgets, major investments and recruitment of senior personnel;
- having the right, in certain circumstances, to replace under-performing managers; and
- appointing an appropriate chairman who can bring additional skills and experience to the board.

As an investment matures, Beringea is proactive about identifying opportunities for a profitable realisation in order to realise capital gains, which may be distributed to Shareholders in accordance with the Company's dividend policy.

The Management Team

The investment management team comprises the following ten executives, who have more than 85 years combined experience of making equity and debt investments in SMEs. They are:

Malcolm Moss

Malcolm is a founding partner of Beringea LLC. Over the last 26 years he has been responsible for the growth, development and management of the private equity business of Beringea in both the UK and the USA. In addition to sitting on the boards of ProVen VCT, PGI VCT and ProVen Planned Exit VCT, he sits on the investment

committees of the Beringea Group's US venture capital funds. Malcolm has a BA and an MBA.

Stuart Veale

Stuart is Managing Partner of Beringea and has 25 years of private equity investment experience. Prior to joining Beringea, Stuart was a senior director with LDC (the private equity arm of the Lloyds Banking Group) and head of their Thames Valley office. He started his career in venture capital with 3i. Stuart has an MA from Oxford and an MBA from the London Business School.

Karen McCormick

Karen is Chief Investment Officer at Beringea and has been a member of the team for over 8 years. She is responsible for making new investments and working with portfolio companies through to exit, and has led more than a dozen investments. Karen was previously with the Boston Consulting Group and ran the Watches division of Swiss Army/Wenger. She also has experience with start-ups as both a founder and advisor. Karen has lived and worked in the US, Europe, and Asia, and has an MBA from INSEAD and a BSBA from Boston University.

Robert Hodgkinson

Rob joined Beringea as an Investment Manager in 2013 and was promoted to Investment Director in 2015. He has over seven years of experience in finance. He started his career at NM Rothschild with M&A experience in the energy, leisure and property sectors. Rob has an MA from Cambridge University and an MBA from INSEAD.

Maria Wagner

Maria is an Investment Director, responsible for sourcing investments, executing deals and monitoring portfolio companies. She was previously Managing Director of Birchbox UK, a beauty e-commerce and subscription business. Prior to this, Maria was on the investment teams at Virgin Group and GMT Partners, where she made investments and monitored portfolio companies, mainly in the digital and media sectors. Maria began her career as an analyst at Goldman Sachs and an Engagement Manager at McKinsey in New York. Maria has an MBA from Harvard Business School and a Bachelor's degree in Economics from MIT.

Robert Dagger

Robert is responsible for sourcing and analysing new deals, due diligence on potential investments and monitoring portfolio companies. Prior to joining Beringea, Robert worked as a senior consultant in Deloitte's strategy practice, focusing primarily on projects for technology and media organisations. Rob holds a BSc in Management from LSE.

Lillian Li

Lillian is responsible for sourcing and analysing new deals, due diligence on potential investments and monitoring portfolio companies. Prior to joining Beringea, Lillian was an Associate Consultant at L.E.K. Consulting based in both London and Boston. While there she focused on technology, consumer products, healthcare and private equity practices. Lillian has lived and worked in the US, UK and China. She holds a BA Hons in Economics from Cambridge University and a MSc in International Development from LSE.

Harry Thomas

Harry is responsible for sourcing and researching potential investments. He also works on new business opportunities and monitoring portfolio companies. His previous experience includes working for two start-ups and on a parliamentary campaign. Harry graduated from St. Andrew's University with a degree in history.

Mark Taylor

Mark heads up Beringea Growth Finance, which provides debt-based finance to fast growing companies. He has over 30 years experience working within the finance sector of which the last 18 years have been in venture and growth finance. Mark was a pioneer of venture and growth finance in Europe having been a founder partner of EVP (now Kreos Capital) in 1998. He went on to found and manage Noble Venture Finance and was instrumental in creating Clydesdale Growth Finance. Mark is a Chartered Accountant and has a degree from the University of Reading.

Hilary Weatherstone

Hilary is a member of the Beringea Growth Finance team, having joined in 2014, and has extensive debt and structured finance experience. Hilary has worked at Dresdner Kleinwort Benson, was a Director in the asset finance business of Barclays, an Account Director in Ernst & Young's TMT team and latterly a Director of Technology Finance at Lloyds Banking Group, where she provided and arranged over £1bn of asset based financing. Hilary is a graduate of Glasgow University.

Management Retention

The Company has agreed long-term performance incentive arrangements with the Manager, which are designed to enable it to attract and retain talented investment managers, by rewarding them for delivering outstanding investment performance. More details of the performance incentive arrangements are given on page 23.

7. EXISTING PORTFOLIO

Following the Offer, part of each Investor's investment will be represented by a share of the current Ordinary Share portfolio, which at the date of this document included holdings in 41 companies. At 31 August 2015, the latest date for which results have been

announced, this portfolio comprised 40 venture capital investments with a cost of £40.9 million and an (unaudited) valuation of £47.9 million and cash of £17.6 million.

Since 31 August 2015 the Company has made the following investment additions and disposals:

Additions

Monmouth Holdings Limited (£4,000,000)
Litchfield Media Limited (£3,580,000)
Pulpitum Limited (£2,100,000)
Cogora Group Limited (£1,667,000)
Think Limited (£1,350,000)
Linkdex Limited (£750,000)
Big Data Partnership Limited (£466,000)
Sealskinz Holdings Limited (£264,000)
Simplestream Limited (£120,000)
Senselogix Limited (£112,000)
Disposable Cubicle Curtains Limited (£84,000)
D30 Holdings Limited (£80,000)

Disposals

IS Solutions plc (Proceeds of £1,932,000)
Cross Solar PV Limited (Proceeds of £459,000)
Speciality European Pharma Limited *(Proceeds of £85,000)
Celoxica Limited *(Proceeds of £63,000)
Peerius Limited *(Proceeds of £39,000)

*Scheduled repayments of secured loans

The list of active current investments (unaudited) in the Ordinary Share portfolio set out in the table below constitutes a comprehensive and meaningful analysis of the Company's portfolio as at the date of this document, representing 69.8 per cent by value of the Company's venture capital investments. The (unaudited) valuations are as at 31 August 2015, the latest date for which valuations have been announced, for investments in the portfolio at that date. Additions to the portfolio after 31 August 2015 are valued at cost. All the companies listed below have their headquarters in the United Kingdom unless otherwise stated.

Portfolio (by value)	Cost £'000	Valuation £'000	% of portfolio by value	Debt/Shares
Monica Vinader Limited <i>Fashion jewellery brand</i>	1,525	5,745	9.0%	Shares
Pulpitum Limited <i>Company established to acquire attractive businesses in the digital sector</i>	4,200	4,032	6.3%	Debt and Shares
Monmouth Holdings Limited <i>Company established to take advantage of a range of growth capital opportunities</i>	4,000	4,000	6.3%	Debt and Shares
Cogora Group Limited <i>Magazine publisher and event organizer</i>	2,643	3,660	5.8%	Debt and Shares
Think Limited <i>Digital media agency</i>	2,956	3,655	5.7%	Debt and Shares
Litchfield Media Limited <i>Company established to acquire attractive businesses in the media and marketing services markets</i>	3,580	3,580	5.6%	Debt and Shares
Watchfinder.co.uk Limited <i>Reseller of pre-owned luxury watches</i>	2,629	2,629	4.1%	Shares
Perfect Channel Limited <i>Enterprise auction platform</i>	1,745	2,489	3.9%	Shares
Chargemaster plc <i>Provider of electric vehicle charging equipment</i>	2,421	2,483	3.9%	Shares
MyOptique Group Limited <i>Online eyewear retailer</i>	2,420	2,420	3.8%	Shares
MEL Topco Limited (t/a Maplin) <i>Specialist electronics products retailer</i>	2,217	2,217	3.5%	Debt and Shares
Speciality European Pharma Limited <i>Specialist pharmaceutical company</i>	2,138	2,138	3.4%	Debt
Disposable Cubicle Curtains Limited <i>Manufacturer of antimicrobial products for healthcare facilities</i>	1,693	1,965	3.1%	Debt and Shares
Cognolink Limited <i>Provider of expert network services to professional investors</i>	949	1,937	3.0%	Shares
Big Data Partnership Limited <i>Professional services firm specialising in advice on 'big data analytics'</i>	1,505	1,505	2.4%	Debt and Shares
Other venture capital investments	17,838	16,076	25.3%	
Total venture capital investments	54,459	60,531	95.1%	
Cash at bank and in hand		3,088	4.9%	
		63,619	100.0%	

Further details of all the Company's venture capital investments which represent at least 2.3% or more of the Company's NAV are as follows:

Monica Vinader Limited

Monica Vinader is a British luxury jewellery brand. Designer Monica Vinader began producing jewellery in 2002 and commercialised the brand in 2007. The brand is now regularly featured in glossy magazines such as Vogue, Harpers and Grazia and boasts a celebrity following including Kate Winslet, Rita Ora, Elle Macpherson and Keira Knightley. The range is sold online, through leading department stores such as Harrods, Selfridges and Nordstrom, the company's own five stores in London and Hong Kong, and distributors across the Middle East and Asia.

Pulpitum Limited

Pulpitum is a company which has been established to take advantage of investment opportunities in the digital media market.

Monmouth Holdings Limited

Monmouth Holdings is a company which has been established to take advantage of growth capital opportunities across a range of SMEs.

Cogora Group Limited

Cogora Limited is an integrated media and marketing services company which engages with some 220,000 healthcare professionals. For 25 years the company has enjoyed a strong reputation for delivering top quality, timely content and events that supports healthcare professionals with their clinical decision-making and career development.

Think Limited

Think is an award-winning digital agency that works with world-leading brands, such as Bupa, Toyota and Warner Bros.

Litchfield Media Limited

Litchfield Media is a company which has been established to take advantage of investment opportunities in the media and marketing services markets.

Watchfinder.co.uk Limited

Watchfinder is a UK retailer of pre-owned luxury watches, offering luxury brands such as Rolex, Cartier, Tag Heuer, Breitling, Omega, and Patek Philippe, as well as rare and vintage models. While the majority

of sales are transacted through the company's website or over the phone, Watchfinder has also opened a flagship boutique in the Royal Exchange, a luxury shopping centre located next door to the Bank of England and outlets in Bluewater Shopping Centre and the Victoria Quarter in Leeds. ProVen VCT invested £2.6 million in Watchfinder in September 2014.

Perfect Channel Limited

Perfect Channel provides an end-to-end auction solution for businesses, with services across auction design, auction management and post-auction analytics. Its platform is designed for scale, managing up to 60,000 simultaneous bidders, across a variety of different verticals on a global basis.

Chargemaster plc

Chargemaster is a UK based provider of electric vehicle (EV) charging infrastructure. Founded in 2008, Chargemaster has quickly grown to become the largest supplier of EV equipment and infrastructure in the UK with public and commercial charging points installed across the country. The company is also a key player in the European EV market. ProVen VCT invested a total of £2.4 million in July and October 2014.

MyOptique Group Limited

MyOptique Group is an online eyewear retailer, providing branded and own brand prescription glasses, contact lenses and sunglasses through a portfolio of international websites including Glasses Direct, Sunglasses Shop, LensOn and MyOptique. The company has recently served its three-millionth customer.

MEL Topco Limited (t/a Maplin)

Maplin is an electronic goods retailer with over 200 stores in the UK and an emerging online presence. The business was acquired by new investors in June 2014 with ProVen VCT investing £2.5 million.

Speciality European Pharma Limited

Speciality European Pharma is a pan-European pharmaceutical company, specialising primarily in the urology and urogynaecology markets. The company acquires, licenses and distributes pharmaceutical products and medical devices aimed at its target markets.

Disposable Cubicle Curtains Limited

DCCL manufactures and distributes an evolving range of patented, disposable curtains and blinds which actively destroy deadly and harmful pathogens. Distributed to medical institutions, DCCL's products are manufactured and shipped from its manufacturing plant in Wolverhampton. The replacement of traditional linen products with DCCL's disposable, anti-microbial curtains, assists medical institutions in preventing and combating the outbreak of hospital acquired infections amongst patients, staff and visitors.

Cognolink Limited

Cognolink is a provider of primary services to professional investment firms and their advisers, facilitating consultations between its clients and industry specialists who can deliver insight to support key investment decisions. The company was established in 2007 and has offices in London, New York, Shanghai, Hong Kong, Beijing and Mumbai. In 2014 revenue reached nearly £22 million, an increase of 57% on the previous year.

Big Data Partnership Limited

Big Data Partnership is a professional services/consultancy firm specialising in providing independent advice to corporates in the area of 'big data analytics'. The company offers clients a combination of consulting, implementation, training and support services to help them unlock the value in complex data.

8. THE DIRECTORS

The Directors have overall responsibility for the Company's affairs, including monitoring the performance of the Manager and ensuring that the VCT status of the Company is maintained.

The Directors, all of whom are non-executive, have experience of corporate governance of listed companies. A majority of the Directors is independent of the Manager.

Andrew Davison, Chairman

Andrew has over 30 years experience of the financial services industry. He was formerly Managing Director of NatWest Ventures, which specialised in venture capital investments, and is a former council member of the British Venture Capital Association. He has been a director of a number of quoted and unquoted companies.

Barry Dean

Barry has over 30 years experience in the venture capital industry, including 14 years as Managing Director of Dresdner Kleinwort Benson Private Equity Limited, a longstanding "mid-market" private equity fund manager. He is currently a director of Downing One VCT plc and Elderstreet VCT plc.

Malcolm Moss

Malcolm is a founding partner of Beringea LLC. In addition to sitting on the boards of ProVen VCT, PGI VCT and ProVen Planned Exit VCT, he sits on the investment committees of the Beringea Group's US venture capital funds.

Lorna Tilbian

Lorna is an executive director and Head of the Media Sector at Numis Securities Limited. Lorna has been a top-ranked media analyst by Institutional Investor and Thomson Reuters Extel from 1987 to 2012. She was previously a director at SG Warburg and West LB Panmure. Lorna is a non-executive director of Jupiter Primadonna Growth Trust.

The Directors have committed to invest a total of £15,000 under the Offer, on the same terms as Investors.

9. SHAREHOLDER BENEFITS

Target return

The Company aims to achieve long-term returns greater than those available from investing in a portfolio of quoted companies. The annual rate of return to investors in the Company's original ordinary share issue from launch in 2000 to 31 August 2015 (the latest date to which results have been announced) assuming initial income tax relief of 20% was 8.5% p.a., although this is not a guide to future returns from an investment in the Company.

Dividends

The Company has a target of paying dividends each year which will equate to a yield of approximately 5% of net asset value. The Board believes that this target is consistent with the NAV remaining broadly

stable over time, although this will depend on the returns achieved by the Company's investments and cannot be guaranteed. The Company may pay a special dividend in addition to the target 5% yield if there is a realisation, or series of realisations, from the portfolio which results in an exceptionally large gain. Since the current dividend policy was adopted in the financial year to 28 February 2013 the annual dividend yield was 5.1% for the year ended 28 February 2013, 7.3% for the year ended 28 February 2014 and 4.8% for the year ended 28 February 2015. Dividend payments will, however, depend on the amount and timing of profits realised from the sale of investments, which cannot be guaranteed. There is no certainty that any dividends will be paid.

Existing portfolio of investments

By investing under the Offer, Investors will immediately gain access to a more mature portfolio of investments than they would by investing in a new VCT share class. This increases the potential for early realisations from the portfolio, enhancing the Company's ability to pay dividends on the Ordinary Shares.

Tax benefits

Investors in a VCT are entitled to a range of significant tax benefits, including an income tax rebate of 30% of the amount invested. This means that someone who invests £10,000, for example, will be entitled to an income tax rebate of £3,000.

Another major tax benefit is that dividends paid by a VCT are not subject to income tax. This means that they are a particularly attractive source of income for higher rate taxpayers.

These tax benefits significantly enhance the value to Investors of the investment returns achieved by the Company. They are available on total VCT investments of up to £200,000 per person in each tax year. The tax rebate cannot exceed the amount which reduces an Investor's tax liability to nil.

Claiming the tax relief

Certificates to enable an Investor to claim tax relief on their investment will be posted within 15 business days of the New Ordinary Shares being allotted. An Investor will then have two options for claiming the tax relief:

- (a) writing to their HM Revenue & Customs office to ask for their PAYE tax code to be adjusted, or
- (b) waiting until the end of the tax year and completing the appropriate section on the self-assessment form.

Dividend Reinvestment Scheme

The Company operates a dividend reinvestment scheme which enables Shareholders, should they so wish, to reinvest any future cash dividends in Ordinary Shares. The rules of the dividend reinvestment scheme are set out in Part 5. If an Investor wishes to participate in this scheme, they should complete Section 6 of the Application Form. Dividend reinvestment enables Shareholders to increase their holding in the Company without incurring dealing costs, issue costs or stamp duty. Subject to the normal limits on tax relief for investment in VCTs, these Ordinary Shares should qualify for VCT tax reliefs that are applicable to subscription for new VCT shares.

Communicating with Shareholders

The Directors and the Manager believe strongly in the importance of good communication with Shareholders, and provide information about the progress of the Company in a number of different ways:

- the Annual Report and Accounts is sent to all Shareholders, normally in July each year;
- the half-year report is sent to all Shareholders, normally in October each year;
- ProVen News, a newsletter containing information about portfolio companies, including new investments and disposals, is normally sent to Shareholders twice a year;
- E-mail updates, containing news about the Company and its portfolio companies, are sent to Shareholders on an occasional basis. If an Investor would like to receive information by e-mail, they should enter their e-mail address in Section 1 of the Application Form;
- Information about the Company is made available on the ProVen VCTs' website (www.provenvcts.co.uk), which is updated regularly.

All Shareholders are also invited to a Shareholder Event each year, at which a number of portfolio companies give presentations. This event also allows Shareholders to meet the Directors and members of the investment management team.

Shareholder Rewards

From time to time some of the ProVen VCTs' portfolio companies are able to make special offers or discounts available to ProVen shareholders. Shareholders are invited to subscribe for quarterly update emails containing current details and codes. These offers are only available to current shareholders in the ProVen VCTs and may be changed or withdrawn at any time.

Share Buyback Policy

The Directors intend to ensure that all Shareholders who wish to sell their Ordinary Shares are able to do so, by operating a share buyback policy under which the Company will buy back Ordinary Shares at a 5% discount to net asset value. The Company has operated a policy of buying back shares since July 2004. The number of Ordinary Shares that the Company will buy back in any year will be limited to 10% of the number of Ordinary Shares in issue and may be restricted if necessary to maintain an appropriate level of liquidity in the Company.

Additional Shares for Early Investment

Applicants (and their spouses) who had an existing shareholding in one of the ProVen VCTs on 30 September 2015, and whose Application Form is received by 1pm on 29 January 2016, will be entitled to additional New Ordinary Shares with an aggregate subscription price equivalent to 2% of the amount subscribed. All other Applicants whose Application Form is received by 1pm on 29 January 2016 will be entitled to additional New Ordinary Shares with an aggregate subscription price equivalent to 1% of the amount subscribed. The subscription price of the Additional Shares will be met by the Manager.

10. FEES AND EXPENSES

Annual Management Fee

The Manager is entitled to receive an annual management fee equal to 2% of the NAV, payable quarterly in arrears.

The Manager may charge arrangement fees, in line with industry practice, to companies in which it invests. It may also receive directors fees or monitoring fees from investee companies. The Manager and not the Company will be responsible for all costs incurred on transactions which do not proceed to completion.

Administration and Advisory Arrangements

From 13 January 2015, Beringea LLP has provided certain administration, company secretarial and financial advisory services and services in connection with share repurchases to the Company, for an annual fee of £55,681 (plus VAT if applicable). The fee is increased annually in line with the Retail Prices Index.

Annual running costs

The annual running costs of the Company, being the Directors' fees, professional fees, the annual fees payable to the Manager and the costs incurred by the Company in the ordinary course of business (including irrecoverable VAT but excluding any performance related fees and annual commission payable to the Manager and trail commissions payable to intermediaries) are capped at 3.25% of net assets. Any costs above this level are borne by the Manager, by way of a reduction in its fees.

The annual running costs of the Company for the year to 28 February 2015 were 2.5% of the net asset value of the Company at the year end. By raising additional capital, the fixed costs of operating the Company will be spread over a larger asset base, thereby reducing the annual running cost per Ordinary Share. Assuming full subscription, the annual running costs will fall to approximately 2.3% of the net asset value of the Company.

Performance Fee

In line with normal VCT practice, the Manager is entitled to receive a performance fee in relation to the Ordinary Shares in order to align the interests of the Manager as closely as possible with those of the Investors and to encourage and reward exceptional investment performance. The performance fee structure is designed to encourage significant payments to Investors by means of tax-free dividends, as well as capital growth.

The Investment Manager is entitled to receive a performance fee in relation to the Ordinary Shares if, at the end of a financial year, the Performance Value exceeds the greater of (i) 117.2p per Ordinary Share and (ii) 92.9p per Ordinary Share increased from 31 August 2011 by, approximately, the Base Rate + 1% per annum, (the "Hurdle"). In this event the performance fee will be equal to 20% of the amount by which the Performance Value exceeds 92.9p per Ordinary Share, multiplied by the average number of Ordinary Shares in issue during the relevant financial year, less the amount of any performance fee already paid in relation to previous financial years starting after 29 February 2012 (which shall not include, for the avoidance of doubt, Residual PIF).

If the Performance Value is less than or equal to the Hurdle in any financial year, no performance fee will be payable in respect of that financial year.

The performance fee payable in relation to a financial year will be reduced, if necessary, to ensure that (i) the cumulative performance fee per Ordinary Share payable to Beringea in relation to financial years starting after 29 February 2012 does not exceed 20% of Cumulative Dividends and (ii) the audited net asset value per Ordinary Share at the relevant financial year end, plus the Cumulative Dividends and any Residual PIF Adjustment (whether relating to that or any prior financial year) is at least equal to the Hurdle.

As at the date of this document, the Performance Value was 117.8p, which is greater than the hurdle by 0.6p. Consequently, if the Performance Value remains the same, or increases, between the date of the Prospectus and the Company's financial year end of 29 February 2016, a performance fee will be payable by the Company to the Manager.

The Manager also receives a performance fee linked to the profit achieved on the disposal of two of the Company's investments, namely Espresso Group Limited and Think Limited (known as the "Residual PIF"). This performance fee will be equal to 20% of the aggregate profit realised on the sale of Espresso Group Limited and Think Limited, subject to a maximum fee of £673,000 (being 20% of the aggregate unrealised profit on these investments as at 31 August 2011). Espresso Group was sold in 1 November 2013 and the Manager has been paid a performance incentive fee of £461,000 in respect of this realisation (the "Espresso Sum"). In the event that the aggregate Residual PIF falls below the Espresso Sum, or if, in the reasonable opinion of the independent non-executive directors of the Company, there is a permanent diminution in the value of Think Limited such that the aggregate Residual PIF is less than the Espresso Sum, the Manager will refund the Company the difference by reducing its management fee.

The NAV used in the Pricing Formula (on page 24) for each allotment of New Ordinary Shares will include a provision for any potential performance fees payable by the Company, calculated in accordance with the Company's accounting policies. However, as the performance fee will be calculated based on the audited results at the relevant financial year end, the actual performance fee paid may be greater than, or less than, the amount provided in previously announced NAVs.

All fees paid under the performance fee arrangements will be inclusive of VAT, if applicable.

The performance fee paid to Beringea by the Company in respect of the financial year ended 28 February 2015 was £59,000, equivalent to 0.1p per Ordinary Share.

Launch Costs

Intermediaries authorised by the FCA offering investment advice to their clients ("Financial Advisers") are not permitted to receive commission from providers of investment products. Remuneration for their services now has to come from fees charged to their clients. The Company has agreed to facilitate the payment of initial fees to Financial Advisers, by accepting instructions from an Investor to pay the amount of the fee agreed by them to their Financial Adviser, together with any applicable VAT ("Adviser Charge"), out of the amount the Company receives from the Investor. The number of New

Ordinary Shares issued to the Investor will depend on the amount of the fee to be facilitated by the Company, as per the Pricing Formula set out below. Investors who wish the Company to facilitate the payment of a fee in this manner should complete Section 4 of the Application Form. The amount payable to the Financial Adviser is inclusive of VAT, where applicable.

Investors should be able to claim initial tax relief on the full amount of their investment, subject to the normal rules on eligibility for tax relief.

These rules do not apply to authorised intermediaries who do not offer advice to their clients ("Execution Only Brokers"), who continue to be able to receive commission, subject to any future changes in the rules and regulations.

In order to take account of the different rules applying to the two categories of intermediary, the Company has decided to adopt a dual pricing approach. For Applications received through Financial Advisers, the Company will pay the Manager a fee of 3.0% of the gross funds raised from these intermediaries less any discount for early investment. For Applications received through Execution Only Brokers and directly from Investors, the Company will pay the Manager a fee of 5.5% of the gross funds raised through these intermediaries less any commission waived by the Execution Only Broker and less any discount for early investment.

Out of these fees the Manager will be responsible for paying all the costs of the Offer, including professional fees, marketing expenses and initial commission to Execution Only Brokers. Any trail commission payable to Execution Only Brokers will be paid by the Company. The Promoter's fee will be reduced by the aggregate subscription amount for the Additional Shares issued to Investors whose Applications are received by 1.00 pm on 29 January 2016.

The maximum amount payable by the Company in respect of Offer costs will therefore be 5.5% of the gross proceeds of the Offer. The maximum net proceeds of the Offer will be £38,800,000 (assuming a full subscription and Offer costs of £1,200,000, comprising a Promoter Fee of 3% and no Adviser Charge).

11. OTHER INFORMATION

The Offer

The Company is seeking to raise up to £30 million, with an over allotment facility of up to a further £10 million through the issue of New Ordinary Shares, which will rank *pari passu* in all respects with the existing Ordinary Shares, including in respect of dividends.

Pricing of the Offer

The number of New Ordinary Shares to be issued to each Investor will be calculated using the following Pricing Formula, which is consistent with the agreement with the Manager on launch costs set out above, and which ensures that there is no reduction in the net asset value of the existing Ordinary Shares as a result of the Offer:

Number of New Ordinary Shares = (Amount subscribed, less: (i) Promoter's Fee and (ii) Adviser Charge (if any))/(latest published NAV*) rounded down to the nearest whole number of New Ordinary Shares.

The Promoter's Fee is

- (a) for Applications received through Financial Advisers, 3.0% of the investment amount less any discount for early investment as described on page 6 of this document; and
- (b) for Applications received through Execution Only Brokers and direct from Investors, 5.5% of the investment amount, less any commission waived by the Execution Only Broker and less any discount for early investment.

The Manager may agree to reduce its Promoter's Fee (in whole or in part) in respect of any specific Investors or group of Investors.

Investors should be able to claim initial tax relief on the full amount of their investment, subject to the normal rules on eligibility for tax relief.

* The NAV used in the calculation of the number of New Ordinary Shares will be the NAV most recently announced to the London Stock Exchange, less the amount of any dividend to be paid for which the record date is prior to the relevant allotment date, and any related performance incentive payment.

The most recently published unaudited NAV as at the date of this document is 98.9p but a new NAV may be announced to the London Stock Exchange during the Offer. The Company normally announces its latest NAV on a quarterly basis, although it may announce a new NAV between the normal quarterly dates if there is a material movement. The next NAV announcement following the date of this document is expected to be in January 2016. Such announcements may result in an upwards or downwards movement in the NAV and, therefore, in the denominator of the Pricing Formula. The NAV may change between the date on which an Investor's Application Form is posted and the date on which New Ordinary Shares in respect of that Application Form are allotted.

Listing on the London Stock Exchange

Applications will be made to the UK Listing Authority for the New Ordinary Shares issued under the Offer to be admitted to the premium segment on the Official List and to the London Stock Exchange for those New Ordinary Shares to be admitted to trading on its main market for listed securities.

Applications for New Ordinary Shares

Applications for the New Ordinary Shares will be payable in full by cheque, bankers draft or BACS transfer on application. Investors may post-date their cheques to 6 April 2016 for applications in respect of the 2016/2017 Offer. Applications under the Offer will be processed upon receipt. Applications accompanied by post-dated cheques will not be processed until the cheque can be presented and will not be treated as being received by the Receiving Agent until that date. In the event that applications accompanied by cleared funds are accepted in respect of the full subscription amount of the Offer before post-dated cheques can be presented, then applications accompanied by such post-dated cheques will be rejected and returned to Applicants. Where payment is made by BACS transfer the application will not be treated as being received by the Receiving Agent until funds are received in full by the Company. Multiple subscriptions by Investors are permitted. The Offer is not underwritten.

The subscription list for the Offer will open on 3 December 2015 and close at 1.00 pm on 5 April 2016 for the 2015/2016 Offer and at

1.00 pm on 31 May 2016 for the 2016/2017 Offer (or on any earlier date on which the Offer is fully subscribed), save that the Directors reserve the right to bring forward or extend the closing date of the 2016/2017 Offer to a date no later than 30 November 2016. The result of the Offer will be announced to the London Stock Exchange through a Regulatory Information Service provider authorised by the Financial Conduct Authority. There is no minimum subscription for the Offer to proceed.

In the event that applications are received in excess of the maximum subscription under the Offer, the Directors reserve the right to use their absolute discretion in the allocation of successful applications.

New Ordinary Shares will be allotted and issued in respect of valid applications in respect of the 2015/2016 Offer on 5 April 2016, and any other prior dates on which the Directors decide and, in respect of the 2016/2017 Offer, on 31 May 2016 and any other dates after 5 April 2016 and prior to the close of the Offer on which the Directors decide. Details of such allotments will be announced through a Regulatory Information Service provider by no later than the business day following the allotment. Share certificates (where applicable) will be posted to Shareholders within 15 business days of each allotment. Dealings may commence before such announcement is made.

The New Ordinary Shares will be issued on a fully paid up basis in registered form and evidence of title will be through possession of a share certificate in the Shareholder's name; alternatively, New Ordinary Shares may be held in an account through the CREST system. The Company will apply for the New Ordinary Shares to be admitted to CREST and it is expected that the New Ordinary Shares will be so admitted, and accordingly enabled for settlement in CREST, as soon as practicable after Admission has occurred. Therefore, settlement of transactions in the New Ordinary Shares following Admission may take place within the CREST system if Shareholders wish.

The Offer may not be withdrawn after dealings in the New Ordinary Shares have commenced. In the event of any requirement for the Company to publish a supplementary prospectus, subscribers who have yet to be entered into the Company's register of members will be given not less than two business days to withdraw their subscription. Investors should note, however, that in respect of New Ordinary Shares that have been unconditionally allotted, such withdrawal rights are a matter of law that is yet to be tested in the courts of England and Wales and Investors should, therefore, rely on their own legal advice in this regard. Notification of withdrawal may be given by e-mail to provenvcts@beringea.co.uk or by telephone.

Investors wishing to subscribe for New Ordinary Shares may do so by completing the relevant Application Form at the end of this document. Details of how to complete the Application Form are set out under the heading "Application Procedure" on pages 43 to 46 of this document.

Investor Profile

A typical Investor will be a UK taxpayer who is aged 18 or over who is professionally advised and already has a portfolio of non-VCT investments such as unit trusts, OEICs, investment trusts and direct shareholdings in listed companies and may include retail, institutional and sophisticated investors and high net-worth individuals. The Investor should be comfortable with the risk factors set out in the

Prospectus and be willing to retain the investment for at least five years.

Before deciding whether to apply for New Ordinary Shares it is recommended that potential Investors consult an authorised independent Financial Adviser.

Minimum and Maximum Investment

The minimum application per Investor under the Offer is £5,000. Applications in excess of £5,000 may be made for any higher amount in multiples of £1,000, subject to availability. There is no maximum investment although tax reliefs are only available on a maximum investment of £200,000 per individual in all VCTs in any one tax year. A husband and wife can each invest up to £200,000 in any one tax year with each enjoying the tax reliefs.

Commission for Execution Only Brokers

Execution Only Brokers will usually be paid an initial commission of either 3% or 2.25% on the amount invested by their clients. Additionally, provided that the Execution Only Broker continues to act for the client and the client continues to be the beneficial owner of the New Ordinary Shares, the Company will pay annual trail commission to Execution Only Brokers who elect to take an initial commission of 2.25%, normally at the rate of 0.5% of the amount invested by the client, for up to 5 years, subject to any future changes in the rules and regulations. The first payment of trail commission in respect of the New Ordinary Shares is expected to be in August 2017 in respect of the financial year to 28 February 2017.

Execution Only Brokers may agree to waive all or part of the initial commission in respect of an application. If this is the case, additional New Ordinary Shares will be allotted to the Investor and the waived commission will be used to satisfy the subscription price of such additional New Ordinary Shares. Execution Only Brokers must indicate in Section 10 of the Application Form the basis on which they wish to receive their commission.

PART 2

TAX CONSIDERATIONS

FOR INVESTORS

Tax Position of Investors

The following is only a summary of the law concerning the tax position of individual investors in VCTs. Potential Investors who are in any doubt about the taxation consequences of investing in a VCT are recommended to consult an appropriate professional adviser.

Tax Reliefs

The tax reliefs set out below are available to individuals aged 18 or over who subscribe for New Ordinary Shares under the Offer. Whilst there is no specific limit on the amount of an individual's acquisition of shares in a VCT, tax reliefs will only be given to the extent that the total of an individual's subscriptions or other acquisitions of shares in VCTs in any tax year do not exceed £200,000. Investors who intend to invest more than £200,000 in VCTs in any one tax year should seek professional advice.

(a) Income tax

(i) Relief from income tax on investment

Income tax relief at the rate of 30% will be available on subscriptions for up to a maximum of £200,000 in any tax year. This relief is limited to the amount which reduces the Investor's income tax liability to nil.

The effect of this relief for an Investor subscribing £10,000 for New Ordinary Shares is shown below:

	No VCT tax relief	30% income tax relief
Initial investment	£10,000	£10,000
30% income tax relief	–	(£3,000)
Effective investment cost	£10,000	£7,000

Tax relief on subscriptions for shares in a VCT is restricted where, within six months (before or after) that subscription, the investor had disposed of shares in the same VCT. Investments to be used as security for or financed by loans may not qualify for relief, depending on the circumstances.

(ii) Dividend relief

An Investor who acquires VCT shares in a given tax year with a value of up to £200,000 will not be liable to income tax on dividends paid by the VCT on those shares.

(iii) Purchasers in the market

An individual purchaser of existing VCT shares in the market will be entitled to claim dividend relief (as described in paragraph (ii) above)

but not relief from income tax on investment (as described in paragraph (i) above).

(iv) Withdrawal of relief

Relief from income tax on a subscription for VCT shares will be withdrawn if the VCT shares are disposed of (other than between spouses) within five years of issue or if the VCT loses its approval within this period.

(b) Capital gains tax

(i) Relief from capital gains tax on the disposal of shares

A disposal by an Investor of their New Ordinary Shares will give rise to neither a chargeable gain nor an allowable loss for the purposes of UK capital gains tax. The relief is limited to the disposal of VCT shares acquired within the limit of £200,000 for any tax year.

(ii) Purchasers in the market

An individual purchaser of New Ordinary Shares in the market will be entitled to claim relief from capital gains tax on disposal (as described in paragraph (b)(i) above).

Obtaining Tax Reliefs

The Company will provide to each Investor a certificate which the Investor may use to claim income tax relief, either by obtaining from HMRC an adjustment to their tax coding under the PAYE system or by waiting until the end of the tax year and using their tax return to claim relief.

Investors not Resident in the UK

Investors not resident in the UK should seek professional advice as to the consequences of making an investment in a VCT as they may be subject to tax in other jurisdictions as well as in the UK.

Withholding Taxation

No taxation will be withheld at source on any income arising from the New Ordinary Shares and the Company assumes no responsibility for such withholding.

Withdrawal of Approval

If a company which has been granted approval as a VCT subsequently fails to comply with the conditions for approval, approval as a VCT may be withdrawn or treated as never having been given. In these circumstances, relief from income tax on the initial investment is repayable unless loss of approval occurs more than five years after the issue of the relevant VCT shares. In addition, relief ceases to be available on any dividend paid in respect of profits or gains in any accounting period ending when VCT status has been lost and any

gains on the VCT shares up to the date from which loss of VCT status is treated as taking effect will be exempt, but gains thereafter will be taxable.

VCT status will be withdrawn if, in respect of shares issued on or after 6 April 2014, a dividend is paid (or other forms of distribution or payments are made to investors) from the capital received by the VCT from that issue within three years of the end of the accounting period in which shares were issued to investors.

PART 3

CONDITIONS TO BE MET BY

VENTURE CAPITAL TRUSTS

Qualification as a VCT

To qualify as a VCT, a company must be approved as such by HMRC. To obtain such approval it must:

- (a) not be a close company;
- (b) have each class of its ordinary share capital quoted on a regulated market in the EU or European Economic Area;
- (c) derive its income wholly or mainly from shares or securities;
- (d) have at least 70% by value of its investments in shares or securities in Qualifying Investments;
- (e) for funds raised before 6 April 2011, have at least 30% by value of Qualifying Investments in "eligible shares" carrying no preferential rights to dividends or assets on a winding up, or any rights to redemption
- (f) for funds raised after 5 April 2011, have at least 70% by value of Qualifying Investments in "eligible shares" carrying no preferential rights to assets on a winding up, or any rights to redemption, but which may have certain preferential rights to dividends;
- (g) have at least 10% by value of its Qualifying Investments in any single company or group in "eligible shares" as defined in (e) and (f) above;
- (h) not have more than 15% by value of its investments in a single company (other than a VCT or a company which would, if its shares were listed, qualify as a VCT);
- (i) not retain more than 15% of its income derived from shares and securities in any accounting period;
- (j) not make an investment in a company which causes that company to receive more than £5 million of State Aid investment (including from VCTs) in the twelve months ending on the date of the investment; and
- (k) in relation to shares issued by a VCT on or after 6 April 2014, not return to shareholders any of the capital received by the VCT in relation to those shares issued before the third anniversary of the end of the accounting period during which the subscription for those shares occurs.

During the July 2015 summer budget new conditions were announced that became effective in the Finance (No 2) Act 2015. How these conditions apply to the Company is summarised as follows:

- (a) no investment made by the Company in a company causes that company to receive more than £12m (£20m if the company is deemed to be a Knowledge Intensive Company) of state aid investment (including from VCTs) over the company's lifetime. A subsequent acquisition by the company of another company that has previously received Risk Finance State Aid can cause the lifetime limit to be exceeded;
- (b) no investment can be made by the Company in a company whose first commercial sale was more than 7 years prior to date of investment, except where previous Risk Finance State Aid was received by the company within 7 years (10 years for a Knowledge Intensive Company) or where a turnover test is satisfied; and
- (c) no funds received from an investment into a company can be used to acquire another existing business or trade.

Qualifying Investments

A Qualifying Investment consists of shares or securities first issued to the VCT (and held by it ever since) by a company satisfying certain conditions. The conditions are detailed but include that the company must be a Qualifying Company, have gross assets not exceeding £15 million immediately before and £16 million immediately after the investment, apply the money raised for the purposes of a Qualifying Trade within certain time periods and not be controlled by another company. In any twelve month period the company can receive no more than £5 million from state aided funds, including VCTs and the Enterprise Investment Scheme. The company must have fewer than 250 full time (or equivalent) employees at the time of making the investment (500 in the case of a Knowledge Intensive Company). The company cannot receive more than £12 million (£20 million if the company is deemed to be a Knowledge Intensive Company) of State Aid investment (including from VCTs) over the company's lifetime. The company's first commercial sale must be no more than 7 years before the VCT's investment (10 years for a Knowledge Intensive Company), except where previous Risk Finance State Aid was received by the company within 7 years or where a turnover test is satisfied. Funds received from an investment by a VCT cannot be used to acquire another existing business or trade. In certain circumstances, an investment in a company by a VCT can be split into part Qualifying Investment and part non-Qualifying Investment.

Qualifying Companies

A Qualifying Company must be unquoted (for VCT purposes this includes companies whose shares are traded on the ISDX Growth Market and the Alternative Investment Market) and must carry on a Qualifying Trade. For this purpose certain activities are excluded (such as dealing in land or shares or providing financial services). The Qualifying Trade must either be carried on by, or be intended to be carried on by, the Qualifying Company or by a Relevant Qualifying Subsidiary (see below) at the time of the issue of shares or securities to the VCT (and at all times thereafter). Qualifying Companies need not be UK resident but must have a permanent establishment in the UK. A company intending to carry on a Qualifying Trade must begin to trade within two years of the issue of shares or securities to the VCT and continue it thereafter.

A Qualifying Company may have no subsidiaries other than Qualifying Subsidiaries which must be more than 50% owned.

A Relevant Qualifying Subsidiary can be a 90% directly held subsidiary of the company invested in, its wholly owned subsidiary, or a 90% held subsidiary of a wholly owned subsidiary.

Approval as a VCT

A VCT must be approved at all times by HMRC. Approval has effect from the time specified in the approval.

A VCT cannot be approved unless the tests detailed above are met throughout the most recent complete accounting period of the VCT and HMRC is satisfied that they will be met in relation to the accounting period of the VCT which is current when the application is made. However, in order to facilitate the launch of a VCT, HMRC may approve a VCT notwithstanding that certain of the tests are not met at the time of application, provided HMRC is satisfied that the tests will be met within certain time limits. In particular, in the case of the tests described at (d), (e) and (f) under the heading "Qualification as a VCT" above, approval may be given if HMRC is satisfied that these will be met throughout an accounting period of the VCT beginning no more than three years after the date on which approval takes effect.

The Directors intend to conduct the affairs of the Company so that it satisfies the conditions for approval as a VCT and that such approval will be maintained. HMRC has granted the Company approval under section 274 ITA as a VCT. The Company intends to comply with section 274 ITA and has retained Philip Hare & Associates LLP to advise it on VCT taxation matters.

Withdrawal of Approval

Approval of a VCT may be withdrawn by HMRC if the various tests set out above are not satisfied. Withdrawal of approval generally has effect from the time when notice is given to the VCT but, in relation to capital gains of the VCT only, can be backdated to not earlier than the first day of the accounting period commencing immediately after the last accounting period of the VCT in which all of the tests were satisfied.

The above is only a summary of the conditions to be satisfied for a company to be treated as a VCT.

PART 4

OTHER INFORMATION

RELATING TO THE

COMPANY

Incorporation

ProVen VCT was incorporated in England as a public company with limited liability on 18 January 2000 with registered number 03911323. The principal legislation under which the Company operates and under which the New Ordinary Shares will be created is the 2006 Act and regulations made thereunder. The existing Ordinary Shares are admitted to the premium segment of the Official List and are traded on the London Stock Exchange's main market for listed securities.

Duration of the Company

It is not intended that the Company should have a limited life.

Capitalisation and Indebtedness

The following table shows the capitalisation of the Company as at 31 August 2015 (extracted from the Company's unaudited half-yearly report for the six months ended 31 August 2015).

	£'000
Total current debt	
Guaranteed	
Secured	
Unguaranteed/unsecured	845
Total non-current debt	
Guaranteed	
Secured	
Unguaranteed/unsecured	
Shareholders' equity	
Share capital	6,551
Share premium	16,804
Other reserves	41,425
Total	65,625

Since 31 August 2015 there has been no material change to the capitalisation of the Company.

The following table shows the Company's net indebtedness as at 4 September 2015.

	£'000
A. Cash	17,571
B. Cash equivalents	
C. Trading securities	
D. Liquidity (A+B+C)	17,571
E. Current financial receivables	204
F. Current bank debt	
G. Current position on non-current debt	
H. Other current financial debt	
I. Current financial debt (F+G+H)	
J. Net current financial indebtedness (I-E-D)	(17,775)
K. Non-current bank loans	
L. Bonds issued	
M. Other non-current loans	
N. Non-current financial indebtedness (K+L+M)	
O. Net financial indebtedness (J+N)	(17,775)

Working Capital Statement

In the opinion of the Company, the working capital available to the Company is sufficient for its present requirements, that is for at least 12 months from the date of this document.

Shareholder Authorities

The resolutions passed by the Company at the annual general meeting held on 22 July 2015 included authority to allot the New Ordinary Shares.

Maximum number of shares

The maximum number of New Ordinary Shares to be issued based on the latest published NAV per Ordinary Share at the date of this document, adjusted for dividends paid on 20 November 2015 of 2.5p per Ordinary Share, is 40,248,962 New Ordinary Shares.

Share Rights

The rights and restrictions attaching to the New Ordinary Shares are as follows:

Voting Rights

The company has one class of shares: Ordinary Shares.

Subject to any disenfranchisement provided for in the Articles and subject to any special terms as to voting on which any shares may be issued, on a show of hands every holder of Ordinary Shares present in

person or by proxy (or, being a corporation present by a duly authorised representative) shall have one vote and, on a poll, every such holder present in person or by proxy shall have one vote for every Ordinary Share of which he is the holder.

Dividends and other distributions

Subject to the provisions of the Articles, the Ordinary Shares entitle their holders to receive such dividends as the Directors may resolve to pay pro rata to their respective holdings of Ordinary Shares.

Rights as to capital

Subject to the provisions of the Articles, on a winding up or other return of capital, the net assets of the Company (including any income and/or revenue arising from or relating to such assets) less the Company's liabilities, including fees and expenses of liquidation or return of capital, shall be divided amongst the holders of Ordinary Shares pro rata according to their holdings of Ordinary Shares.

Alteration of share capital

The Company may from time to time by ordinary resolution:

- (i) increase its share capital by such sum to be divided into shares of such amounts as the resolution shall prescribe;
- (ii) consolidate and divide all or any of its share capital into shares of a larger amount than its existing shares; and
- (iii) diminish the amount of its capital by the nominal amount of the shares so cancelled.

Subject to the provisions of the 2006 Act, the Company may by special resolution:

- (i) purchase any of its own shares (including any redeemable shares);
- (ii) reduce its share capital or any capital redemption reserve, share premium account or other undistributable reserve in any manner; or
- (iii) sub-divide its shares, or any of them, into shares of a smaller nominal amount and by the same resolution may confer special rights on any of the shares resulting from the sub-division.

Issue of shares

The provisions of Section 561(1) of the 2006 Act (which, to the extent not disapplied pursuant to Section 570(1) of the 2006 Act, confer on Shareholders rights of pre-emption in respect of the allotment of equity securities which are, or are to be, paid up in cash) apply to the share capital of the Company, except to the extent disapplied by the Company in general meeting. Subject to the provisions of the 2006 Act relating to authority, pre-emption rights and otherwise and of any resolution of the Company in general meeting, all unissued shares shall be at the disposal of the Directors and they may allot (with or without conferring a right of renunciation), grant options over or otherwise dispose of them to such persons, at such times and on such terms as they think proper.

Transfer of shares

The shares are in registered form and are freely transferable. All transfers of shares must be effected by a transfer in writing in any

usual form or any other form approved by the Directors. The instrument of transfer of a share shall be executed by or on behalf of the transferor and, in the case of a partly paid share, by or on behalf of the transferee. The Directors may refuse to register any transfer of a partly paid share, provided that such refusal does not prevent dealings taking place on an open and proper basis, and may also refuse to register any instrument of transfer unless:

- (i) it is duly stamped (if so required), is lodged with the Company's registrar or at such other place as the Directors may appoint and is accompanied by the certificate for the shares to which it relates and such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer;
- (ii) it is in respect of only one class of share;
- (iii) the transferees do not exceed four in number; and
- (iv) it does not relate to any shares in respect of which the Company has a lien.

Material Interests

The Manager will be paid an annual investment management fee equal to 2% per annum of the aggregate net asset value of the Company. In line with normal VCT practice, the Manager will also be entitled to receive a performance incentive fee in order to align the interests of the Manager as closely as possible with those of the Investors and to encourage and reward exceptional performance. Further details of these arrangements are set out on page 23 of this document. In addition, the Manager will receive aggregate initial fees of between 3.0% and 5.5% of the gross proceeds of the Offer, as set out on page 24. Out of these fees Beringea will be responsible for paying all the costs of the Offer, including initial commission paid to Execution Only Brokers.

Beringea LLP provides certain administration services, financial advisory services and services in connection with share repurchases to the Company, for an annual fee of £55,681 (plus VAT, if applicable). The fees are increased annually in line with the Retail Prices Index. Further details of the administration agreement (and variations thereto) between Beringea LLP and the Company are set out in Part 6 of the Registration Document.

Malcolm Moss is a partner in Beringea and a member of Beringea's ultimate holding company, Beringea LLC, and Beringea is a party to the material contracts set out in paragraphs 1.1, 1.2, 1.4, 1.5, and 1.6 of Part 6 of the Registration Document.

Dilution

Assuming a full subscription, issue costs of 3% of gross funds raised and a NAV of 96.4p (NAV at 31 August 2015, adjusted for the dividend of 2.5p paid on 20 November 2015) for the purpose of the Pricing Formula, the existing Ordinary Shares will be diluted by a maximum of 38.0%, as a result of the Offer.

Sources

Information in this document sourced from third parties has been accurately reproduced and, so far as the Company is aware and is able to ascertain from information published by the relevant third parties, no facts have been omitted which would render such information inaccurate or misleading.

Overseas Investors

No person receiving a copy of this document in any territory other than the UK may treat the same as constituting an offer or invitation to him to subscribe for or purchase New Ordinary Shares unless, in such territory, such offer or invitation could lawfully be made. It is the responsibility of any person outside the UK wishing to make an application to satisfy himself as to the full observance of the laws of the relevant territory in connection therewith, including obtaining any requisite governmental or other consents, observing any other formalities required to be observed in such territory and paying any issue, transfer or other taxes required to be paid in such territory. No action has been taken to permit the distribution of this document in any jurisdiction outside the UK where such action is required to be taken. All applicants under the Offer will be required to warrant that they are not a US person as defined under the United States Securities Act 1933, nor a resident of Canada.

Taxes withheld at source

No income from the Ordinary Shares is withheld at source.

Consent for Prospectus to be used by Financial Intermediaries

The Company and the Directors consent to the use of the Prospectus, and accept responsibility for the content of the Prospectus, with respect to subsequent resale or final placement of securities by financial intermediaries, from the date of the Prospectus until the close of the Offer. The Offer is expected to close not later than 1.00 pm on 31 May 2016 in respect of the 2016/2017 Offer, unless previously extended by the Directors to a date no later than 30 November 2016. There are no conditions attaching to this consent. Financial intermediaries may use the Prospectus only in the UK.

Information on the terms and conditions of the offer will be given to Investors by financial intermediaries at the time that the offer is introduced to Investors. Any financial intermediary using the Prospectus must state on its website that it is using the Prospectus in accordance with the consent set out in the paragraph above.

No significant change

There has been no significant change to the Company's trading or financial position since 31 August 2015, the latest date to which results have been announced to the London Stock Exchange.

Documents Available for Inspection and Availability of Prospectus

Copies of the following documents are available for inspection at the Company's registered office and at the offices of Howard Kennedy at No.1 London Bridge, London SE1 9BG during normal business hours on any weekday (public holidays excepted) from the date of this document until the closing date of the Offer:

- (a) the material contracts referred to in Part 6 of the Registration Document;
- (b) the consent letters from Howard Kennedy and Beringea referred to in paragraph 5.14 of Part 7 of the Registration Document;
- (c) the audited accounts of the Company for the periods ended 28 February 2013, 28 February 2014, and 28 February 2015 and the unaudited half-year reports for the six months to 31 August 2014 and 31 August 2015;
- (d) the Registration Document;
- (e) the Summary; and
- (f) this Securities Note.

Copies of the Prospectus may be obtained, free of charge, whilst the Offer remains open, from the Company's registered office or from Beringea, 39 Earlam Street, London WC2H 9LT (telephone 020 7845 7820, email provenvcts@beringea.co.uk), or can be downloaded at www.provenvcts.co.uk. In addition, a copy of the Prospectus has been submitted to the National Storage Mechanism and is available to the public for viewing online at the following web-site address: <http://www.hemscott.com/nsm.do>.

3 December 2015

PART 5

RULES OF THE DIVIDEND REINVESTMENT SCHEME

1. Shareholders on the register of members at the close of business on the relevant record date may elect to receive Shares, credited as fully paid, instead of receiving the dividend in cash for the relevant financial period ("the full cash dividend"). The election may only be made by Shareholders in respect of the whole (and not part only) of their shareholdings and shall, subject to Condition 7, operate as a mandate in respect of all future dividends unless and until the Shareholder gives notice to terminate his or her participation in the Scheme in accordance with the terms of the Scheme.
2. Shareholders may only join the Scheme in respect of any class of Shares if all dividends on all Shares in the Company registered in their name are mandated to the Scheme. The number of Shares held by such Shareholder (a "Participating Shareholder") which are mandated to the Scheme shall be altered immediately following any change to the number of Shares in respect of which such Shareholder is the registered holder as entered onto the register of members of the Company from time to time.
3. The Company shall invest the monies held within the Scheme (being dividends paid on Shares by, or on behalf of, Participating Shareholders) in the subscription of Shares of the same class in the Company. The Company shall not have the discretion to vary such investments and Shareholders may not instruct the Company or the Scheme Administrator to make any other investments.
4.
 - (a) On or as soon as practicable after a day on which any dividend is paid to Shareholders (a "Reinvestment Day"), the funds held by the Company on behalf of each Participating Shareholder shall be applied on behalf of that Shareholder in the subscription for the maximum number of Shares as can be acquired with those funds.
 - (b) The number of Shares issued to a Participating Shareholder pursuant to condition 4(a) above shall be calculated by dividing the aggregate value of the dividends paid on the Shares to which the Participating Shareholder is entitled by the greater of (i) the most recently announced net asset value per Share; less the amount of the dividend and any related performance incentive (unless accounted for in the most recently announced net asset value per Share); and (ii) the nominal value per Share.
 - (c) No fractions of Shares will be issued under the Scheme and subject to condition 4(d) below the election may only be made by Shareholders in respect of the whole and not part of their shareholdings. Any balance of cash remaining with the Company after the subscription shall be held by the Company on behalf of the Participating Shareholder to whom it relates and added to the cash available in respect of that Shareholder for the subscription of the relevant class of Shares on the next relevant Reinvestment Day. No interest shall accrue or be payable by the Company in favour of any Shareholder on any such cash balances.
- (d) The Scheme involves the reinvestment of the whole dividend paid on each shareholding each time a dividend is paid by the Company, together with any cash residue brought forward from the previous dividend. Partial reinvestment of dividends is only permitted by nominees, who need to lodge a Mandate Form for each Reinvestment Day quoting the number of Shares in respect of which their election is made. Shareholders will remain in the Scheme so that all future dividends will be reinvested in the same way, until they give notice in writing to the Scheme Administrator that they wish to terminate their participation in the Scheme.
5. The Scheme Administrator shall on the relevant Reinvestment Day take all necessary steps to ensure that the Participating Shareholders are entered onto the share register of the Company as the registered holders of the Shares issued to them under the Scheme, and that share certificates in respect of such shares issued are posted to the Participating Shareholders at their own risk as soon as is reasonably practical, unless such shares are to be uncertificated.
6. To assist Participating Shareholders with their tax returns, the Scheme Administrator will attach to the new share certificates a Statement of Entitlement, or if shares are held in uncertificated form, a Statement of Entitlement will be sent to a Participating Shareholder separately, detailing the following: (i) the total dividend payable; (ii) the subscription price per Share; (iii) the number of Shares allotted to a Participating Shareholder; (iv) the residual cash balance (if any) representing an entitlement to a fraction of a Share to be carried forward to the next dividend; and (v) the cash equivalent of the Shares issued, together with any such other information as shall be required under the Listing Rules of the UK Listing Authority.
7. Application to join the Scheme can be made at any time by returning a completed Mandate Form. However, Mandate Forms need to have been received by Beringea LLP, 39 Earlham Street, London, WC2H 9LT at least 20 Business Days prior to the payment of a dividend which is to be reinvested. Mandate Forms received after that date shall be effective in relation to any future dividends in respect of which the Directors offer a dividend reinvestment alternative.

8. If, prior to the day on which the Shares became ex-dividend, a Shareholder has sold all or some of his or her holdings in Shares, the Shareholder should consult his or her stockbroker or agent without delay.
9. An application will be made to the UK Listing Authority for admission of the Shares issued under the Scheme to the premium segment of the Official List and to the London Stock Exchange plc for admission to trading on the London Stock Exchange plc's main market for listed securities (together "Admission"). On issue, the Shares will rank *pari passu* in all respects with the existing issued Shares of that class and will rank for future dividends. Subject to Admission, definitive share certificates for the Shares will be posted as soon as practicable following Admission at the risk of the persons entitled to them. Where Shares are issued as uncertificated shares, as soon as practicable following Admission the Company will arrange for the relevant Participating Shareholders' stock accounts in CREST to be credited with their entitlement to Shares and a Statement of Entitlement will be posted to them. Shares will be allotted as and when the Directors determine it appropriate, with Admission and dealings expected within 10 business days of allotment. Share certificates will not be issued and CREST accounts will not be credited until Admission becomes effective.

In the event that Admission does not become effective, Mandate Forms will be disregarded in respect of the dividend and the full cash dividend will be paid as soon as possible in the usual way.
10. Further copies of this document and/or Mandate Forms may be obtained from Beringea LLP, 39 Earlham Street, London, WC2H 9LT.
11. All costs and expenses incurred by the Scheme Administrator in administering the Scheme will be borne by the Company.
12. Each Shareholder applying to participate in the Scheme will be deemed to warrant to the Scheme Administrator and the Company in the Mandate Form that (i) save in the case of a Shareholder holding his Shares as nominee, during the continuance of his or her participation in the Scheme he or she will remain the sole beneficial owner of the Shares mandated to the Scheme free from encumbrances or security interests; and (ii) all information set out in the Mandate Form is correct and, to the extent that any of the information changes, he or she will notify the changes to the Scheme Administrator.
13. Each Participating Shareholder acknowledges that none of the Company, the Scheme Administrator nor Beringea LLP is providing a discretionary manager service. Neither the Scheme Administrator, Beringea LLP or the Company shall be responsible for any loss or damage to Participating Shareholders as a result of their participation in the Scheme unless due to the negligence or default of the Scheme Administrator or the Company (respectively), its servants or agents.
14. The financial calendar and procedure for future dividends both as to any final and/or interim dividend will be notified in writing to Shareholders and/or published through an RIS.
15. The Participating Shareholder may at any time, by notice of not less than 20 Business Days prior to the relevant Reinvestment Day to the Scheme Administrator, terminate his or her participation in this Scheme. If a Participating Shareholder shall at any time cease to hold any Shares of a particular class in the Company, he or she shall be deemed to have served such a notice in respect of his or her participation in the Scheme in respect of that class of Shares.
16. The Company and the Scheme Administrator shall be entitled, at any time and from time to time, to suspend the operation of the Scheme in whole or in part and/or to terminate the Scheme without notice to the Participating Shareholders. Circumstances under which the Directors might suspend or terminate the Scheme include, but are not limited, to changes in legislation governing VCTs (including changes in available tax reliefs) and adverse market conditions in the public markets.
17. All notices and instructions to be given to the Scheme Administrator shall be in writing and delivered or posted to Capita Asset Services, New Issues, The Registry, 34 Beckenham Road, Beckenham BR3 4TU. Applications to participate in the Scheme will be made by way of Mandate Form in the prescribed form as provided by Beringea LLP or the Scheme Administrator.
18. Subject to the prior agreement of the Scheme Administrator, the Directors shall be entitled to amend the Scheme terms and conditions on giving one month's notice in writing to all Participating Shareholders. If such amendments have arisen as a result of any change in statutory or other regulatory requirements, notice of such amendment will not be given to Participating Shareholders unless, in the Scheme Administrator's opinion, the change materially affects the interests of Participating Shareholders. Amendments to the Scheme Terms and Conditions which are of a formal, minor or technical nature, or made to correct a manifest error and which do not adversely affect the interests of Participating Shareholders, may be effected without notice.
19. By completing and delivering the Mandate Form provided by the Scheme Administrator, the Participating Shareholder will (i) agree to provide the Company with any information which it may request in connection with such application and to comply with legislation relating to VCTs or other relevant legislation (as the same may be amended from time to time); and (ii) declare that no loan has been made to the Participating Shareholder or any associate, which would not have been made, or not have been made on the same terms but for the Participating Shareholder offering to subscribe for, or acquiring, Shares, and that the 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.
20. Subscriptions for VCT shares only attract tax reliefs if in any tax year subscriptions to all VCTs do not exceed £200,000 (including subscriptions pursuant to dividend reinvestment schemes). Participating Shareholders under the Scheme are responsible for ascertaining their own tax status and liabilities and neither the Scheme Administrator nor the Company can accept any liability in the event they do not receive any VCT tax reliefs, or such reliefs are reduced or restricted in any way.
21. Dividends on Shares acquired in excess of £200,000 in any tax year will not be exempted from income tax in the same way as Shares acquired within this limit, therefore Participating Shareholders will generally be liable to tax on such dividends.

22. The election to receive Shares in place of the cash dividend is not being offered to, or for the benefit of, any citizen of the United States, Canada or Australia, any corporation, partnership or other entity created or organised in, or under the laws of the United States, Canada or Australia or any political sub-division thereof or with a registered office in any of these countries or any estate or trust, the income of which is subject to United States Federal, or Canadian, or Australian income taxation regardless of its source. "United States" means United States of America (including the District of Columbia). References to the United States, Canada and Australia include their territories, possessions and all areas subject to their jurisdiction.

No person receiving a copy of the Prospectus and/or Mandate Form in any territory other than the United Kingdom may treat it as constituting an invitation to him unless in the relevant territory such an invitation could lawfully be made to him without complying with any registration or other legal requirements. It is the responsibility of the Shareholder outside the United Kingdom wishing to elect to receive Shares to satisfy himself as to the full observance of the laws of the relevant territory in connection with the offer, including obtaining any governmental or other consents which may be necessary and observing any other formalities requiring to be observed in such territory.

23. The Company shall not be required to issue Shares hereunder if the Directors so decide in their absolute discretion. If the Directors decide not to issue Shares hereunder, the full cash dividend will be paid as soon as possible in the usual way.
24. These Scheme terms and conditions shall be governed by, and construed in accordance with, English law and each Participating Shareholder submits to the jurisdiction of the English courts and agrees that nothing shall limit the right of the Company to bring any action, suit or proceeding arising out of or in connection with the Scheme in any other manner permitted by law or in any court of competent jurisdiction.

Shareholders in any doubt about their tax position should consult an appropriate independent adviser.

PART 6

TERMS AND CONDITIONS OF APPLICATION

- 1 In these terms and conditions which apply to the Offer, "Applicant" means a person whose name appears in an Application Form, "Application" means the offer by an Applicant completing an Application Form and posting (or delivering) it to Beringea (the "Receiving Agent") or as otherwise indicated in this document or the Prospectus. Save where the context otherwise requires, words and expressions defined in this document have the same meanings when used in an Application Form and explanatory notes in relation thereto.
 - 2 The contract created by the acceptance of an Application under the Offer will be conditional on:
 - (i) Admission becoming effective; and
 - (ii) the Sponsor's agreement between the Company, the Directors, Beringea, Beringea LLC and Howard Kennedy becoming unconditional in all respects, and not being terminated in accordance with its terms before Admission becomes effective.
 - 3 The Company reserves the right to present all cheques and bankers' drafts for payment on receipt and to retain share certificates and application monies pending clearance of successful Applicants' cheques and bankers' drafts. The Company may treat Applications as valid and binding even if not made in all respects in accordance with the prescribed instructions and the Company may, at its discretion, accept an Application in respect of which payment is not received by the Company prior to the closing of the Offer. 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. Where payment in respect of an Application has been made by BACS transfer, any amount to be returned (without interest) to an Applicant will be returned to the bank account from which the application monies were sent. In the meantime, application monies will be retained by the Receiving Agent in a separate account. Multiple applications by Investors are permitted.
 - 4 By completing and delivering an Application Form, you:
 - (i) offer to subscribe the amount of money specified in your Application Form or such lesser amount for which your Application is accepted, which shall be applied to purchase New Ordinary Shares as determined by the Pricing Formula set out below, on the terms of and subject to the conditions contained in this document, including these terms and conditions, and subject to the memorandum and articles of association of the Company.
 - (ii) agree that, in consideration of the Company agreeing that it will not on or prior to the Offer closing issue or allot any New Ordinary Shares to any person other than by means of the procedures referred to in this document, your Application may not be revoked and that this paragraph shall constitute a collateral contract between you and the Company which will become binding upon despatch by post to, or (in the case of delivery by hand) on receipt by, the Receiving Agent of your Application Form;
 - (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 the Company in its absolute discretion (which
- Pricing of the Offer**
- Number of New Ordinary Shares = (Amount subscribed, less: (i) Promoter's Fee and (ii) Adviser Charge (if any))/(latest published NAV*) rounded down to the nearest whole number of New Ordinary Shares.**
- The Promoter's Fee is
- (a) for Applications received through Financial Advisers, 3.0% of the investment amount less any discount for early investment as described on page 6 of this document; and
 - (b) for Applications received through Execution Only Brokers and direct from Investors, 5.5% of the investment amount, less any commission waived by the Execution Only Broker and less any discount for early investment.
- The Manager may agree to reduce its Promoter's Fee (in whole or in part) in respect of any specific Investors or group of Investors.
- * The NAV used in the calculation of the number of New Ordinary Shares will be the NAV most recently announced to the London Stock Exchange, less the amount of any dividend to be paid for which the record date is prior to the relevant allotment date, and any related performance incentive payment.

- acceptance shall be on the basis that you indemnify it, the Sponsor, and the Receiving Agent 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 the Company of such late payment, the Company may (without prejudice to its other rights) avoid the agreement to subscribe such New Ordinary Shares and may issue or allot 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 the Company either by notification to the London Stock Exchange of the basis of allocation or by notification of acceptance thereof to the Receiving Agent;
- (v) agree that any monies refundable to you may be retained by the Receiving Agent pending clearance of your remittance and any verification of identity which is, or which the Company or the Receiving Agent may consider to be, required for the purposes of the Money Laundering Regulations and that such monies will not bear interest;
- (vi) authorise the Registrar to send share certificate(s), or have shares allotted to your CREST account (as the case may be), 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 the Company in respect of such New Ordinary Shares;
- (vii) where payment in respect of an Application has been made by BACS transfer, authorise the Receiving Agent to transfer any amount to be returned to you to the bank account from which the application monies were sent;
- (viii) 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 the Company or the Sponsor 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;
- (ix) confirm that, in making such Application, you are not relying on any information or representation in relation to the Company other than the information contained in this document or the Prospectus announced by the Company or filed with the Registrar of Companies (or any supplementary prospectus so announced or filed) and accordingly you agree that no person responsible solely or jointly for this document, or any part thereof, or involved in the preparation thereof, shall have any liability for such information or representation;
- (x) irrevocably authorise the Receiving Agent, the Registrars and/or the Sponsor or any person authorised by either of them, as your agent, 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 Agent, the Registrars or the Sponsor to execute any document required therefore;
- (xi) agree that, having had the opportunity to read this document and the Prospectus, you shall be deemed to have had notice of all information and statements concerning the Company and the New Ordinary Shares contained therein;
- (xii) 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 New Ordinary Shares with a view to their offer, sale or delivery to or for the benefit of any US Person or a resident of Canada;
- (xiii) declare that you are an individual aged 18 or over;
- (xiv) agree that all documents and cheques sent by post to, by or on behalf of the Company, the Registrars or the Receiving Agent will be sent at the risk of the Applicant;
- (xv) agree, on request by the Company, or the Sponsor on behalf of the Company, to disclose promptly in writing to the Company, any information which the Company or the Sponsor 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 the Company and the Sponsor to disclose any information relating to your Application as they consider appropriate;
- (xvi) agree that Beringea, the Sponsor and the Receiving Agent will not treat you as their 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 New Ordinary Shares or be responsible to you for providing the protections afforded to their customers;
- (xvii) where applicable, authorise the Company to make on your behalf any claim to relief from income tax in respect of any dividends paid by the Company;
- (xviii) declare that the Application Form has been completed to the best of your knowledge;
- (xix) undertake that you will notify the Company if you are not or cease to be either a Qualifying Subscriber or beneficially entitled to the New Ordinary Shares; and
- (xx) 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.

the rules and regulations. It will cease to be payable if the Company is wound up.

5 No person receiving a copy of this document 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.

Beringea will maintain a register of Execution Only Brokers entitled to trail commission. Execution Only Brokers should keep a record of Application Forms submitted bearing their stamp to substantiate any claim for trail commission.

The Receiving Agent will collate the Application Forms bearing the Execution Only Brokers' stamps and calculate the initial commission payable, which will be paid within 14 days of each allotment.

6 The New Ordinary Shares have not been and will not be registered under the Securities Act, 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, the Company has not been and will not be registered under the United States Investment Company Act of 1940, as amended. The 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.

10 Execution Only Brokers may agree to waive initial commission in respect of an Application. If this is the case, then the amount of an Application will be increased by an amount equivalent to the amount of the commission waived.

11 The Company has agreed to facilitate the payment of fees to financial advisers who provide advice to their clients, by accepting instructions from an Investor to pay the amount of the fee agreed by them to their adviser, together with any applicable VAT, out of the amount the Company receives from the Investor. Investors who wish the Company to facilitate the payment of a fee in this manner should complete Section 4 on the Application Form. Investors should be able to claim initial tax relief on the full amount of their investment, subject to the normal rules on eligibility for tax relief.

7 The basis of allocation will be determined by the Company in its absolute discretion after consultation with the Sponsor. The right is reserved to reject in whole or in part and/or scale down and/or ballot any Application or any part thereof including, without limitation, Applications in respect of which any verification of identity which the Company, the Registrar or the Receiving Agent 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 New Ordinary 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 will not be withdrawn after dealings in the New Ordinary Shares have commenced. Multiple applications are permitted.

The Receiving Agent will collate the Application Forms bearing the Financial Advisers' stamps and calculate the fees and related VAT, which will be paid within 14 days of each allotment.

8 Save where the context requires otherwise, the terms defined in this document bear the same meaning when used in these Terms and Conditions of Application.

12 Existing shareholders (and their spouses) in the Company, PGI VCT or ProVen Planned Exit VCT on 30 September 2015 whose Application Forms are received by 1.00 pm on 29 January 2016 will, to the extent their Applications are successful, receive additional New Ordinary Shares with an aggregate subscription price equivalent to 2% of the amount subscribed. All other Investors whose Application Forms are received by 1.00 pm on 29 January 2016 will, to the extent their Applications are successful, receive additional New Ordinary Shares with an aggregate subscription price equivalent to 1% of the amount subscribed. The subscription price of the Additional Shares will be met by the Manager.

9 Execution Only Brokers who, acting on behalf of their clients, return valid Application Forms signed by an authorised signatory and bearing their FCA number will normally be paid commission, if permissible, of either:

13 Money Laundering Regulations

Important note for applications for 15,000 Euros (approximately £10,250) or more in cash

- (i) 3% of the amount invested by their client (and no trail commission); or
- (ii) 2.25% of the amount invested by their client plus an annual trail commission, usually of 0.5% per annum of amount invested by their client. The trail commission in respect of applications for New Ordinary Shares is expected to be paid first in August 2017 and annually thereafter (provided that the Execution Only Broker continues to act for the client and the client continues to hold the New Ordinary Shares) normally for up to 5 years, subject to any future changes in

The verification of identity requirements of the Money Laundering Regulations will apply and verification of the identity of the applicant may be required. Failure to provide the necessary evidence of identity may result in the application being treated as invalid or in delay in confirming the application.

If the value of the New Ordinary Shares applied for exceeds 15,000 Euros (approximately £10,250 as at the date of this document) payment should be made by means of a UK clearing bank cheque drawn in your name on an account in your name or by BACS transfer from an account in your name. If this is not practicable and you use a cheque drawn by a third party or a

building society cheque or banker's draft, you should write your name, address and date of birth, on the back of the cheque or banker's draft and:

- (i) if a building society cheque or banker's draft is used, the building society or bank must also endorse on the cheque or draft the name and account number of the person whose account is being debited; or
- (ii) if a cheque is drawn by a third party or payment is made by BACS transfer from an account which is not in your name, you must ensure that both of the following documents are enclosed with the Application Form: a certified copy of your passport (or your driving licence bearing a photograph and signature of the individual) and a recent (dated within three months preceding the date of application) original bank or building society statement (or utility bill) in your name. A copy passport or driving licence should be certified by a solicitor or bank. Original documents will be returned to you by post at your risk.

The completion by an authorised financial intermediary of Section 10 of the Application Form confirms that the requirements of the Money Laundering Regulations for the identification and verification of the Applicant have been complied with by the intermediary.

- 14 Existing shareholders of the Company have passed a resolution to allow the Company to use its website to publish statutory documents and communications to shareholders, such as the annual report and accounts, as its default method of publication. In addition to this resolution, company law requires that shareholders are individually asked to consent to this method of publication. The Company has previously requested this consent from existing Shareholders and so, in order to ensure that new Investors are given the same opportunity, the Application Form makes provision for requesting consent from new Investors.

It is the Company's intention in the future to provide, as far as possible, all shareholder communications via the Company's website (www.provenvcts.co.uk) to all shareholders who have not specifically elected to receive the information in hard copy (i.e. paper) form. This will reduce the number of communications sent by post and will result in cost savings to the Company. It will also reduce the impact that the unnecessary printing and distribution of reports has on the environment. Shareholders will be notified, either by email or post, each time the Company places communications on the website.

If you wish to receive postal notification of publication of the Company's shareholder communications then you do not need to do anything.

If you wish to receive email notification of publication of the Company's shareholder communications then please ensure that you complete Section 5(a) on the Application Form.

If you wish to receive hard copies of the Company's shareholder communications then please ensure that you complete Section 5(b) on the Application Form.

Should you subsequently wish to change your election, you can do so at any time by contacting the Registrar, Capita Asset

Services, VCT Shareholder Solutions, 34 Beckenham Road, Beckenham, Kent BR3 4TU, or alternatively at <https://www.capitashareportal.com>. Notwithstanding any election, the Company may in its sole discretion send any notification or information to Shareholders in paper form.

DEFINITIONS

The following definitions are used throughout this document and, except where the context requires otherwise, have the following meanings.

2006 Act	Companies Act 2006, as amended from time to time
2015/2016 Offer	the Company's offer for subscription in respect of the 2015/2016 tax year as described in the Prospectus
2016/2017 Offer	the Company's offer for subscription in respect of the 2016/2017 tax year as described in the Prospectus
Additional Shares	additional New Ordinary Shares issued to applicants under the Offer whose applications are received and accepted by 1.00 pm on 29 January 2016
Admission	admission of the New Ordinary Shares to the premium segment on the Official List and to trading on the London Stock Exchange's main market for listed securities
Adviser Charge	the amount an Investor agrees to pay a Financial Adviser in respect of the Offer
Applicant	a person whose name appears in an Application Form
Application Form	the application form for use in respect of the Offer set out at the end of this document
Articles	the articles of association of the Company, as amended from time to time
Base Rate	the Bank of England base rate from time to time
Beringea Group	Beringea LLC and its subsidiaries (including Beringea)
Company or ProVen VCT	ProVen VCT plc
CREST	the computerised settlement system to facilitate the transfer of title to securities in uncertificated form operated by Euroclear UK & Ireland Limited
Cumulative Dividends	the cumulative dividends paid by the Company in relation to the financial years starting on 1 March 2012 and ending on 28 February of the relevant financial year
Directors or Board	the directors of the Company from time to time
Execution Only Broker	an intermediary, authorised by the Financial Conduct Authority, which does not provide advice to its clients
Financial Adviser	an intermediary, authorised by the Financial Conduct Authority, which provides investment advice to its clients
HMRC	HM Revenue & Customs
Howard Kennedy or Sponsor	Howard Kennedy Corporate Services LLP
Investor	an individual aged 18 or over who is resident in the United Kingdom who subscribes for New Ordinary Shares under the Offer
ITA	Income Tax Act 2007 (as amended)
Knowledge Intensive Company	a company satisfying the conditions in Section 331(A) of Part 6 ITA
London Stock Exchange	London Stock Exchange plc
Manager or Beringea	Beringea LLP or Beringea Limited (formerly known as ProVen Private Equity Limited and previously Guinness Mahon Development Capital Limited)
Money Laundering Regulations	the Money Laundering Regulations 2007
NAV	the net asset value of the Ordinary Shares
New Ordinary Shares	new Ordinary Shares to be issued under the Offer

Offer	the offer for subscription of New Ordinary Shares, comprising the 2015/2016 Offer and the 2016/2017 Offer
Official List	the Official List of the UK Listing Authority
Ordinary Shares or Shares	the ordinary shares of 10p each of ProVen VCT (ISIN number GB00B8GH9P84), including New Ordinary Shares where the context permits
Performance Value	in respect of the relevant financial year end, the sum of (i) the audited net asset value per Ordinary Share at that date, (ii) Cumulative Dividends, (iii) all performance fees per Ordinary Share paid by the Company to Beringea in relation to financial years starting after 29 February 2012, and (iv) any Residual PIF Adjustment (whether relating to that or any prior financial year)
Pricing Formula	the formula used to calculate the number of New Ordinary Shares to be issued to an Investor, as set out on page 24
Promoter's fee	the fee payable to Beringea, the promoter of the Offer, as set out on page 24
ProVen Growth and Income VCT or PGI VCT	ProVen Growth & Income VCT plc
ProVen Planned Exit VCT	ProVen Planned Exit VCT plc
ProVen VCTs	ProVen VCT, PGI VCT and ProVen Planned Exit VCT
Prospectus	together, this document, the Registration Document and the Summary
Qualifying Company	a company satisfying the conditions as described in Part 3 of this document
Qualifying Investment	an investment satisfying the conditions as described in Part 3 of this document
Qualifying Subscriber / Qualifying Investor	an individual who subscribes for New Ordinary Shares and is aged 18 or over and satisfies the conditions of eligibility for tax relief available to investors in a VCT
Qualifying Subsidiary	a subsidiary company which falls within the definition of Qualifying Subsidiary contained in section 302 ITA, as described in Part 3 of this document
Qualifying Trade	a trade complying with the requirements of Chapter 4 of Part 6 ITA
Receiving Agent	Beringea LLP
Registrar	Capita Asset Services
Residual PIF	the performance fee relating to the sale of Espresso Group Limited and Think Limited
Residual PIF Adjustment	the Residual PIF divided by 37,271,751
Registration Document	the share registration document that, together with this document and the Summary, constitutes the Prospectus
RIS	Regulated Information Service
Risk Finance State Aid	State aid received by a company as defined in Section 280B (4) of ITA
Shareholder	a holder of Ordinary Shares
Summary	the summary that, together with this document and the Registration Document, constitutes the Prospectus
The Risk Finance Guidelines	guidelines on state aid to promote risk finance investments 2014/C 19/04
UK Listing Authority	the Financial Conduct Authority acting in its capacity as the competent authority for the purposes of Part VI of the Financial Services and Markets Act 2000
VCT Rules	Part 6 ITA 2007 and every other statute (including any orders, regulations or other subordinate legislation made under them) for the time being in force concerning VCTs
Venture Capital Trust or VCT	a venture capital trust as defined by section 259 ITA

CORPORATE INFORMATION

Directors of ProVen VCT
(Non-executive)

Andrew John Davison (Chairman)
Barry Malcolm Dean
Malcolm Kennedy Hunt Moss
Lorna Tilbian

**Company Secretary to
the Company**

Beringea LLP

**Registered Office of
the Company**

39 Earlham Street
London WC2H 9LT

Investment Manager

Beringea LLP
39 Earlham Street
London WC2H 9LT

Administrator

Beringea LLP
39 Earlham Street
London WC2H 9LT

**Sponsor to
the Company and the Offer**

Howard Kennedy
Corporate Services LLP
No.1 London Bridge
London SE1 9BG

**Solicitors to
the Company and the Offer**

Howard Kennedy LLP
No.1 London Bridge
London SE1 9BG

Registered Auditors

BDO LLP
55 Baker Street
London W1U 7EU

Bankers

Royal Bank of Scotland
London Victoria Branch
119/121 Victoria Street
London SW1E 6RA

Receiving Agent

Beringea LLP
39 Earlham Street
London WC2H 9LT

VCT Tax Advisers

Philip Hare & Associates LLP
5-6 Staple Inn
High Holborn
London WC1V 7QH

Registrar

Capita Asset Services
The Registry
34 Beckenham Road
Beckenham, Kent BR3 4TU

APPLICATION PROCEDURE

Please send the completed Application Form together with your payment and proof of identity if required (please see paragraph 13 of the Terms and Conditions on pages 38 and 39) to:

ProVen VCT, c/o Beringea LLP, 39 Earlham Street, London WC2H 9LT

Payment may alternatively be made by BACS transfer, using your surname and initials as the reference, to the bank account stated in section 2.

If you have any questions on how to complete an Application Form please contact Beringea on 020 7845 7820.

Please note that for legal reasons, Beringea will not be able to provide advice on the merits of the Offer or give any personal tax, investment or financial advice.

SECTION 1

Please insert your full name, permanent address, work and home telephone numbers, date of birth, email address and national insurance number in Section 1 of the Application Form. 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 couples may apply separately. Please also indicate how you would like the Company to communicate with you in respect of your application.

Under Common Reporting Standards, the VCT is obliged to capture certain information for new Applicants. Please indicate all countries for which the Applicant is resident for the purposes of that country's income tax in the section provided.

If you are an existing shareholder in ProVen VCT, PGI VCT or ProVen Planned Exit VCT applying before 1.00 p.m. on 29 January 2016, please complete this section in order to claim your Additional Shares.

SECTION 2

Please note that the minimum investment is £5,000, which may be split between the two tax years. Investments for more than £5,000 must be for a multiple of £1,000.

Specify the amount to be invested in New Ordinary Shares under the 2015/2016 Offer in Box A (state nil if appropriate).

Specify the amount to be invested in New Ordinary Shares under the 2016/2017 Offer in Box B (state nil if appropriate).

Specify the total amount to be invested in New Ordinary Shares under the Offer (i.e. the sum of Boxes A and B) in Box C.

Place a tick in the appropriate box to indicate whether you will make your payment by cheque, bankers draft or BACS transfer.

Cheques should be made payable to "ProVen VCT" and crossed "A/C Payee only". Cheques must be from a recognised UK bank account and your payment must be related solely to this application.

Payment by BACS transfer should be made to the following account, **using your surname and initials as the reference**:

Bank :	Royal Bank of Scotland
Sort Code:	16-01-09
Account Name:	ProVen VCT plc
Account Number:	00609642

If the value of the New Ordinary Shares applied for exceeds 15,000 Euros (approximately £10,250 as at the date of this document) payment should be made by means of a UK clearing bank cheque drawn on an account in your name. If this is not practicable and you use a cheque drawn by a third party or a building society cheque or banker's draft, you should write your name, address and date of birth on the back of the cheque or banker's draft and:

- (a) if a building society cheque or banker's draft is used, the building society or bank must also endorse on the cheque or draft the name and account number of the person whose account is being debited; or
- (b) if a cheque is drawn by a third party or payment is made by BACS transfer from an account which is not in your name, you must ensure that both of the following documents are enclosed with the Application Form: a certified copy of your passport (or your driving licence bearing a photograph and signature of the individual) and a recent (dated within three months preceding the date of application) original

bank or building society statement (or utility bill) in your name. A copy passport or driving licence should be certified by a solicitor or bank. Original documents will be returned to you by post at your risk.

SECTION 3

If you would like your New Ordinary Shares to be issued directly in the name of your nominee through CREST, please complete your nominee's details in Section 3.

SECTION 4

Please tick the relevant box to indicate whether:

- (i) you have been advised on this Application by a Financial Adviser; or
- (ii) you are applying through an Execution Only Broker who has not given you advice in relation to your Application; or
- (iii) you are making an Application directly to the Company, i.e. not through an intermediary.

In the case of (i) above, please insert the amount of the fee you have agreed with your Financial Adviser, inclusive of VAT if applicable, in the box provided for this purpose. Please note that in the case of (ii) trail commission is not available on investment platform services.

SECTION 5

The Company intends to publish future shareholder communications, such as the annual and half-year reports, on the ProVen VCTs' website.

Shareholders will normally be notified by post each time such information is published. If you would prefer (a) to receive notification by email, or (b) to continue to receive hard copies of shareholder information, please tick the appropriate box in Section 5.

N.B. PLEASE COMPLETE ONLY ONE OF SECTIONS 6 AND 7

SECTION 6

Please complete the mandate instruction if you wish to participate in the Dividend Reinvestment Scheme.

SECTION 7

Please complete the mandate instruction if you wish to have dividends paid directly into your bank or building society account.

SECTION 8

Please tick the appropriate box in Section 8 if you do not want Beringea to send you information about the Company (such as the ProVen News newsletter) and other products or services it offers. If you tick the box you will continue to receive notifications when shareholder communications, such as the Company's annual report, are published on the ProVen VCTs' website (or hard copy documents if you have elected to receive these in Section 5).

SECTION 9

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 received the Securities Note dated 3 December 2015 and 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 ProVen VCT issued to me under this Offer;
- (iii) I have read and understood the risk factors set out on pages 4 and 5 of this document; and
- (iv) 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 (iv) above and attach the power of attorney under which I have authority to sign on behalf of such individual.

SECTION 10

Intermediaries should complete Section 10, giving their full name and address, telephone number and details of their authorisation under the Financial Services and Markets Act 2000. An authorised signatory must sign on behalf of the Intermediary. The right is reserved to withhold payment of commission or to decline to facilitate the payment of a fee, as appropriate, if the Company, in its sole discretion, is not satisfied that the Intermediary is authorised.

For Applications submitted through Execution Only Brokers, the Execution Only Broker should complete the appropriate boxes to indicate the preferred commission structure and the amount of commission (if any) to be waived and reinvested in additional New Ordinary Shares.

FREQUENTLY ASKED QUESTIONS

Q: What is the minimum investment?

A: £5,000

Q: Who should I make my cheque payable to?

A: "ProVen VCT"

Q: May I pay by BACS transfer?

A: Yes. The application monies should be transferred to the following account, using your surname and initials as the reference:

Bank :	Royal Bank of Scotland
Sort Code:	16-01-09
Account Name:	ProVen VCT plc
Account Number:	00609642

Q: Where should I send my application?

A: ProVen VCT, c/o Beringea LLP, 39 Earlham Street, London WC2H 9LT

Q: If I apply through a Financial Adviser and the Company facilitates the payment of an initial fee to that Adviser, will I be able to claim tax relief on the full amount of my subscription?

A: Yes, subject to the normal rules on eligibility for tax relief

Q: What happens after I invest?

A: We will send you confirmation that we have received your application by return of post or email, including the following information:

For Applications submitted through Execution Only Brokers and directly to the Company:

- how much you have applied to invest
- details of any additional amounts to be invested arising from the incentive for early investment and/or commission waived by an Execution Only Broker.

For Applications submitted through Financial Advisers:

- how much you have applied to invest
- details of any additional amounts to be invested arising from the incentive for early investment
- details of any amounts deducted from your subscription to be paid as a fee (including VAT if appropriate) to your Financial Adviser.

Q: When will the New Ordinary Shares be allotted?

A: All allotments in relation to Applications for the 2015/2016 Offer received by 1.00 pm on 5 April 2016 will be allotted on 5 April 2016 or on earlier dates at the discretion of the Directors. All allotments in relation to Applications for the 2016/2017 Offer received by 1.00 pm on 31 May 2016 will be allotted on 31 May 2016 and any other dates after 5 April 2016 and prior to the close of the Offer on which the Directors decide.

Q: How many New Ordinary Shares will I receive?

A: The number of New Ordinary Shares allotted to you will depend on a number of factors, including the latest published NAV per Ordinary Share at the date of allotment, whether you apply through an Execution Only Broker, directly to the Company or through a Financial Adviser and whether you are entitled to any discount for early investment. Please see pages 24 and 25 of this document for further details.

Q: When can I expect to receive the share and tax certificates?

A: The Company's Registrar, Capita Asset Services, will send share and tax certificates within 15 business days of New Ordinary Shares being allotted. Allotments will be announced through an RIS service.

Q: Whom should I contact if I have any questions concerning an Application?

A: Please contact Beringea on 020 7845 7820. Please note that Beringea cannot give investment or tax advice.

APPLICATION FORM

ProVen VCT plc Ordinary Shares – Offer for Subscription

Before completing this Application Form you should read the Terms and Conditions of Application and the Application Procedure. The Offer opens on 3 December 2015 and the closing date in respect of the 2015/2016 Offer will be 1.00pm on 5 April 2016 and in respect of the 2016/2017 Offer will be 1.00 pm on 31 May 2016 (or earlier if the maximum subscription has been reached before then, or later, if the Offer is extended but not beyond 30 November 2016).

Please send this Application Form together with your cheque or banker's draft and proof of identity if required, to **ProVen VCT, c/o Beringea LLP, 39 Earlham Street, London, WC2H 9LT**. Alternatively payment may be made by BACS transfer, using your surname and initials as the reference, to Royal Bank of Scotland, Account Name: ProVen VCT plc, Sort Code: 16-01-09 Account Number: 00609642. Please indicate which payment method you are using in Section 2 of the Application Form.

Please complete in block capitals

SECTION 1 – PERSONAL DETAILS

Title (Mr/Mrs/Miss/Ms/Other)	<input type="text"/>	Surname	<input type="text"/>
Forename(s) in full	<input type="text"/>		
Date of Birth	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>	National Insurance Number	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>
Permanent residential address	<input type="text"/>	E-mail	<input type="text"/>
		Postcode	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>
Telephone (work)	<input type="text"/>	Telephone (home)	<input type="text"/>
Please indicate how you would like receipt of your Application to be confirmed:		Post	<input type="checkbox"/>
		E-mail	<input type="checkbox"/>

Tax Residency		
Please indicate all countries in which the Applicant is resident for the purposes of that country's income tax. If the Applicant is a US citizen, Green Card holder, or US resident, you must complete and return an IRS (Internal Revenue Service) W-9 form and include any additional tax residences in the table below.		
Country of Tax Residency	Tax Identification Number (TIN)	No TIN
<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>

Please indicate if you or your spouse or civil partner is an existing shareholder in one of the following VCTs by ticking one or more of the boxes below:

ProVen VCT plc <input type="checkbox"/>	ProVen Growth & Income VCT plc <input type="checkbox"/>	ProVen Planned Exit VCT plc <input type="checkbox"/>
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SECTION 2 – APPLICATION DETAILS

I offer to subscribe the following amount for New Ordinary Shares on the Terms and Conditions of Application set out in this Document and the articles of association of the Company.

The minimum Application Amount (which may be spread across two tax years) is £5,000.

2015/2016 Offer (tax year 2015/2016)	£	A
2016/2017 Offer (tax year 2016/2017)	£	B
TOTAL INVESTMENT (A+B)	£	C



I ENCLOSE (A) CHEQUE(S) OR BANKER'S DRAFT(S) DRAWN ON A UK CLEARING BANK,
MADE PAYABLE TO "ProVen VCT"

I WILL PAY BY BACS TRANSFER, USING MY SURNAME AND INITIALS AS THE REFERENCE, TO:

Bank: Royal Bank of Scotland

Sort Code: 16-01-09

Account Name: ProVen VCT plc

Account Number: 00609642

(Note: If you are applying for New Ordinary Shares in both the 2015/2016 tax year and the 2016/2017 tax year, you must submit a separate cheque or banker's draft for each of the tax years. Payment by BACS transfer in respect of Applications for the 2016/2017 tax year must be made after 5 April 2016.)

SECTION 3 – NOMINEE/CREST DETAILS

I request that any New Ordinary Shares for which my subscription is accepted are issued to my nominee through CREST.

Participant Name:	CREST Participant ID:
<input type="text"/>	<input type="text"/>
Participant Address:	CREST Member Account ID:
<input type="text"/>	<input type="text"/>
	Contact name for CREST queries:
	<input type="text"/>
	Telephone:
	<input type="text"/>
Post Code:	Reference (optional)
<input type="text"/>	<input type="text"/>

SECTION 4 – APPLICATION TYPE

Please indicate the type of Application you are making by ticking the appropriate box:

- (i) **Advised:** You have been advised on this investment by a Financial Adviser – please complete the Adviser Charge box below, if applicable, and ensure Section 10(a) is completed by your Intermediary

Adviser Charge

If you have agreed an Adviser Charge with your Financial Adviser and request that the Company facilitates the payment of that fee, please insert the fee amount in this box. Please note that the number of New Ordinary Shares issued to you will be reduced by the Adviser Charge. This payment is inclusive of VAT, if applicable.

State as either a sum of money in £ or as a % of the total amount invested in Section 2 box C above.

- (ii) **Execution only:** This investment is being processed through an Execution Only Broker who is not providing you with advice – please ensure Section 10(b) is completed by your Intermediary.

- (iii) **Direct – No Intermediary:** This is a direct investment (ie you are not submitting this application through an Intermediary).

SECTION 5 – SHAREHOLDER COMMUNICATIONS

The Company intends to publish future shareholder communications on the ProVen VCTs' website. Shareholders will normally be notified by post each time such information is published. If you would prefer (a) to receive notification by email, or (b) to continue to receive hard copies of shareholder information, please tick the appropriate box below:

- (a) I wish to receive email notifications (to email address in Section 1)
- (b) I wish to receive hard copy shareholder information

Please complete only ONE of the following sections 6 and 7

SECTION 6 – DIVIDEND REINVESTMENT SCHEME

Dividends to be reinvested in Ordinary Shares of the Company (DO NOT complete if you wish to receive future dividends in cash)

I confirm that I wish to participate in the Company's dividend reinvestment scheme (the "DRIS") for each future dividend paid on all of my Ordinary Shares in ProVen VCT. By agreeing to participate in the DRIS I agree that any mandate which I have previously given for the payment of cash dividends directly to my Bank or Building Society account shall be suspended for so long as I remain a participant in the Scheme.

Signature

Date

SECTION 7 – DIVIDEND MANDATE

Dividends to be paid into your bank account (DO NOT complete if you wish future dividends to be reinvested in Ordinary Shares of the Company)

All dividends on Ordinary Shares in the Company may be paid directly into bank and building society accounts. If you wish all future dividends on Ordinary Shares in ProVen VCT to be paid into your bank or building society account, please complete the mandate instruction form below.

Dividends paid directly to your account will be paid in cleared funds on the dividend payment dates. Your bank or building society statement will identify details of the dividend as well as the dates and amounts paid.

Please forward until further notice all dividends that may from time to time become due on any Ordinary Shares now standing, or which may hereafter stand, in my name in the register of members of ProVen VCT to the bank account listed below. I understand that if my Application is not accepted in full, the balance of Application monies may also be repaid (without interest) to the bank account listed below.

Bank or Building Society reference number and details:

Account Name Name of Bank/
Building Society

Account Number Address of Branch

Sort Code

Signature Date

The Company, Registrar and Beringea do not accept responsibility if any details quoted by you are incorrect.

Please note that if you are an existing Shareholder in ProVen VCT, these payment instructions will apply to your entire shareholding, including shares previously acquired.



SECTION 8 – DATA PROTECTION

The information provided by you will be held in confidence by Beringea and will not be passed on to any other companies. Beringea may use your contact details to send you information about the Company (such as the ProVen News newsletter) and other products or services it offers. If you would prefer not to receive this information, please tick the box:

If you tick the box you will continue to receive notifications when shareholder communications, such as the Company's annual report, are published on the ProVen VCT's website (or hard copy documents if you have elected to receive these in Section 5).

PLEASE SIGN BELOW TO COMPLETE THE APPLICATION

SECTION 9 – SIGNATURE AND DATE

Signature

Date

SECTION 10 – FINANCIAL INTERMEDIARIES

For completion by authorised financial intermediaries only

Name of Firm Hargreaves Lansdown	Name of Contact
Address One College Square South Anchor Road Bristol	FCA Number 115248
Post Code BS1 5HL	Telephone 0117 900 9000
E-mail	

Please confirm how you would like receipt of your client's Application to be confirmed Post E-mail

Please complete either (a) or (b) below: (✓)

(a) The firm named above is a Financial Adviser which has agreed the Adviser Charge specified in Section 4(i) with the Applicant.

(b) The firm named above is an Execution Only Broker which is permitted to receive commission in respect of this Application.

The preferred commission structure (to be completed by the Execution Only Broker) (please state commission percentages under the preferred commission structure – either 3% or 2.25% plus trail – so that the percentages stated against A and B total either 3% or 2.25% as appropriate)	3%	2.25% plus trail
A: Commission to be paid to Execution Only Broker		
B: Commission to be waived and invested in additional New Ordinary Shares for your client		✓

The Company intends to make all payments relating to Financial Adviser fees (and related VAT) and commission by direct transfer to Intermediaries' bank accounts via the Receiving Agent.

Please provide your bank details below.

Account Name	<input type="text"/>	Name of Bank/ Building Society	<input type="text"/>
Account Number	<input type="text"/>	Address of Branch	<input type="text"/>
Sort Code	<input type="text"/>		

The Company, Registrar and Beringea do not accept responsibility if any details quoted by you are incorrect.

I confirm that I have identified and verified the identity of the Applicant to the standard required by the Money Laundering Regulations within the guidance for the UK Capital Financial Sector issued by the Joint Money Laundering Steering Group.

Signature of Authorised Intermediary	Date
<input type="text"/>	<input type="text"/>

The details set out in this Application Form should be checked carefully by the Intermediary as they supersede details given in any accompanying letters or forms





