



PROVEN GROWTH & INCOME VCT PLC

NEW ORDINARY SHARE OFFER

Securities Note (including application form)

Tax years 2014-15 and 2015-16



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 24 October 2014. 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 35 to 38 of this document.

The Company and its Directors, whose names appear on page 41 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 £20,000,000 by way of an issue of New Ordinary Shares in the Company with an over allotment facility of up to a further £5,000,000, payable in full in cash on application.

**ProVen Growth and Income VCT plc
(Registered Number 04125326)
(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 24 October 2014 and will close not later than 1.00 pm on 2 April 2015 in respect of the 2014/2015 Offer and not later than 1.00 pm on 29 May 2015 in respect of the 2015/2016 Offer, or as soon as the Offer is fully subscribed. The Directors, in their absolute discretion, may decide to increase the Offer up to a maximum of £25,000,000, close the Offer earlier or extend the closing date of the 2015/2016 Offer to a date no later than 30 September 2015.

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 31 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 section entitled "Risk Factors". The business and financial condition of the Company could be adversely affected if any of the following risks were to occur and as a result the trading price of the New Ordinary Shares could decline and Investors could lose part or all of their investment.

The Directors consider the following risks to be material for potential Investors, but the risks listed below do not necessarily comprise all those associated with an investment in the Company 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 its financial condition or prospects or the trading price of the New Ordinary Shares.

RISK FACTORS RELATING TO THE COMPANY

The Directors draw the attention of potential Investors to the following risk factors which may affect the Company's performance and/or the availability of tax reliefs:

- 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.
- The Finance Act 2014 amends the VCT Rules in respect of VCT shares issued on or after 6 April 2014, such that 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. The need to meet these rules may reduce the amount of distributable reserves available to the Company to fund dividends and share buy backs. However, capital received by the VCT from shares issued before 6 April 2014 may continue to be used for distributions to investors, including investors whose shares were issued after 6 April 2014.
- 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 prior to investment. 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 £20 million with an over allotment facility of a further £5 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 (25.9% as at 31 August 2014) of the Company's net assets is concentrated in five investments. The largest single investment represented 6.7% 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.
- 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.

RISK FACTORS RELATING TO THE NEW ORDINARY SHARES

- 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. 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 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

24 October 2014

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

2014/2015 Offer
2015/2016 Offer

1.00 pm on 2 April 2015¹
1.00 pm on 29 May 2015¹

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 2015/2016 Offer at their absolute discretion but to a date no later than 30 September 2015. 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 2014/2015 Offer on 2 April 2015 and any other date prior to 2 April 2015 on which the Directors decide, and for the 2015/2016 Offer on 29 May 2015 and any other dates after 5 April 2015 and prior to the close of the Offer on which the Directors decide.

OFFER STATISTICS

Maximum amount to be raised	£25,000,000*
Minimum Investment per Investor	£5,000
Maximum estimated number of New Ordinary Shares to be issued based on the NAV per Ordinary Share as at the date of this document	28,800,475**
Maximum net proceeds for the Company, after issue costs	£24,250,000**
Maximum expenses of the Offer	£1,375,000***

* Assuming the over allotment facility of up to a further £5,000,000 is used.

** Assuming the over allotment facility of up to a further £5,000,000 is used, a Promoter's Fee of 3.0% and no Adviser Charge.

*** Assuming the over allotment facility of up to a further £5,000,000 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 2014, and whose Application Form is received by 1.00 pm on 30 January 2015, 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 30 January 2015 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 Growth & Income VCT plc
Registered in England & Wales no: 04125326

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

24 October 2014

Dear Potential Investor

I am delighted to be able to introduce the latest share offer (the "Offer") from ProVen Growth & Income VCT ("PGI VCT"), which is an opportunity to invest in the existing investment portfolio of one of the best performing VCTs over the last 10 years. PGI VCT has the highest NAV total return of all generalist VCTs over this period.¹ More details of the Company's historic performance are given on page 8.

Since the year ended 28 February 2013 PGI VCT has had a target of paying dividends of approximately 5% of the opening NAV each year. After taking in to 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. The Company paid tax free dividends for the year ended 28 February 2013 of 4p per Ordinary Share equivalent to a yield of 4.9% on the opening net asset value at the start of the year and 6.5p per Ordinary Share for the year ended 28 February 2014, equivalent to a yield of 7.4% on the opening net asset value at the start of the year. The Company has declared an interim dividend of 2p per Ordinary Share for the year ended 28 February 2015.

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

PGI VCT has invested over £13 million in 2014 and the Manager continues to experience a strong flow of new investment opportunities. The Board of PGI 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

Marc Vlessing

Chairman

ProVen Growth & Income VCT plc

¹ Source: AIC at 30 September 2014. NAV total return is the theoretical total return on shareholders' funds per share, reflecting the change in value of the NAV per share assuming dividends paid to shareholders were reinvested in the NAV on the last trading day of the month the shares were quoted ex-dividend. 63 share classes were quoted in the ranking table of which 28 have a 10 year record.

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 £100 million of VCT assets. Beringea LLP is part of an international fund management group which manages more than \$490 million of venture capital assets.

As at 31 August 2014 PGI VCT had net assets of £52 million.

TRACK RECORD

PGI VCT has an excellent track record. It is the best performing VCT over the last 10 years based on net asset value return¹.

PERFORMANCE OF PGI VCT OVER THE LAST 10 YEARS

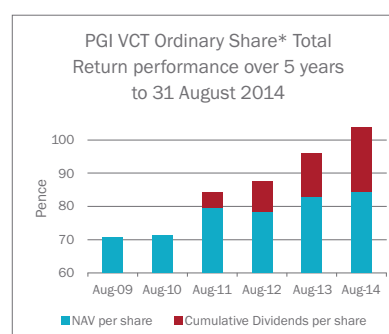
Position in VCT generalist ranking table¹ 1/28

Net asset value total return per £1 invested¹ £3.03

¹ Source: AIC at 30 September 2014. NAV total return is the theoretical total return on shareholders' funds per share, reflecting the change in value of the NAV per share assuming dividends paid to shareholders were reinvested in the NAV on the last trading day of the month the shares were quoted ex-dividend. 63 share classes were quoted in the ranking table of which 28 have a 10 year record.

PERFORMANCE OF PGI VCT OVER THE LAST 5 YEARS

The Total Return performance of the Ordinary Shares over the last 5 years (to 31 August 2014) is shown in the chart below:



Source: Beringea LLP

¹ Formerly C Shares, which converted into Ordinary Shares on a 1 for 1 basis on 26 October 2009.

The Total Return per Ordinary Share increased from 70.7p at 31 August 2009 to 103.7p at 31 August 2014, an increase of 47% over the period.

The total return (NAV plus cumulative dividends paid) on the Ordinary Shares since the launch of the Company in April 2000 is £2.10 per £1 invested. The annual rate of return to investors since launch, including initial income tax relief, is 13.7% p.a..

PERFORMANCE OF PGI VCT ORIGINAL ORDINARY SHARES SINCE LAUNCH¹

Total return (NAV plus cumulative dividends paid) per £1 invested £2.10

Cumulative dividends per £1 invested included in total return £1.59

Annual rate of return since launch² 13.7%

Source: Beringea LLP

¹The Company's original ordinary shares converted in new Ordinary Shares on 26 October 2009 at the rate of 0.6167 new Ordinary Shares for each original ordinary share.

²Includes initial income tax relief of 20%, the amount applicable when the Company was launched. This is calculated assuming that dividends are not reinvested.

Past performance is not a guide to future performance.

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

PGI 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.. 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 relief ¹	7.1%
Gross equivalent yield	
40% taxpayer	9.5%
45% taxpayer	10.3%

¹Target 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 at the date of allotment of Ordinary Shares because of initial charges and/or fees paid to Financial Advisers.

PGI VCT may pay a special dividend in addition to the target 5% yield in the event of there being 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 PGI VCT SINCE THE ADOPTION OF THE CURRENT DIVIDEND POLICY		
Period to the end of February ¹		
	2013	2014
PGI VCT	4.9%	7.4%

¹Dividend 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 2p per Ordinary Share for the year ended 28 February 2015 will be paid on 21 November 2014 to Shareholders on the register at 31 October 2014. No shares will be allotted under the Offer before this date and therefore investors in the Offer will not be entitled to receive this dividend.

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 5 of the Application Form.

LIQUIDITY FOR SHAREHOLDERS

PGI 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 40 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: PGI VCT's assets are spread over 40 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 PGI VCT's qualifying investments have been in its portfolio for a number of years. The Manager is planning to sell 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 PGI VCT portfolio are given in the table below

EXAMPLES OF RECENT SALES OF SUCCESSFUL INVESTMENTS				
Year of Sale	Company	PGI VCT Investment	Sales Proceeds ¹	Multiple of Investment
2014	Eagle Rock	£0.7m	£1.1m ²	1.6x
2013	Espresso	£1.9m	£3.3m	1.8x
2013	Fjordnet	£2.0m ³	£6.6m ³	3.3x
2013	Tossed	£0.6m	£0.9m	1.4x
2011	Steak Media	£0.6m	£3.4m	5.6x
2011	Saffron Digital	£0.7m	£3.9m	5.8x

Source: Beringea LLP

¹Sales 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.

²Excludes potential future receipts from an "earn-out".

³Excludes the partially utilised working capital facility provided by PGI VCT.

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:

- Creating a widely diversified portfolio of VCT Qualifying and non-Qualifying Investments (currently 40 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

ABILITY TO INVEST IN LARGER COMPANIES

VCTs are not restricted to investing only in small, early stage companies. Since 6 April 2012, VCTs have been able to make Qualifying Investments of up to £5 million in companies with up to 250 employees and gross assets of £15 million prior to the investment, allowing them to invest in companies which already have substantial revenues and assets.

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 £20 million through the Offer with an over allotment facility of up to a further £5 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 23.

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 1.00 pm on 30 January 2015. All other Investors whose Application Forms are received by 1.00 pm on 30 January 2015 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 and turnover. 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 PGI 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, PGI 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 PGI 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 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 PGI 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 PGI 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 PGI 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. PGI VCT is able to use a variety of financial instruments, which 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 PGI 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 PGI 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 PGI VCT

The funds provided by PGI 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
- Acquisition of another business
- Financing additional working capital as the business grows

Investing in the digital media sector

Many of the companies in which PGI 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. PGI VCT also invests in companies which provide digital media services, including digital design and online marketing services, to other businesses.

Beringea, the manager of PGI 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 PGI VCT invests.

Investing in other sectors

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

Other types of investment

While the majority of the Company’s Qualifying Investments will be to provide growth capital, the Company may also invest in other types of transaction, including management buy-outs. The Company will not invest in start-ups.

EXAMPLES

OF PGI VCT'S GROWTH CAPITAL INVESTMENTS

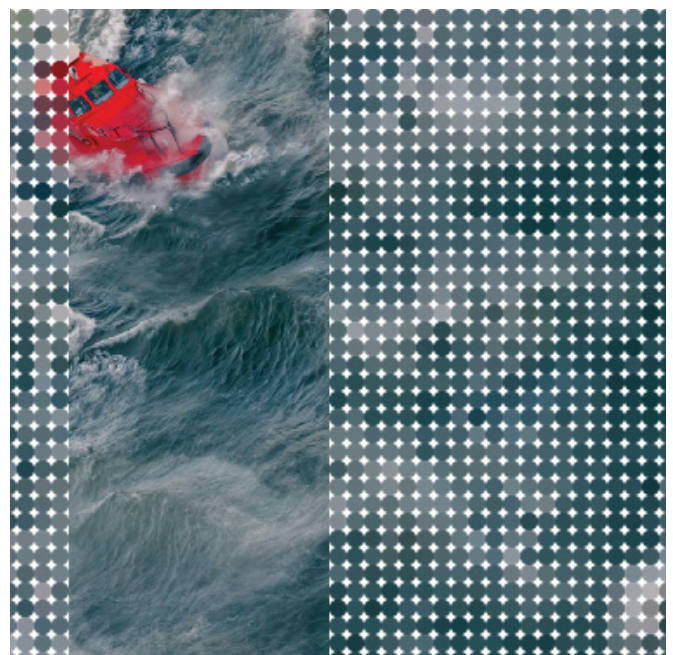
A number of examples of growth capital investments in PGI VCT's current portfolio and one investment made in the past and recently sold (Fjordnet) are given below. Potential Investors should note that as PGI VCT has already sold its investment in Fjordnet they will not gain exposure to this company by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

COGNOLINK LIMITED

Cognolink is a provider of primary research services to professional investment firms and their advisors, 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 then quickly expanded into international markets, opening a New York office in 2010, followed by offices in Hong Kong, Shanghai, Beijing and New Delhi. The company grew very rapidly from its inception.

PGI VCT invested £2.1 million in Cognolink in November 2012, alongside ProVen 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 £14 million in 2013, an increase of nearly 60% on the previous year. This growth shows no sign of abating and the company will be moving into larger offices in both London and New York to accommodate its growing workforce.



MYOPTIQUE GROUP LIMITED

MyOptique is Europe's leading online eyewear retailer and is at the forefront of the online disruption of the €25bn European eyewear market. Established as a "pure-play" ecommerce company 10 years ago, it has to date served over 1 million customers in twelve international markets. The company is one of the 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 2014, 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, PGI VCT invested £2.4 million alongside investments from ProVen VCT and other venture capital investors in May 2014, as part of a total funding round of £16 million.



INSKIN MEDIA LIMITED

Inskin Media ("ISM") is an advertising technology business, specialising in high-impact, non-intrusive online advertising formats. Its ambition is to be the market leader in creating and delivering the best-performing online advertising solutions. Established in the UK in 2006, with the first product to market in 2009, ISM has since partnered with over 100 publishers, delivering successful campaigns for over 200 blue-chip brand clients. ISM has also opened offices in Germany, Sweden and Hong Kong. In 2011, ISM won Media Momentum's Award as the fastest-growing digital business in Europe.

PGI VCT invested £1.4 million in ISM in October 2012, alongside an investment from ProVen VCT, to support the company's development of innovative technologies and its international roll-out strategy.

Since the ProVen VCTs invested, ISM has repeatedly been recognised by its peers, winning three prestigious prizes at the inaugural British Media Awards in 2012 and being named Best Media Owner in the 2013 IPA Media Owner Awards.



MONICA VINADER LIMITED

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

PGI VCT and ProVen 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. This opened in August 2011, exceeding expectations in both the first and second year of operation.

The Proven VCTs invested a further £1.5 million in May 2013, as part of a £2.5m total round, to open several more Monica Vinader stores, to increase the company's online presence and to expand the product range. The company is also planning to expand internationally. The business opened a Canary Wharf shop in 2013 and its future plans include opening stores in Chelsea and Hong Kong.

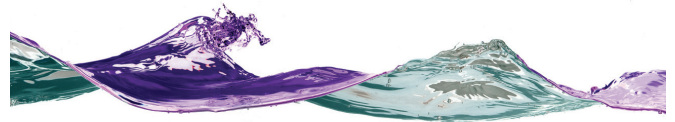


FJORDNET LIMITED

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, PGI VCT and ProVen 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. Since then, Fjordnet has been 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 over £6.6 million on a cost of £2.0 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.

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 and a substantial shareholding in the business;
- 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 at various stages of development, including those requiring capital for expansion and management buy-outs, but not 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 do not qualify under the VCT rules for technical reasons and debt and debt-related securities in growth companies.

Venture capital trust regulations

In continuing to maintain its VCT status, the Company complies with a number of regulations as set out in Part 6 of the Income Tax Act 2007. How the main regulations apply to the Company is summarised as follows:

1. the Company holds at least 70% of its investments in Qualifying Companies (as defined by Part 6 of the Income Tax Act 2007);
2. at least 30% (70% in the case of funds raised after 5 April 2011) of the Company's Qualifying Investments (by value) are held in "eligible shares" – ("eligible shares" generally being ordinary share capital without preferential rights);
3. at least 10% of each investment in a Qualifying Company is held in "eligible shares" (by cost at time of investment);
4. no investment constitutes more than 15% of the Company's portfolio (by value at time of investment);
5. the Company's income for each financial year is derived wholly or mainly from shares and securities;
6. the Company distributes sufficient revenue dividends to ensure that not more than 15% of the income from shares and securities in any one year is retained;
7. no investment made by the Company causes an investee company to receive more than £5 million of State Aid investment (including from VCTs) in the year ending on the date of the investment; and
8. in relation to shares issued by a VCT on or after 6 April 2014, the Company must 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.

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, currently equal to £52 million. 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 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 45 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, and it must have fewer than 250 employees, prior to investment. 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 mainly in established companies, with proven business models, normally 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 ProVen 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 portfolios.

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 ProVen 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.

Investments which meet the investment policy of ProVen Planned Exit VCT will normally be offered first to ProVen Planned Exit VCT.

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 £100 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 2001. Beringea is part of an international fund management group which manages more than \$490 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 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.

The Management Team

The investment management team comprises the following eight executives, who have more than 100 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 25 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 PGI VCT, ProVen VCT and ProVen Planned Exit VCT, he sits on the investment committees of the Beringea Group's three other 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 and an MBA from the London Business School.

Trevor Hope

Trevor is Chief Investment Officer for Beringea. He has over fifteen years experience of investing in unquoted companies, during which he has made over 45 investments. Trevor started his career in unquoted investing with 3i, for which he worked in the UK and USA, before joining Beringea in 2003. His experience of financing small companies also includes eight years working in corporate banking for Barclays and The Royal Bank of Scotland. Trevor has an MBA and is an ACIB.

Karen McCormick

Karen joined Beringea as an Investment Director in 2007. She previously worked as a consultant with The Boston Consulting Group and Kurt Salmon Associates, where her project work focused on developing growth strategies and hands-on implementation. Karen has an MBA from INSEAD and a BSBA from Boston University.

Robert Hodgkinson

Rob joined Beringea as an Investment Manager in 2013. He has five years of experience in finance, including two years in social venture capital at Venturesome and a six month secondment in the Social Investment Team at the Cabinet Office. 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.

Harry Thomas

Harry is an Analyst and is responsible for sourcing and researching potential investments and producing financial models for both the equity-based and debt-based UK investment teams. His previous experience includes working in real estate, 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 29 years' experience working within the finance sector of which the last 15 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 and has over 20 years of debt finance experience. Hilary was a Director at Dresdner Kleinwort, Barclays Asset Finance and Ernst & Young and latterly Head of Technology Finance within the Structured Asset Finance Team at Lloyds Banking Group. Hilary has a degree in Law from the University of Glasgow.

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 pages 22 and 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 40 companies. At 31 August 2014, the latest date for which results have been announced, this portfolio comprised 38 venture capital investments with a cost of £34.2 million and a valuation of £37.4 million and cash of £14.8 million.

Since 31 August 2014 the Company has made the following investments:

Watchfinder Limited – £551,000

Simplestream Limited – £415,000

Monica Vinader Limited – £30,000

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. The valuations are as at 31 August 2014, the latest date for which valuations have been announced, for investments in the portfolio at that date. Additions to the portfolio after 31 August 2014 are valued at cost. All the companies listed below have their headquarters in the United Kingdom unless otherwise stated.

Ordinary Share Portfolio (by value)	Cost £'000	Valuation £'000	% of portfolio by value	Debt/Shares
Cognolink Limited <i>Provider of primary research services to professional investors</i>	2,051	3,515	6.8%	Shares
Pulpitum Limited <i>Company established to acquire attractive businesses in the digital sector</i>	2,900	2,823	5.4%	Debt and shares
MEL Topco Limited (t/a Maplin) <i>Specialist electronics products retailer</i>	2,500	2,500	4.8%	Debt and shares
MyOptique Group Limited <i>Online eyewear retailer</i>	2,400	2,400	4.6%	Shares
Abzena plc <i>Quoted biopharmaceutical services provider</i>	1,278	2,310	4.4%	Shares
APM Healthcare Limited <i>Pharmacy operator</i>	1,731	2,206	4.2%	Debt and shares
Utility Exchange Online Limited (t/a SwitchMyBusiness) <i>Provider of utility prices comparison service for SMEs</i>	2,090	2,033	3.9%	Debt and shares
Skills Matter Limited <i>IT training provider</i>	1,981	1,981	3.8%	Debt and shares
Inskin Media Limited <i>Technology provider for online video advertising</i>	1,435	1,965	3.8%	Shares
Disposable Cubicle Curtains Limited <i>Provider of hygienic screens in medical environments</i>	1,730	1,730	3.3%	Debt and shares
Charterhouse Leisure Limited <i>Operator of casual dining restaurants</i>	1,250	1,690	3.2%	Debt and shares
Blis Media Limited <i>Mobile marketing specialist</i>	621	1,682	3.2%	Debt and shares
Monica Vinader Limited <i>Jewellery retailer</i>	583	1,608	3.1%	Shares
Response Tap Limited <i>Telephone call analytics</i>	1,440	1,440	2.8%	Debt and shares
Donatantonio Group Limited <i>Importer and distributor of Mediterranean food ingredients</i>	1,096	1,202	2.3%	Debt and shares
Other venture capital investments	10,089	7,225	14.0%	
Total venture capital investments	35,175	38,310	73.6%	
Contingent proceeds from investments		78	0.1%	
Cash at bank and in hand		13,683	26.3%	
		<u>52,071</u>	100.0%	

Further details of all the Company's venture capital investments which represent 2% or more of the Company's NAV are as follows:

Cognolink Limited

Cognolink is a provider of primary research services to professional investment firms and their advisors, facilitating consultations between its clients and industry specialists who can deliver deep insights to support key investment decisions. The company was established in 2007 and has offices in London, New York, Shanghai, Hong Kong, Beijing and New Delhi. In 2013 revenue reached nearly £14 million, an increase of nearly 60% on the previous year.

Pulpitum Limited

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

MEL Topco Limited (t/a Maplin)

Maplin is a leading 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 PGI VCT investing £2.5 million.

MyOptique Group Limited

MyOptique Group is Europe's leading 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 achieved an average annual revenue growth rate of 53% over the last five years and recently served its millionth customer.

Abzena plc

Abzena is a life-sciences company which offers a suite of complementary services and technologies through its subsidiaries, PolyTherics, in which PGI VCT initially invested, and Antitope, to enable the development of better biopharmaceuticals which will have a greater chance of reaching the market. Abzena floated on AIM on 10 July 2014 with a market capitalisation of approximately £80 million.

APM Healthcare Limited

APM Healthcare is building a chain of pharmacies located in GP centres. The company currently operates 18 pharmacies across the UK.

Utility Exchange Online Limited (t/a SwitchMyBusiness)

SwitchMyBusiness ("SMB") is an energy price comparison and brokerage service aimed primarily at SMEs in the UK. With direct relationships with the major UK providers, SMB offers a comprehensive market picture and significant savings, up to 70%, for business electricity, gas and telecoms. SMB handles the transaction end-to-end, saving customers time and money.

Skills Matter Limited

Skills Matter is Europe's largest provider of open source and agile training and events. Skills Matter helps its 35,000 strong developer community learn and share skills to write better software by providing opportunities to collaborate with the world's top technology experts through expert talks, meet-ups and training courses.

Inskin Media Limited

Inskin Media is an advertising business which specialises in online video products. Inskin Media offers a number of ad formats including: i-Roll,

an interactive video ad that plays for a short period before a video, PageSkin, an interactive display ad that wraps around an entire webpage, and its signature product InSkin Video, an interactive online display ad that wraps around a video. By becoming part of the users' viewing experience, InSkin Video is able to offer clients brand exposure for the duration of the video. The agency was established in 2006 and has offices in London, Hong Kong, Stockholm and Hamburg.

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.

Charterhouse Leisure Limited

Charterhouse Leisure is a chain of restaurants trading under the name "Coal Grill and Bar", which provide informal dining and drinking in a comfortable and modern atmosphere. The company has 8 branches and has plans to roll out the chain nationwide.

Blis Media Limited

BlisMedia is an independent advertising technology company that uses location and demographic data to deliver highly targeted advertising to well defined mobile audiences. BlisMedia's proprietary Path platform delivers specific demographic, sociographic, or affinity audience groups for specific advertising campaigns. By delivering relevant target customers to their advertisers, companies can improve brand performance and return on investment.

Monica Vinader Limited

Monica Vinader is a high end, award-winning fashion 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 through leading department stores such as Harrods and Selfridges as well as through the company's own stores in Mayfair and Canary Wharf.

Response Tap Limited

Response Tap is a cloud based, call analytics solution for companies that seek to improve their conversion of online traffic through telephone sales.

Donatantonio Group Limited

Donatantonio imports and distributes high quality Mediterranean food products in the UK. It has a diverse customer base, ranging from high street supermarkets and food manufacturers to retailers, wholesalers and restaurants. In March 2014 Donatantonio expanded its retail presence by launching its "Lupetta" branded range of authentic regional Italian ingredients.

There has been no significant change to the Company's trading or financial position since 31 August 2014, the latest date to which results have been announced to the London Stock Exchange.

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.

Marc Vlessing, Chairman

Marc started his career as a corporate financier with County NatWest. In 1991, he set up Media Finance, a management consultancy business specialising in the media sector. In 1997 he became Chief Executive of Crescent Entertainment, which operated a group of London theatres and cinemas; subsequently, he became Chief Executive of First Call International, the UK's largest independent ticketing business. He is currently CEO and co-founder of Pocket, a developer which helps people on low to moderate incomes own their first home.

Natasha Christie-Miller

Natasha has worked in the media sector for 20 years and was appointed CEO of EMAP in 2010. Her previous roles include leading the commercial teams on consumer brands such as Elle, Red and the EMAP parenting portfolio before taking on the role of Publishing Director of Drapers, the fashion industry 'bible' at EMAP B2B in 2005. She was Managing Director for the EMAP retail portfolio between 2007 and 2010.

Malcolm Moss

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

James Stewart

James was formerly managing director of Creditanstalt Investment Bank AG's subsidiary in London, where he had previously established Creditanstalt Bankverein's development capital activity. He has been a non-executive director of a number of quoted and unquoted companies and now works as an independent venture capitalist.

The Directors have committed to invest a total of £5,000 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 2001 to 31 August 2014 (the latest date to which results have been announced) assuming initial income tax relief of 20% was 13.7% 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 in the event of there being 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 4.9% for the year ended 28 February 2013 and 7.4% for the year ended 28 February 2014. 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 tax payers.

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 on pages 32 to 34. If an Investor wishes to participate in this scheme, they should complete the mandate that is included in 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 at the appropriate place on 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.

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 2014, and whose Application Form is received by 1.00 pm on 30 January 2015, 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 30 January 2015 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

Downing LLP currently provides certain administration services, financial advisory services and services in connection with share repurchases to the Company, for an annual fee which in the year to 28 February 2014 was £51,000 (inclusive of VAT if applicable). The fees are increased annually in line with the Retail Prices Index.

Beringea will take over the provision of administration and advisory services from 1 January 2015 under a new agreement which is the same in all material respects as that between the Company and Downing LLP. Details of the administration agreement (and variations thereto) between Downing LLP and the Company and Beringea and the Company are set out in Part 6 of the Registration Document.

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 3.6% 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 2014 were 3.0% 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 2.8% 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 current performance fee arrangements, which apply to financial years of the Company starting on or after 1 March 2014, were approved at a General Meeting of the Company held on 21 August 2014. Under these arrangements the Manager is entitled to a performance fee which will only be payable if, at the end of a financial year, the Performance Value exceeds the Hurdle. In this event the performance fee will be equal to 20% of the amount by which the Performance Value exceeds the Initial Net Asset Value, multiplied by the average number of Ordinary Shares in issue during the relevant financial year, less the aggregate amount of any performance fee already paid in relation to financial years starting after 29 February 2012.

The Performance Value in respect of the relevant financial year end is the sum of (i) the audited net asset value per Ordinary Share at that date, (ii) Cumulative Dividends, and (iii) all performance fees per Ordinary Share paid by the Company to Beringea in relation to financial years starting after 29 February 2012. The Hurdle is the greater of (i) 1.25 times the Initial Net Asset Value and (ii) the Initial Net Asset Value increased, as from 31 August 2012, by the Bank of England base rate plus 1% per annum (compound).

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 per Ordinary Share payable in relation to a financial year will be reduced, if necessary, to ensure that (i) the cumulative performance fee per Ordinary Share payable in relation to financial years starting after 29 February 2012 does not exceed 20% of Cumulative Dividends, (ii) the cumulative performance fee per Ordinary Share payable in relation to financial years starting after 29 February 2012 does not exceed 50% of the amount by which the Performance Value exceeds the Hurdle and (iii) the audited net asset value per Ordinary Share at the relevant financial year end plus the Cumulative Dividends is at least equal to the Hurdle.

As at the date of this document, based on the net asset value at 31 August 2014, the Performance Value was 94.8p, comprising an NAV of 84.2p, Cumulative Dividends of 10.5p and performance fees of 0.1p.

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

The performance fee payable to Beringea by the Company under the previous performance fee arrangements in respect of the financial year ended 28 February 2014 was £79,000.

Launch Costs

Intermediaries authorised by the FCA offering investment advice to their clients ("Financial Advisers") are no longer 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 on page 23. Investors who wish the Company to facilitate the payment of a fee in this manner should complete Section 3(i) 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. 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.

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 Manager'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 30 January 2015.

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 £24,250,000 (Offer costs of £750,000), assuming that it is fully subscribed, a Promoter's Fee of 3.0% and no Adviser Charge.

11. OTHER INFORMATION

The Offer

The Company is seeking to raise up to £20 million, with an over allotment facility of up to a further £5 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

- 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
- 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,

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 84.2p 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 2015. 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 2015 for applications in respect of the 2015/2016 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 24 October 2014 and close at 1.00 pm on 2 April 2014 for the 2014/2015 Offer and at 1.00 pm on 29 May 2015 for the 2015/2016 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 2015/2016 Offer to a date no later than 30 September 2015. 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 2014/2015 Offer on 2 April 2015, and any other prior dates on which the Directors decide and, in respect of the 2015/2016 Offer, on 29 May 2015 and any other dates after 5 April 2015 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 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 42 to 44 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. The Investor should be comfortable with the risk factors set out at the front of this document 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 2016 in respect of the financial year to 28 February 2016.

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 on 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.

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. 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 PricewaterhouseCoopers 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

PGI VCT was incorporated in England as a public company with limited liability on 14 December 2000 with registered number 04125326. 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 2014 (extracted from the Company's unaudited half-yearly report for the six months ended 31 August 2014).

	£'000
Total current debt	
Guaranteed	
Secured	
Unguaranteed/secured	362
Total non-current debt	
Guaranteed	
Secured	
Unguaranteed/secured	
Shareholders' equity	1,005
Share capital	
Share premium	763
Other reserves	50,519
Total	52,649

Since 31 August 2014 there has been no material change to the capitalisation of the Company.

The following table shows the Company's net indebtedness as at 31 August 2014.

	£'000
A. Cash	14,815
B. Cash equivalents	
C. Trading securities	
D. Liquidity (A+B+C)	14,815
E. Current financial receivables	465
F. Current bank debt	
G. Current position of non current debt	
H. Other current financial debt	
I. Current financial debt (F+G+H)	
J. Net current financial indebtedness (I-E-D)	(15,280)
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)	(15,280)

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 2014 included authority to allot the 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 (subject, nevertheless, to the provisions of the 2006 Act) 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 passed pursuant thereto, 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 pages 22 and 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 23. Out of these fees Beringea will be responsible for paying all the costs of the Offer, including initial commission paid to Execution Only Brokers.

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, 2, 3, 4, 5, 6 and 7 of Part 6 of the Registration Document.

Dilution

At full subscription, the existing Ordinary Shares will be diluted by a maximum of 31.7%, 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 29 May 2015 in respect of the 2015/2016 Offer, unless previously extended by the Directors to a date no later than 30 September 2015. 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.

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 19 Cavendish Square, London, W1A 2AW 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 29 February 2012, 28 February 2013, and 28 February 2014 and the unaudited half-year report for the six months to 31 August 2014;
- (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 Earlham 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>.

24 October 2014

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 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 Earham 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 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 Circular 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.
- 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 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.
- (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 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 Registrar 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 Registrar 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 Registrar 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.

- 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.
- 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.
- 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.
- 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.
- 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:
- (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 2016 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 rules and regulations. It will cease to be payable if the Company is wound up.
- 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.
- 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 3(i) 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.
- 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.
- 12 Existing shareholders (and their spouses) in the Company, ProVen VCT or ProVen Planned Exit VCT on 30 September 2014 whose Application Forms are received by 1.00 pm on 30 January 2015 will 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 30 January 2015 will 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.
- 13 **Money Laundering Regulations**
- Important note for applications for 15,000 Euros (approximately £11,750) or more in cash*
- 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 Euros 15,000 (approximately £11,750 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.
- 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 is requesting 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 1(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 1(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
2014/2015 Offer	the Company's offer for subscription in respect of the 2014/2015 tax year as described in the Prospectus
2015/2016 Offer	the Company's offer for subscription in respect of the 2015/2016 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 30 January 2015
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
Beringea Group	Beringea LLC and its subsidiaries (including Beringea)
Company or PGI VCT	ProVen Growth & Income VCT plc including ProVen Health VCT plc, which merged with the Company on 6 August 2013, where the context requires
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 the period starting on 1 September 2012 and ending on 28 February of the relevant financial year
Directors or Board	the directors of the Company from time to time (as the context permits)
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
Hurdle	the greater of: (i) 1.25 times the Initial Net Asset Value; and (ii) the Initial Net Asset Value increased, as from 31 August 2012, by the Bank of England base rate plus 1% per annum (compound)
Initial Net Asset Value	the net asset value per Ordinary Share as at 31 August 2012, being 78.5p
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)
London Stock Exchange	London Stock Exchange plc

Manager or Beringea	Beringea LLP
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 described in this document, comprising the 2014/2015 Offer and the 2015/2016 Offer
Official List	the Official List of the UK Listing Authority
Ordinary Shares	the ordinary shares of 1.6187p each of PGI VCT (ISIN number GB00B5B7YS03), including New Ordinary Shares where the context permits
Performance Value	the sum of (i) the audited net asset value per Ordinary Share at that date, (ii) Cumulative Dividends, and (iii) all performance fees per Ordinary Share paid by the Company to Beringea in relation to financial years starting after 29 February 2012
Pricing Formula	the formula used to calculate the number of New Ordinary Shares to be issued to an Investor, as set out on page 23
ProVen VCT	ProVen VCT plc
ProVen Planned Exit VCT	ProVen Planned Exit VCT plc
ProVen VCTs	PGI VCT, ProVen 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
Registration Document	the share registration document that, together with this document and the Summary, constitutes the Prospectus
Shareholder	a holder of Ordinary Shares
Summary	the summary that, together with this document and the Registration Document, constitutes the Prospectus
Total Return	net asset value per share plus dividends paid
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 PGI VCT
(Non-executive)

Marc Ferdinand Vlessing (Chairman)
Natasha Isobel Christie-Miller
Malcolm Kennedy Hunt Moss
James Alexander Stewart

Registered Auditors

BDO LLP
55 Baker Street
London W1U 7EU

**Company Secretary to
the Company**

Grant Leslie Whitehouse

Bankers

Bank of Scotland
33 Old Broad Street
London WC2N 6RH

**Registered Office of
the Company**

39 Earlham Street
London WC2H 9LT

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

Investment Manager

Beringea LLP
39 Earlham Street
London WC2H 9LT

Administrator

Downing LLP
Ergon House, Horseferry Road
London SW1P 2AL

Receiving Agent

Beringea LLP
39 Earlham Street
London WC2H 9LT

**Sponsor to
the Company and the Offer**

Howard Kennedy
Corporate Services LLP
19 Cavendish Square
London W1A 2AW

VCT Tax Advisers

PricewaterhouseCoopers LLP
1 Embankment Place
London WC2N 6RH

**Solicitors to
the Company and the Offer**

HowardKennedyFsi LLP
19 Cavendish Square
London W1A 2AW

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) to:

PGI 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, daytime 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.

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 2014/2015 Offer in Box A (state nil if appropriate).

Specify the amount to be invested in New Ordinary Shares under the 2015/2016 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 "PGI 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 Growth and Income VCT plc
Account Number:	00285626

If the value of the New Ordinary Shares applied for exceeds Euros 15,000 (approximately £11,750 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

Please tick one of the three boxes 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, ie 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 4

If you are an existing shareholder in ProVen VCT, PGI VCT or ProVen Planned Exit VCT applying before 1.00 pm on 30 January 2015, please complete this section in order to claim your Additional Shares.

N.B. PLEASE COMPLETE ONLY ONE OF SECTIONS 5 & 6

SECTION 5

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

SECTION 6

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

SECTION 7

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 24 October 2014 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 PGI 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 8

Intermediaries should complete Section 8, 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: "PGI 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 Growth and Income VCT plc
Account Number: 00285626

Q: Where should I send my application?

A: PGI 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 2014/2015 Offer received by 1.00 pm on 2 April 2015 will be allotted on 2 April 2015 or on earlier dates at the discretion of the Directors. All allotments in relation to Applications for the 2015/2016 Offer received by 1.00 pm on 29 May 2015 will be allotted on 29 May 2015 and any other dates after 5 April 2015 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 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 page 23 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

PGI VCT 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 24 October 2014 and the closing date in respect of the 2014/2015 Offer will be 1.00 pm on 2 April 2015 and in respect of the 2015/2016 Offer will be 1.00 pm on 29 May 2015 (or earlier if the maximum subscription has been reached before then).

Please send this Application Form together with your cheque or banker's draft and proof of identity if required, to **PGI 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 Growth and Income VCT plc, Sort Code:16-01-09, Account Number: 00285626 Please indicate which payment method you are using in Section 2 of the Application Form.

Please complete in block capitals

SECTION 1

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"/>	National Insurance Number	<input type="text"/>
Permanent residential address	<input type="text"/>	E-mail	<input type="text"/>
		Postcode	<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"/>
Shareholder communications (please select one of the options below)			
(a) I wish to receive e-mail notifications from PGI VCT (e-mail address as above)			<input type="checkbox"/>
(b) I wish to receive hard copy shareholder information from PGI VCT			<input type="checkbox"/>

SECTION 2

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

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

2014/2015 Offer (tax year 2014/2015)	£	A
2015/2016 Offer (tax year 2015/2016)	£	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 "PGI VCT"

I WILL PAY BY BACS TRANSFER, USING MY NAME AS THE REFERENCE, TO:

Bank: Royal Bank of Scotland
Sort Code: 16-01-09
Account Name: ProVen Growth and Income VCT plc
Account Number: 00285626

(Note: If you are applying for New Ordinary Shares in both the 2014/2015 tax year and the 2015/2016 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 2015/2016 tax year must be made after 5 April 2015.)

SECTION 3

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 8(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 8(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 4

Please indicate if you are an existing shareholder in one of the following VCTs by ticking one or more of the boxes below:

PGI VCT <input type="checkbox"/>	ProVen VCT <input type="checkbox"/>	ProVen Planned Exit VCT <input type="checkbox"/>
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Please complete only ONE of the following sections 5 and 6

SECTION 5

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 Dividend Reinvestment Scheme for each future dividend paid on all of my Ordinary Shares in PGI VCT. By agreeing to participate in the Dividend Reinvestment Scheme 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 6

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

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 PGI VCT, these payment instructions will apply to your entire shareholding, including shares previously acquired.

PLEASE SIGN BELOW TO COMPLETE THE APPLICATION

SECTION 7

Signature	<input type="text"/>	Date	<input type="text"/>
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SECTION 8

For completion by authorised financial intermediaries only

Name of Firm

Hargreaves Lansdown

Name of Contact

Jayne Mathias

Address

One College Square South
Anchor Road
Bristol

FCA Number

115248

Telephone

0117 900 9000

Post Code

BS1 5HL

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 3(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

Name of Bank/
Building Society

Account Number

Address of Branch

Sort Code

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

Signature of Authorised Intermediary

Date

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



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