

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to what action you should take, you should consult your own independent financial adviser authorised under the Financial Services and Markets Act 2000 (“FSMA”).

If you have sold or transferred all of your shares in ProVen VCT plc, please send this document at once to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for transmission to the purchaser or transferee. However, such documents should not be forwarded or transmitted in or into the United States, Canada, Australia or Japan or any other jurisdiction if to do so would constitute a violation of the relevant laws of such jurisdiction.

The Company, and the Directors whose names appear on page 20, accept responsibility for the information contained in this document. To the best of the knowledge and belief of the Company and the Directors (who have taken all reasonable care to ensure that such is the case) the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

PROVEN VCT PLC (incorporated in England and Wales with registered number 3911323)

Proposals relating to (i) a Tender Offer for the Company to purchase up to 5,478,568 of its Ordinary Shares at net asset value, (ii) the adoption of a dividend reinvestment scheme, (iii) the variation to the performance incentive arrangements of the Company’s investment manager and (iv) the commission payable to the Company’s investment manager pursuant to the Company’s offer for subscription of Ordinary Shares

Your attention is drawn to the letter from the Chairman of the Company set out on pages 7 to 15 which contains a recommendation to vote in favour of the Resolutions to be proposed at the General Meeting.

You will find on pages 30 to 32 a notice of the General Meeting to be held on 26 January 2012 at 11.00am to approve the Resolutions. The General Meeting will be held at 39 Earlam Street, London, WC2H 9LT. To be valid, the form of proxy enclosed with this document for the General Meeting should be returned not less than 48 hours before the General Meeting, either by post or by hand to Beringea LLP, 39 Earlam Street, London WC2H 9LT.

If you wish to participate in the proposed Tender Offer and your Ordinary Shares are held in certificated form, you should complete the enclosed Tender Form and return it to the Company’s Receiving Agent, Beringea LLP, 39 Earlam Street, London, WC2H 9LT as soon as possible and, in any event, not later than 1.00 p.m. on 31 January 2012. If your Ordinary Shares are held in uncertificated form, you should arrange for those Ordinary Shares to be transferred to Capita Registrars, as escrow agent for the Tender Offer through a Transfer to Escrow (“TTE”) instruction so as to settle by no later than 1.00 p.m. on 31 January 2012.

If you wish to participate in the proposed Dividend Reinvestment Scheme you should complete the enclosed Dividend Reinvestment Scheme mandate and return it to Beringea LLP, 39 Earlam Street, London, WC2H 9LT provided as soon as possible and, in any event, not later than 1.00 p.m. on 5 January 2012.

The Ordinary Shares will be purchased at the net asset value per Ordinary Share as at 30 November 2011, to be announced on a regulated information service on or before 16 January 2012, after adjusting for the dividend of 6.25p per Share to be paid on 2 February 2012 to Shareholders (including those participating in the Tender Offer) who are on the register on 6 January 2012, and the related performance incentive payment.

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EXPECTED TIMETABLE

Publication of Circular	8 December 2011
Record Date for Tender Offer	6 January 2012
Latest time and date for receipt of Tender Forms	1.00 p.m. on 31 January 2012
Latest time and date for receipt of TTE instructions by Capita Registrars	1.00 pm on 31 January 2012
Announcement of take up level under the Tender Offer	1 February 2012
Latest time and date for receipt of proxy forms	11 a.m on 24 January 2012
Last day for receipt of Dividend Reinvestment Scheme elections in respect of the Interim Dividend	5 January 2012
Record Date for Interim Dividend	6 January 2012
General Meeting	11 a.m. on 26 January 2012
Allotment of new Ordinary Shares under the Ordinary Share Offer in respect of Ordinary Shares subscribed for from Tender Offer proceeds	by 15 February 2012
Share certificates posted for Ordinary Shares subscribed for from Tender Offer proceeds	by 29 February 2012
Balance share certificates posted for unsuccessfully tendered Ordinary Shares	by 29 February 2012
CREST accounts credited with Ordinary Shares subscribed for from Tender Offer proceeds	by 29 February 2012
CREST accounts credited with unsuccessfully tendered Ordinary Shares	by 29 February 2012
Interim Dividend payment date	2 February 2012
Allotment of new Ordinary Shares under the Dividend Reinvestment Scheme resulting from the Interim Dividend	2 February 2012
CREST accounts credited with new Ordinary Shares issued under the Dividend Reinvestment Scheme resulting from the Interim Dividend	2 February 2012
Share certificates posted in respect of new Ordinary Shares issued under the Dividend Reinvestment Scheme resulting from the Interim Dividend	by 16 February 2012

If there are any significant changes to the above times and/or dates Shareholders will be notified by an announcement through a regulatory information service.

8 December 2011

Dear Shareholder,

Proposals relating to (i) a Tender Offer for the Company to purchase up to 5,478,568 of its Ordinary Shares (the “Tender Offer”), (ii) the adoption of a dividend reinvestment scheme (the “Dividend Reinvestment Scheme”), (iii) the variation to the performance incentive arrangements of the Company’s investment manager and (iv) the commission payable to the Company’s investment manager pursuant to the Company’s offer for subscription of Ordinary Shares

Introduction

This Circular explains the Tender Offer for Ordinary Shares which the Company is proposing to undertake, the Dividend Reinvestment Scheme that it is proposing to introduce for Ordinary Shares, C Shares and D Shares, the proposed variation to the performance incentive arrangements of Beringea in respect of the Ordinary Shares and the proposed commission payable to the Company’s investment manager pursuant to the Ordinary Share Offer.

Resolution 1 is required to be passed pursuant to the Company’s articles of association. Resolutions (2), (5), (6) and (7) are required to be passed pursuant to the Companies Act 2006. The Company and Beringea constitute related parties for the purpose of chapter 11 of the Listing Rules and the New Performance Incentive Fee and the Commission constitute related party transactions under the Listing Rules which are required by the Listing Rules to be approved by the Shareholders.

The Tender Offer

One of the key benefits of investing in a VCT is that investors are entitled to receive income tax relief on their subscription for shares, currently at the rate of 30%. Once these shares have been held for five years, investors can sell them without losing the initial tax relief. Should they wish to, investors may then reinvest the sale proceeds into new VCT shares and obtain further income tax relief.

As the majority of Ordinary Shares in issue were subscribed for more than five years ago, the Board has decided to facilitate this process for Ordinary Shareholders by holding a Tender Offer, under which the Company will buy-back up to 20% of its Ordinary Shares at net asset value, then reinvest the proceeds on behalf of the participating Ordinary Shareholders in new Ordinary Shares under the Offer announced by the Company today (“the Ordinary Share Offer”). Ordinary Shareholders who participate in the Tender Offer will be entitled to income tax relief in the 2011/12 tax year at the rate of 30% on the amount re-invested, subject to their personal tax circumstances, on which they should take independent tax advice.

Selling Ordinary Shares in the Tender Offer may, depending on your personal tax position, have adverse tax consequences. If you sell Shares which you subscribed for less than 5 years ago you will have to repay the initial tax relief you received in relation to the subscription for these Shares. You should read carefully the section of this

letter headed “Taxation” and if you are in any doubt about how to proceed you should consult an authorised financial advisor.

All of the C Shares and D Shares in issue were subscribed for less than five years ago, so it is not appropriate to hold a tender offer for these share classes at this point as any disposal of C Shares or D Shares will result in a loss of VCT tax reliefs. However, it is expected that a tender offer for C Shares will be held in around October 2012, in accordance with the intention set out in the prospectus under which the C Shares were issued in 2007. A tender offer for D Shares will be considered at the appropriate time.

The Dividend Reinvestment Scheme

Another benefit of investing in a VCT is that all dividends received are free of income tax. Your Board has decided to introduce a Dividend Reinvestment Scheme to allow Shareholders to opt to have all their dividends on each class of Shares they hold automatically reinvested into new Shares of the same class. Shareholders participating in the Dividend Reinvestment Scheme will be entitled to income tax relief, currently at the rate of 30%, on the value of the dividends reinvested, subject to their personal tax position.

If you wish to participate in the Dividend Reinvestment Scheme you will have to do so for all the Shares in the Company you own, of whatever share class.

Shareholders will forfeit the initial income tax relief on the amount reinvested in Shares under the Tender Offer and Dividend Reinvestment Scheme if they dispose of these Shares within 5 years.

The Performance Incentive Fee

As is customary in the venture capital industry, the Company has agreed long-term performance related incentive fee arrangements with its investment manager, Beringea. These are designed to enable Beringea to attract and retain talented investment managers and to incentivise and reward them for delivering superior investment performance. The payment of a performance related incentive fee is linked to the achievement of a specified level of Total Return (latest net asset value per share plus cumulative dividends paid), as well as to the payment of a specified level of dividends to Shareholders.

In relation to the performance related incentive fee arrangements on the Original Ordinary Share Portfolio, the Total Return target has been exceeded by a significant amount. This means that under the current arrangements, all future profitable disposals from this portfolio, and the related dividend payments to Shareholders, are likely to result in further performance related incentive fee payments to the Manager.

The Board has proposed, and the Manager has agreed, that following the issue of New Ordinary Shares under the Offer, and the merger of the Ordinary Share and C Share classes which is expected to take place in October 2012, it would not be appropriate for the existing Ordinary Share performance related incentive fee arrangements to continue. The Board and the Manager have, therefore, agreed new performance related incentive fee arrangements which will come into effect from the financial year of the Company starting on 1 March 2012, subject to Resolution (3) set out in the Notice of General Meeting being passed at a General Meeting. More details of these performance incentive arrangements are set out on page 13.

The Commission

Pursuant to the Ordinary Share Offer, Beringea will receive from the Company a commission, being 6.5% of the gross proceeds of the Ordinary Share Offer (consisting of an initial fee of 5.5% of the gross funds raised under the Ordinary Share Offer, together with an annual commission of 0.2% of gross funds raised for a period of 5 years). Out of this fee, Beringea will pay the commissions payable to recognised intermediaries in respect of accepted applications for Ordinary Shares under the Ordinary Share Offer submitted by them in the amounts referred to in the Ordinary Share Prospectus and Beringea shall also discharge all other costs and expenses of or incidental to the Ordinary Share Offer and the admission of the Ordinary Shares issued pursuant to the Ordinary Share Offer to listing on the Official List of the UK Listing Authority and to trading on the London Stock Exchange's market for listed securities.

The Listing Rules require that the Commission, Resolution (4), is approved by the Shareholders because Beringea is also a party to the New Performance Incentive Fee. If Resolution (3), which relates to the New Performance Incentive Fee, is not passed at the General Meeting, the Commission will not, under the Listing Rules, require the approval of Shareholders as the Commission alone does not exceed the thresholds above which the Listing Rules require Shareholder approval and will be paid to Beringea whether or not Resolution (4) is passed at the General Meeting.

The Tender Offer

Details of the Tender Offer

At today's date the Company has 27,392,840 Ordinary Shares in issue. Under the Tender Offer described in this document, the Company proposes to purchase up to 20% of its Ordinary Shares, which is equal to 5,478,568 Ordinary Shares, from those Ordinary Shareholders on the register on the Record Date.

Each Ordinary Shareholder is entitled to sell up to 20% of his Ordinary Shares (the "Basic Entitlement") to the Company at the net asset value per Ordinary Share as at 30 November 2011, to be announced on a regulated information service on or before 16 January 2012, less the amount of the Interim Dividend of 6.25p per share to be paid on 2 February 2012 to Shareholders (including those participating in the Tender Offer) who are on the register on 6 January 2012 and the related performance incentive payment .

The unaudited net asset value per Ordinary Share as at 31 August 2011 was 55.9p and on this basis the purchase price per Ordinary Share would be 48.6p. However, the net asset value per Ordinary Share as at 30 November 2011 may be less or greater than 55.9p and, consequently, the purchase price per Ordinary Share may be lower or higher than 48.6p per Ordinary Share. Total Ordinary Share dividends paid from launch to 31 August 2011 were 107.7p, making a Total Return (net asset value plus dividends paid) from launch to 31 August 2011 of 163.6p.

Ordinary Shareholders may make applications under the Tender Offer in respect of more than their Basic Entitlement, on the basis that some Shareholders may not wish to participate in the Tender Offer. Any entitlements to sell Ordinary Shares in the Tender Offer which are not taken up will be re-allocated to Ordinary Shareholders making applications in respect of more than their Basic Entitlement, pro-rata to the number of Shares applied for by each Shareholder in excess of 20% of their shareholding.

The proceeds from the sale of Ordinary Shares in the Tender Offer will be applied in subscribing for new Ordinary Shares under the Ordinary Share Offer in respect of the 2011/2012 tax year, as described in the Ordinary Share Prospectus, a copy of which is enclosed with this document. Application will be made to the UK Listing Authority for the new

Ordinary Shares to be admitted to a premium listing on the Official List of the UK Listing Authority and to trading on the London Stock Exchange's market for listed securities. It is expected that the admission will become effective, and that dealings in these new Ordinary Shares will commence, within 10 business days of the issue of such new Ordinary Shares and that share certificates will be dispatched to Shareholders within 15 business days of the issue of such new Ordinary Shares. The new Ordinary Shares will be issued in registered form and evidence of title will be through possession of a share certificate in the Shareholder's name or settlement of the transactions in the new Ordinary Shares following their admission to a premium listing on the Official List of the UK Listing Authority and to trading on the London Stock Exchange's market for listed securities may take place within the CREST system if Shareholders wish. The new Ordinary Shares will rank *pari passu* in all respects with each other and the existing Ordinary Shares. The new Ordinary Shares will be issued at a premium to net asset value of approximately 3.5%, in accordance with the terms of the Ordinary Share Offer, so Shareholders participating in the Tender Offer will not receive the same number of new Ordinary Shares as they sold. The Tender Offer will open at the same time as applications can be made under the Ordinary Share Offer but will close at 1 pm on 31 January 2012.

If your Ordinary Shares are held in the name of a nominee, in order to participate in the Tender Offer you must arrange to transfer the Ordinary Shares you wish to tender into your own name.

The Ordinary Shares purchased by the Company pursuant to the Tender Offer will be cancelled and not re-issued and will not rank for any dividends declared or paid on or after completion of the Tender Offer. The authorised share capital of the Company will not be reduced but the issued share capital of the Company will be reduced by the nominal amount of those Ordinary Shares that are cancelled.

Ordinary Shareholders will be entitled to receive the Interim Dividend in relation to all Ordinary Shares held on 6 January 2012. This includes any Ordinary Shares sold in the Tender Offer.

Conditionality

The participation of Shareholders in the Tender Offer is conditional upon (i) the Ordinary Share Offer being launched (ii) Resolution 5 set out in the notice of the General Meeting dated 8 December 2011 being passed at the General Meeting; (iii) a participating Shareholder agreeing that the proceeds of the Tender Offer be invested under the Ordinary Share Offer in the 2011/12 tax year; and (iv) a participating Shareholder's Ordinary Shares being held in the Shareholder's own name, whether in certificated or uncertificated form (i.e. in CREST).

Funding of Tender Offer

The funds required for the Tender Offer, and the stamp duty payable by the Company as a result (see "Taxation" below), will be financed from the Company's existing cash and liquid resources.

Taxation

The majority of Ordinary Shares currently in issue were subscribed for more than five years ago. Shareholders are able to sell Ordinary Shares allotted before 31 January 2007 without forfeiting the initial income tax relief granted in respect of the subscription for these Shares.

However, some Ordinary Shares were subscribed for less than five years ago. Shareholders who sell Ordinary Shares subscribed for after 31 January 2007 will have to repay the initial income tax relief granted in respect of these Shares. Shareholders who subscribed for Ordinary Shares on more than one occasion should note that Shares acquired first will be treated for taxation purposes as being disposed of first.

If Shareholders deferred capital gains on subscribing for Ordinary Shares prior to 6 April 2004, the deferred gains will become taxable in the current tax year if they sell these Shares. Shareholders who subscribed for Ordinary Shares on more than one occasion should note that Shares acquired first will be treated for taxation purposes as being disposed of first.

If you are considering selling Ordinary Shares in the Tender Offer you are strongly advised to seek tax advice from an authorised financial advisor.

The Tender Offer will not adversely affect the Company's VCT qualifying status.

Stamp duty at the rate of 0.5% will be payable by the Company on its purchase of Ordinary Shares pursuant to the Tender Offer.

Action to be taken in respect of the Tender Offer

If you hold share certificate(s) for the Ordinary Shares you wish to sell in the Tender Offer, you should complete the Tender Form and return it to Beringea LLP, 39 Earlam Street, London, WC2H 9LT as soon as possible and, in any event, not later than 1 p.m. on 31 January 2012, together with the share certificate(s) for the Ordinary Shares being tendered. If you cannot find the relevant share certificate(s), please contact Capita Registrars at The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU or by telephone on 0871 664 0300 from within the UK or on + 44 20 8639 3399 if calling from outside the UK, to obtain a letter of indemnity to request a replacement certificate, which will be subject to an administration fee (calls to the 0871 664 0300 number cost 10 pence per minute from a BT landline. Other network providers' costs may vary. Lines are open 9.00 am to 5.00 pm (London time) Monday to Friday. Calls to the helpline from outside the UK will be charged at the applicable international rate. Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. The helpline cannot provide advice on the merits of the Tender Offer nor give any financial, legal or tax advice). If your Ordinary Shares are in uncertificated form, in order to accept the Tender Offer you should comply with the procedures relating to CREST set out at the end of this document and send a TTE instruction to the Escrow Agent, for the Ordinary Shares you wish to sell so as to settle by no later than 1.00 p.m. on 31 January 2012.

If your Ordinary Shares are held in the name of a nominee, whether in certificated or uncertificated form, in order to participate in the Tender Offer, you must arrange to transfer the Ordinary Shares you wish to tender into your own name. .

By applying to participate in the Tender Offer, you are deemed to have received the Ordinary Share Prospectus and agree to be bound by the Terms and Conditions of Application therein. Please make sure that you read the Ordinary Share Prospectus carefully, particularly the Risk Warnings. If you are in any doubt about how to proceed, you should consult an authorised financial adviser.

If you wish to apply for Ordinary Shares under the Ordinary Share Offer either as an alternative to, or in addition to, participating in the Tender Offer, please complete the application form at the end of the Ordinary Share Prospectus and return it, with the relevant payment, either via your authorised financial adviser or directly to Beringea LLP, 39 Earlam Street, London, WC2H 9LT.

The Dividend Reinvestment Scheme

The Scheme

The Scheme offers Shareholders the opportunity to elect to reinvest their dividends on each class of Shares held in the Company (including the Interim Dividend in the case of Ordinary Shareholders) in Shares of the same class. The subscription price for the additional Shares will be the prevailing net asset value per Share (after adjusting for the dividend to be reinvested and any related performance incentive payment). This enables Shareholders to increase their total holding in the Company without incurring dealing costs, issue costs or stamp duty. Shares issued under the Scheme will rank *pari passu* in all respects with the other Shares of that class that are then in issue.

Subject to individual circumstances, Shareholders who elect to reinvest dividends under the Scheme should be eligible to claim income tax relief (currently at 30 per cent) on the value of the dividend reinvested, provided the Shares are issued in the name of the Shareholder and not in the name of a nominee. Shares subscribed for via the Scheme will form part of each Shareholder's annual limit for investing in VCTs and qualifying for tax reliefs. If you are in doubt regarding your personal tax position, or whether you should participate in the Scheme, you should contact your professional adviser immediately.

The terms of the Scheme only permit a Shareholder to join if all the Shares registered in their name, of whatever share class, are mandated to the Scheme. If you elect to receive Shares under the Scheme, any residual cash balance arising representing a fractional entitlement will be carried forward to the next dividend.

The terms and conditions of the Scheme, as set out in Annex I to this Circular, have been approved by the Directors.

Conditionality

The Dividend Reinvestment Scheme is conditional upon Resolutions 1, 2 and 4 set out in the notice of the General Meeting being passed at the General Meeting.

Action to be taken in respect of the Dividend Reinvestment Scheme

If you wish to join the Scheme, please complete the Mandate Form at the end of this document and return it to Beringea LLP, 39 Earlham Street, London, WC2H 9LT. You can apply to join the Scheme at any time. However, Mandate Forms have to be received by Beringea at least 20 Business Days prior to the payment of the first dividend which is to be reinvested. If you are an Ordinary Shareholder and you want to reinvest the Interim Dividend under the Scheme, your completed Mandate Form must be received by Beringea by 5 January 2012. Mandate Forms received after that date will be effective in relation to any future dividends in respect of which the mandate applies.

If you elect to join the Scheme, the mandate given in the Mandate Form will remain in force for all dividends declared whilst the Scheme is in operation unless and until you give notice to terminate your participation in the Scheme in accordance with the terms of the Scheme. Those Shareholders not electing to join the Scheme at this time will be able to do so in respect of dividends declared for later periods whilst the Scheme is in place.

If you wish to continue to receive your dividends in the same way as previously (either in cash, or paid to your Bank or Building Society Account under an existing mandate), you need take no further action.

The Performance Incentive Fee

The performance incentive fee payable by the Company in relation to the Ordinary Shares for each financial year starting on or after 1 March 2006 is presently:

- 33 per cent. of the cumulative dividends paid in relation to a relevant financial year starting on or after 1 March 2006 over and above 3 pence per Ordinary Share per annum but less than 6 pence per Ordinary Share per annum; plus
- 20 per cent. of the cumulative dividends paid in excess of 6 pence per Ordinary Share per annum,

less the cumulative amount of any performance incentive fee previously paid in relation to the financial years starting on or after 1 March 2006.

Of the total performance incentive fee, 91% is payable to the Manager and 9% is payable to Downing Corporate Finance Limited.

The payment will be inclusive of VAT (if applicable) and is conditional on the Performance Value being at least 130 pence per Ordinary Share. Dividend payments will be disregarded in calculating the performance fee to the extent that they exceed cumulative gross realised capital gains and net income. The amount paid in relation to any one financial year pursuant to the performance incentive fee cannot exceed 20% of the dividends paid to holders of Ordinary Shares in relation to that year.

Subject to the passing of Resolution (3) at the General Meeting, the present performance incentive fee arrangements in respect of the Ordinary Shares will be terminated and, for the financial years starting after 29 February 2012, a performance incentive fee will be payable in relation to the Ordinary Shares if, at the end of a financial year, the New Performance Value exceeds the Hurdle. In this event the performance incentive fee will be equal to 20% of the amount by which the New 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 amount of any performance incentive fee already paid in relation to previous financial years starting after 29 February 2012 (which shall not include, for the avoidance of doubt, Residual PIF). If, after 29 February 2012, the New Performance Value is less than or equal to the Hurdle in any financial year, no performance incentive fee will be payable in respect of that financial year.

The New Performance Incentive Fee per Ordinary Share payable in relation to a financial year will be reduced, if necessary, to ensure that (i) the cumulative New Performance Incentive Fee per Ordinary Share payable in relation to financial years starting after 29 February 2012 does not exceed 20% of Cumulative Dividends per Ordinary Share paid in relation to those financial years and (ii) the New Total Return per Ordinary Share is at least equal to the Hurdle.

Subject to the passing of Resolution (3) at the General Meeting, in consideration of the Manager's performance in managing the Original Ordinary Share Portfolio, a performance incentive fee linked to the profit achieved on the future disposal of two investments from this portfolio, Espresso Group Limited and Think Limited, will be payable. The Residual PIF will be equal to 20% of the aggregate profit realised on the sale of Espresso Group Limited and

Think Limited, subject to a maximum fee of 91% of £673,000 (being 20% of the aggregate unrealised profit on these investments as at 31 August 2011).

The new performance incentive arrangements will apply to all Ordinary Shares in issue, including any Ordinary Shares issued pursuant to the Ordinary Share Offer and the merger of the C Shares and the Ordinary shares, which is expected to take place in October 2012. All fees paid under the new performance incentive arrangements will be inclusive of VAT, if applicable. The Manager will receive 91% of all fees paid under the new performance incentive arrangements and Downing Corporate Finance Limited will receive 9%.

The General Meeting

Resolutions

Resolution 1 will, if passed, give the Board authority pursuant to article 151(1) of the Company's articles, to allot Shares in connection with the Dividend Reinvestment Scheme during the period commencing on the passing of this resolution and expiring, subject to the passing of Resolution 5, on the fifth anniversary of this resolution or alternatively on the date of the Company's next annual general meeting.

Resolution 2 will, if passed, give the Board authority under section 551 Companies Act 2006 to allot the Shares referred to in Resolution 1. This authority will expire on the fifth anniversary of the date of this Resolution.

Resolution 3 will, if passed, approve the New Performance Fee, details of which are set out above. Malcolm Moss, a member of Beringea, which is a related party to the Company under the Listing Rules, will not vote on this resolution and has undertaken to take all reasonable steps to ensure that none of his associates will vote on this resolution. Beringea does not hold Shares in the Company and has undertaken to take all reasonable steps to ensure that none of its associates will vote on this resolution.

Resolution 4 will, if passed, approve the Commission, details of which are set out above. Malcolm Moss, a member of Beringea, which is a related party to the Company under the Listing Rules, will not vote on this resolution and has undertaken to take all reasonable steps to ensure that none of his associates will vote on this resolution. Beringea does not hold Shares in the Company and has undertaken to take all reasonable steps to ensure that none of its associates will vote on this resolution.

Resolution 5 will, if passed, authorise and approve the terms of the contract under which the Tender Offer will be effected. A copy of this Circular, which constitutes the contract, including the names of the Shareholders from whom Ordinary Shares are proposed to be purchased, the numbers of Ordinary Shares to be purchased from them and the price per Ordinary Share at which those Ordinary Shares are to be purchased, will be available for inspection at the registered office of the Company for not less than 15 days ending with the date of the General Meeting and at the General Meeting itself.

Resolution 6 will, if passed, give the Board authority to allot the Shares referred to in Resolution 2 whilst disapplying the statutory pre-emption rights. This authority will expire on the fifth anniversary of the date of this Resolution.

Resolution 7 will, if passed, amend the article 151(1) of the Company's articles of association to provide that the authority to allot shares under the Dividend Reinvestment Scheme will expire on the fifth anniversary of the resolution so that it would not be necessary, as currently required under article 151(1), to seek a renewal at the Company's next annual general meeting.

Action to be Taken in respect of the General Meeting

Shareholders will find a form of proxy attached at the end of this document for the General Meeting. Whether or not you propose to attend the General Meeting, you are requested to complete and return the form of proxy attached to Beringea LLP, 39 Earlam Street, London, WC2H 9LT, so as to be received not less than 48 hours before the time appointed for holding the General Meeting. Completion and return of the form of proxy will not prevent a Shareholder from attending and voting in person at the General Meeting should a Shareholder wish to do so.

Returning the Forms

The address for returning the Tender Offer Form (for Ordinary Shareholders holding share certificates), the Dividend Reinvestment Mandate Form and the Form of Proxy is Beringea LLP, 39 Earlam Street, London, WC2H 9LT. A reply paid envelope is provided for your convenience and you may, if you wish, return all the forms in the same envelope. Please remember, however, that to be effective, the forms need to have been returned by the following dates:

Tender Offer Form: 1 pm on 31 January 2012

Dividend Reinvestment Mandate Form: 5 January 2012

Form of Proxy: 11 am on 24 January 2012

Recommendations and Intentions

The Board, which has been so advised by Howard Kennedy, believes that the New Performance Incentive Fee and the Commission are fair and reasonable as far as the Shareholders are concerned. Malcolm Moss did not take part in the Board's consideration of the New Performance Incentive Fee and the Commission as he is a member of Beringea, a related party of the Company under the Listing Rules.

The Board considers that the proposals set out in this Circular are in the best interests of the Shareholders as a whole and recommends that Shareholders vote in favour of the Resolutions. Malcolm Moss did not take part in the Board's consideration of, and decision to recommend, the Commission and the Performance Incentive Fee. The Directors intend voting in favour of the Resolutions in respect of their own beneficial shareholdings which at, the date of this Circular, total 29,039 Ordinary Shares, 19,635 C Shares and 5,802 D Shares (representing approximately 0.106 per cent, 0.136 per cent and 0.070 per cent of the issued Ordinary Share capital, the C Share capital and the D Share capital of the Company respectively).

Yours sincerely

Andrew Davison
Chairman

TERMS OF THE TENDER OFFER

Ordinary Shareholders on the register of members of the Company on the Record Date are hereby invited to participate in the Tender Offer on the terms and subject to the conditions set out in this Circular. The Company will purchase up to 5,478,568 Ordinary Shares representing approximately 20 per cent of the issued Ordinary Shares as at close of business on 7 December 2011 (being the latest practicable date before publication of this Circular) at the net asset value per Ordinary Share at 30 November 2011, to be announced to the London Stock Exchange on or before 16 January 2012, less the amount of the Interim Dividend of 6.25p per share to be paid on 2 February 2012 to Shareholders (including those participating in the Tender Offer) who are on the register on 6 January 2012 and the related performance incentive payment. The Ordinary Shares purchased by the Company pursuant to the Tender Offer will be cancelled and not re-issued.

The following conditions and further terms apply, unless the context otherwise requires, to the Tender Offer.

1. Conditions of the Tender Offer

The Tender Offer and the purchase by the Company of Ordinary Shares offered for sale pursuant to it is conditional upon (i) the Ordinary Share Offer being launched, (ii) the Tender Offer Resolution being passed at the General Meeting, (iii) the participating Shareholder agreeing that the proceeds of the Tender Offer be invested under the Ordinary Share Offer in the tax year 2011/12, (iv) the Ordinary Shares being tendered being held in the participating Shareholder's own name, whether in certificated or uncertificated form (i.e. in CREST) and (v) the Ordinary Shares continuing to be held by the participating Shareholder until the completion of the Tender Offer. If the Tender Offer and the purchase by the Company of Ordinary Shares offered for sale pursuant to it does not become unconditional and lapses, certificates and other documents of title will be returned by post not later than 14 business days after the date of such lapse. In the case of Ordinary Shares held in uncertificated form, instructions will be provided to Euroclear to transfer all such Ordinary Shares held in escrow balances by TFE instruction to the original available balances to which those Ordinary Shares relate.

2. Ordinary Shares Tendered

Each Selling Shareholder by whom, or on whose behalf, a Tender Form is executed or a TTE instruction is made, irrevocably undertakes, represents, warrants and agrees to and with the Company (so as to bind him, his personal representatives, heirs, successors and assigns) that:

- (a) the execution of the Tender Offer shall constitute an offer to sell to the Company those Ordinary Shares tendered therein, on and subject to the terms and conditions set out or referred to in this Circular and the Tender Form and, once lodged, shall be irrevocable;
- (b) the Ordinary Shares to be offered for sale pursuant to the Tender Offer will, if such offers are accepted by the Company, be sold free from all liens, equities, charges and encumbrances and, save as otherwise provided by the terms of the Tender Offer, together with all rights attaching thereto;
- (c) he/she shall do all such acts and things as shall be necessary or expedient and execute any other additional documents deemed by the Company to be desirable, in each case to complete the purchase of the Ordinary Shares and/or to perfect any of

the authorities expressed to be given hereunder for the purpose of, or in connection with, the Tender Offer and to vest such Ordinary Shares in the Company;

- (d) the proceeds of the Tender Offer will be invested under the Ordinary Share Offer in the tax year 2011/12;
- (e) the provisions of the Tender Form shall be deemed to be incorporated into the terms and conditions of the Tender Offer And
- (f) he is the registered holder of the Ordinary Shares offered for sale pursuant to the Tender Offer on both the Record Date and on the latest date for the receipt of Tender Forms.

Any existing rights of Shareholders will be unaffected. The Ordinary Shares purchased by the Company pursuant to the Tender Offer will be cancelled and not re-issued. All the Ordinary Shares so purchased will not rank for any dividends for which the record date is on or after completion of the Tender Offer.

3. Scaling Back

Shareholders who offer to sell up to their Basic Entitlement under the Tender Offer will have their application satisfied in full (apart from fractions of shares). If the aggregate number of Ordinary Shares tendered exceeds 20% of the Ordinary Shares in issue on the Record Date, applications from Shareholders in excess of their Basic Entitlement will be scaled back on a pro-rata basis.

If part only of a holding of Ordinary Shares is successfully tendered pursuant to the Tender Offer, the relevant Shareholder will be entitled to receive either a balance certificate in respect of the unsold Ordinary Shares or, if the Ordinary Shares are held in uncertificated form, a transfer by TFE instruction for the balance of the unsold Ordinary Shares.

4. Acceptance Period

The Tender Offer will close at 1 p.m. on 31 January 2012, and Tender Forms and TTE instructions will not be capable of acceptance after that time and date. Selling Shareholders who hold their Ordinary Shares in certificated form should complete the Tender Form in accordance with the instructions thereon and return the completed document together with their share certificate(s) in respect of the Ordinary Shares which the Shareholders are tendering. Shareholders who hold Ordinary Shares in CREST should comply with the procedures relating to CREST set out on page 38 of this document.

All questions as to the number of Ordinary Shares, and the validity, form, eligibility (including the time of receipt) and acceptance for payment of any tender of Ordinary Shares will be determined by the Company, in its sole discretion, which determination shall be final and binding on all of the parties (except as otherwise required under any applicable law or regulation). The Company reserves the absolute right to reject any or all tenders it determines not to be in proper form or any payment (or the acceptance of any payment) which may, in the opinion of the Company, be unlawful. The Company also reserves the absolute right to waive any of the terms or conditions of the Tender Offer and any defect or irregularity in the application in relation to any particular Ordinary Shares or any particular holder thereof. Otherwise, no tender for the sale of Ordinary Shares will be deemed to be validly made until any defects or irregularities have been cured or waived. In the event of a waiver, the consideration under the Tender Offer will not be credited to the Shareholder until after the Tender Form is complete in all respects and the share certificates have been received or the relevant TTE instruction has settled. None of the Company, the Registrar, the

Receiving Agent, the Escrow Agent or any other person is or will be obliged to give notice of any defects or irregularities in tenders, and none of them will incur any liability for failure to give any such notice.

It is expected that the results of the Tender Offer and the extent to which applications pursuant to the Tender Offer have been scaled back will be announced on 1 February 2012. The passing of the Tender Offer Resolution and the execution on behalf of the Company and each Selling Shareholder of a contract for the purchase of Ordinary Shares sold pursuant to the Tender Offer (the "Contract") will constitute acceptance by the Company of the successful tenders.

The Company reserves the right not to proceed with the Tender Offer if the Directors have concluded that implementation of the Tender Offer is no longer in the best interests of the Company and/or the Shareholders as a whole. This right may only be exercised prior to the passing of the Tender Offer Resolution.

5. Settlement

Subject to the Tender Offer becoming unconditional in all respects and the Contract being executed on behalf of the Company and the Selling Shareholders, the sale of the Ordinary Shares under the Tender Offer will take place and the proceeds arising on the sale will be applied in subscribing for new Ordinary Shares under the Ordinary Share Offer in respect of the 2011/2012 tax year, as described in the Ordinary Share Prospectus.

Ordinary Shares will be purchased under the Tender Offer free of commissions and dealing charges.

ADDITIONAL INFORMATION

1. Responsibility and Registered Office

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

Andrew Davison (Chairman)
Barry Dean
Malcolm Moss

The registered office of the Company is 39 Earlham Street, London, WC2H 9LT.

2. Issued Share Capital

The number of issued Ordinary Shares, C Shares and D Shares as at 7 December 2011 (being the latest practicable date before publication of this Circular) were:

Issued: 27,392,840 Ordinary Shares
 14,414,223 C Shares
 8,256,901 D shares

The Company does not hold any shares in treasury.

3. Directors' and Other Interests

- 3.1 The interests of the Directors, or persons connected with such Directors, (all of which are beneficial unless otherwise stated) in the issued share capital of the Company as at 7 December 2011 (being the latest practicable date before publication of this Circular) were:

	Ordinary Shares	C Shares	D Shares
Andrew Davison	29,039	9,335	2,637
Barry Dean	Nil	10,300	Nil
Malcolm Moss	Nil	Nil	3,165

- 3.2 Save as disclosed above, no Director nor any person connected with a Director has any interest in the share capital of the Company.

4. Significant Shareholdings

As at 7 December 2011 (being the latest practicable date prior to the publication of this Circular) the Directors were not aware of any persons who were or will be immediately following the Tender Offer (assuming the maximum number of Ordinary Shares are acquired pursuant to the Tender Offer), directly or indirectly, interested in 3 per cent or more of the issued Shares.

5. Material Contracts

Save in respect of those agreements which are set out in Part 10 of the registration document of the Ordinary Share Prospectus, the Company has not entered into any

material contracts (not being contracts entered into in the ordinary course of business) within the two years immediately preceding the date of this Circular and neither has the Company entered into any contracts (not being contracts entered into in the ordinary course of business) which contain a provision or provisions under which that Company has an obligation or entitlement which is material to it as at the date of this document.

6. Directors' Service Contracts and Remuneration

None of the Directors has a service contract with the Company and no such contract is proposed. The services of the Directors are provided to the Company pursuant to letters of appointment each of which is terminable upon 3 months' notice given by either party at any time.

The Directors each receive annual fees as follows:

	£
Andrew Davison	30,000
Barry Dean	22,000
Malcolm Moss	15,000
	<hr/>
	67,000

7. Beringea LLP

Beringea's investment management team comprises the following five executives, who have more than 60 years combined experience of making venture capital investments. They are:

Trevor Hope (aged 41)

Trevor is Chief Investment Officer for Beringea. He has over eleven years experience of investing in unquoted companies, during which he has made over 50 investments. Trevor started his career in unquoted investing with 3i plc, for whom 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 (aged 35)

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.

Stéphane Méry (aged 46)

Stéphane has 10 years experience as a venture capital fund manager in the healthcare sector and focuses on making investments in this sector for the VCTs managed by the Manager, including ProVen VCT plc. Previously, he was Associate Director at Smithkline Beecham and also worked at the American consulting firm, ZS Associates. Stéphane has an MBA from INSEAD.

Malcolm Moss (aged 52)

Malcolm is a Senior Managing Director and founder of Beringea LLC. In addition to sitting on the Boards of ProVen VCT plc, ProVen Growth & Income VCT plc and ProVen Planned Exit VCT plc he sits on the investment committees of the Beringea Group's three other venture funds (InvestCare Partners, The Global Rights Fund II and Invest Michigan Growth Capital Fund). Malcolm has a BA and an MBA.

Stuart Veale (aged 52)

Stuart has 24 years of private equity investment experience. Prior to joining Beringea, Stuart was a senior director with LDC (the private equity arm of Lloyds TSB) 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.

8. Unusual/Significant Transactions

Beringea Limited, of which Malcolm Moss is a director, acted as promoter for the Offers for Subscription of the Company dated 11 February 2008 and 19 November 2008 and agreed to underwrite the costs of these Offers in return for a fee of 5.5% of the monies raised. Beringea LLP, of which Malcolm Moss is a member, acted as promoter for the Offer for Subscription of the Company dated 19 November 2009 and agreed to underwrite the costs of this Offer in return for a fee of 5.5% of the monies raised. Beringea LLP is also the Company's investment manager. The total fees relating to this service for the year ended 28 February 2011, together with performance incentive fees due under the investment management agreement, amounted to £968,000 (2010: £623,000) (all inclusive of VAT), of which £504,000 (2010: £196,000) was outstanding at the relevant year end.

Nicholas Lewis, who retired as a director of the Company on 24 August 2010, is a director of Downing Management Services Limited, which provides administration services to the Company and a director of Downing Corporate Finance Limited which is entitled to receive performance incentive fees under a Deed dated 31 May 2006. During the year ended 28 February 2011, the total fee relating to the administration services was £57,000 (2010: £53,000), inclusive of VAT, of which £14,000 (2010: £12,000) was outstanding at the year end, and relating to the performance incentive fee was £32,000 (2010: £4,000) (inclusive of VAT), of which £5,000 (2010: £4,000) was outstanding at the year end. .

Save as disclosed above, no Director has any interest in any transaction which is or was unusual in its nature or conditions or is or was significant to the business of the Company and which was effected by the Company during the current financial period or during an earlier financial year and remains in any respect outstanding or unperformed.

9. Significant Changes

Since 31 August 2011, being the end of the last financial period of the Company for which unaudited interim financial information has been published, there has been no significant change in the trading or financial position of the Company since 28 February 2011, the date to which the latest annual report and accounts of the Company were prepared.

10. Litigation

There are no governmental, legal or arbitration proceedings (including any such proceedings which are or were pending or threatened of which the Company is aware) during the 12 months immediately preceding the date of this document, in each case which may have, or have had in the recent past, a significant effect on the Company's financial position or profitability.

11. Related Party Transactions

- 11.1 The Company entered into deeds of variation to its investment management agreement with Beringea on 31 May 2006, 14 November 2006, 19 November 2008, 19 November 2009 and 8 December 2011, an administration and advisory agreement with Downing Management Services Limited ("DMS") on 31 May 2006, a deed of variation to this administration and advisory agreement with DMS on 19 November 2008 and 19 November 2009, a deed relating to performance incentive arrangements with Downing Corporate Finance Limited ("DCF") on 31 May 2006, offer agreements with Proven Growth & Income VCT plc ("PGI VCT"), the Directors, Howard Kennedy, Beringea and Beringea LLC on 14 November 2006 and 19 November 2008, an offer agreement with PGI VCT, the Directors, Beringea and Beringea LLC on 19 November 2009, an offer agreement with the Directors, Howard Kennedy, Beringea and Beringea LLC on 8 December 2011 and a director's letter of appointment with Barry Dean on 10 May 2006 and Malcolm Moss on 1 October 2008.
- 11.2 Beringea is a related party as it is the Company's investment manager. DCF and DMS were each a related party as Nicholas Lewis, a former director of the Company, is also a director of, and substantial shareholder in, DCF and a director of DMS, which is a subsidiary of DCF.
- 11.3 For each of the financial periods ended 28 February 2009, 28 February 2010 and 28 February 2011 and for the current financial year to date, apart from the agreements referred to in this paragraph 11, the Company has not been a party to any related party transactions for the purposes of Regulation (EC) No. 1606 / 2002.

12. General

- 12.1 The instructions, authorities and provisions contained or deemed to be incorporated in the Tender Form constitute part of the terms of the Tender Offer.
- 12.2 The Tender Offer and the Tender Form shall be governed by and construed in accordance with English law.
- 12.3 No acknowledgement of receipt of any Tender Forms, share certificate(s), TTE instructions and/or other document(s) of title will be given.
- 12.4 The failure of any Shareholder to receive a copy of this Circular will not invalidate any aspect of the Tender Offer.
- 12.5 All documents and remittances sent by or to Shareholders will be sent at their risk.
- 12.6 An offer to tender pursuant to the Tender Offer by certain persons not resident in the UK may be affected by the laws of the relevant jurisdictions. Shareholders not resident in the UK should inform themselves about and observe any applicable legal requirements. It is the responsibility of any person outside the UK wishing to offer for sale Ordinary Shares pursuant to the Tender Offer to satisfy himself as to the full observance of the laws of the relevant territory in connection therewith, including the

obtaining of any governmental or other consent which may be required or the compliance with other necessary formalities.

- 12.7 The Tender Offer is not being made, directly or indirectly, in or into, of, or by use of the mail or by any means of instrumentality (including, without limitation, telephonically or electronically) of interstate or foreign commerce of, or by any facilities of a national state or other securities exchange of, the United States, Canada, Australia or Japan or other jurisdiction if to do so would constitute a violation of the relevant laws of such jurisdiction and the Tender Offer cannot be accepted by any such use, means or instrumentality or otherwise from or within the United States, Canada, Australia or Japan or other such jurisdiction. Accordingly, this document and the Tender Form or any accompanying document are not being, and must not be, mailed or otherwise distributed or sent in or into or from the United States, Canada, Australia or Japan or other jurisdiction.
- 12.8 As at 7 December 2011 (being the latest practicable date before publication of this Circular), no share or loan capital of the Company is under option or warrant or agreed, conditionally or unconditionally, to be put under option or warrant.
- 12.9 Howard Kennedy has given and has not withdrawn its written consent to the issue of this document with the inclusion of its name and references to such name in the form and context in which they appear.

12.10 The following documents are incorporated by reference into this document:

- 12.10.1 the material contracts which are set out in Part 10 of the registration document of the Ordinary Share Prospectus; and
- 12.10.2 the unaudited half-year report of the Company for the six months to 31 August 2011.

13. Documents Available for Inspection

Copies of the following documents will be available for inspection from the date of this Circular until the conclusion of the General Meeting during normal business hours and on any weekday (Saturdays and public holidays excepted) at the registered office of the Company at 39 Earlham Street, London, WC2H 9LT:

- 13.1 the audited accounts of the Company for the year ended 28 February 2011;
- 13.2 the half-year report of the Company for the period to 31 August 2011; and
- 13.3 this Circular which constitutes the contractual terms of an “off-market” purchase as defined in Section 693 of the Companies Act 2006, together with (from 6 January 2011) a schedule listing those Shareholders who are entitled to participate in the Tender Offer.

Dated 8 December 2011

DEFINITIONS

"Base Rate"	the Bank of England base rate;
"Basic Entitlement"	each Ordinary Shareholder's entitlement to tender 20% of their Ordinary Shares held on the Record Date;
"Beringea" or "Manager"	Beringea LLP, the Company's investment manager and Receiving Agent;
"Beringea Group"	Beringea LLC and its subsidiaries (including Beringea);
"Board" or "Directors"	Andrew Davison, Barry Dean and Malcolm Moss;
"Capita Registrars"	a trading name of Capita Registrars Limited;
"C Shares"	C ordinary shares of 25p each in the capital of the Company;
"C Share Adjustment"	subject to the C Share Conversion having taken place, the amount by which the value of the C Share Portfolio increases or decreases between 31 August 2011 and the C Share Conversion, divided by the Pro-forma Number of Ordinary Shares (as adjusted to take account of any dividends paid on C Shares between 31 August 2011 and the C Share Conversion);
"C Share Conversion"	the conversion of the C Shares into Ordinary Shares, that is expected to take place in October 2012;
"C Share Portfolio"	the portfolio of investments created by investing the proceeds raised from the issue of C Shares prior to the Ordinary Share Offer;
"the Circular"	this document;
"Commission"	the commission payable to Beringea pursuant to the Ordinary Share Offer that is the subject of Resolution (4);
"the Company"	ProVen VCT plc, registered with the Registrar of Companies of England and Wales with registered number 3911323 and whose registered office is 39 Earlam Street, London WC2H 9LT;
"CREST"	the relevant system (as defined in the Regulations) in respect of which Euroclear is

	the Operator (as defined in the Regulations);
“Cumulative Dividends”	the cumulative amount of dividends paid by the Company in relation to the financial years starting on 1 March 2012 and finishing on the 28 February of the relevant financial year;
“D Shares”	D ordinary shares of 1p each in the capital of the Company;
“Escrow Agent”	Capita Registrars acting as escrow agent in connection with the Tender Offer;
“Euroclear”	Euroclear UK and Ireland Limited;
“General Meeting”	the general meeting of the Company to be held on 26 January 2012 (or any adjournment thereof);
“Howard Kennedy”	Howard Kennedy Corporate Services LLP;
“Hurdle”	the greater of: <ul style="list-style-type: none"> (i) 1.25 times the Initial Net Asset Value, and (ii) the Initial Net Asset Value increased, as from 31 August 2011, by Base Rate plus 1% per annum (compound);
“Initial Net Asset Value”	the net asset value per Ordinary Share as at 31 August 2011 less the amount of the Interim Dividend and the related performance incentive payment to be paid to Beringea;
“Interim Dividend”	the interim dividend proposed to be paid on 2 February 2012 to Ordinary Shareholders on the register on 6 January 2012;
“Listing Rules”	the listing rules of the UK Listing Authority made under section 73A of FSMA;
“Mandate Form”	the form at the end of this document which enables Shareholders to participate in the Dividend Reinvestment Scheme;
“New Performance Incentive Fee”	the performance incentive fee relating to the Ordinary Shares that is the subject of Resolution (3);
“New Performance Value”	in respect of the relevant financial year end,

	the sum of (i) the net asset value per Ordinary Share at that date, (ii) all dividends per Ordinary Share paid in relation to financial years starting after 29 February 2012 up to the relevant financial year, (iii) all performance related incentive fees per Ordinary Share paid by the Company to the Manager in relation to financial years starting after 29 February 2012, (iv) any C Share Adjustment (whether relating to that or any prior financial year), and (v) any Residual PIF Adjustment (whether relating to that or any prior financial year);
“New Total Return”	the net asset value per Ordinary Share at the relevant financial year end, plus Cumulative Dividends per Ordinary Share;
“Notice of General Meeting”	the notice of the General Meeting set out on page 30 of this document;
“Ordinary Shares”	ordinary shares of 5p each in the capital of the Company;
“Ordinary Shareholders”	holders of Ordinary Shares;
“Ordinary Share Offer”, or “Offer”	the offer for subscription for Ordinary Shares as set out in the Ordinary Share Prospectus;
“Ordinary Share Prospectus”	the prospectus dated the date of this document relating to the Ordinary Share Offer;
“Original Ordinary Share Portfolio”	the portfolio of investments created by investing the proceeds raised from the issue of Ordinary Shares prior to the Ordinary Share Offer;
“Performance Value”	for financial years of the Company ending before 1 March 2012, in respect of the relevant financial year end, the sum of (i) the net asset value per Ordinary Share at that date and (ii) all distributions per Ordinary Share declared and / or paid since the first admission of the Ordinary Shares to listing on the Official List of the UK Listing Authority and to trading on the London Stock Exchange’s market for listed securities;
“Pro-Forma Number of Ordinary Shares”	the pro-forma number of Ordinary Shares in issue on 31 August 2011, assuming (a) that the actual number of C Shares in issue at the date of the C Share Conversion had converted into Ordinary Shares on 31 August 2011 (using the relative net asset

	value per share of Ordinary Shares and C Shares on that date), and (b) that the number of Ordinary Shares in issue on 31 August 2011 included the new Ordinary Shares subsequently issued under the Ordinary Share Offer;
“Receiving Agent”	Beringea LLP;
“Record Date”	6 January 2012;
“Regulations”	the Uncertificated Securities Regulations 2001 (SI 2001/3755);
“Residual PIF”	the performance incentive fee relating to sale of Espresso Group Limited and Think Limited, as set out on page 14;
“Residual PIF Adjustment”	(a) the Residual PIF divided by the number of Ordinary Shares in issue on 31 August 2011, assuming that the number of Ordinary Shares in issue on 31 August 2011 included the new Ordinary Shares subsequently issued under the Ordinary Share Offer or (b), if the C Share Conversion has taken place, the Residual PIF divided by the Pro-forma Number of Ordinary Shares;
“Resolutions”	the resolutions set out in the Notice of General Meeting;
“Scheme” or “Dividend Reinvestment Scheme	the dividend reinvestment scheme the terms and conditions of which are described in this document;
“Scheme Administrator”	Capita Registrars Limited, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU;
“Selling Shareholder(s)”	those Shareholder(s) who are selling Ordinary Shares pursuant to the Tender Offer;
“Shares”	shares in the capital of the Company;
“Shareholders”	holders of the shares in the capital of the Company;
“Tender Offer”	the offer to Shareholders for the Company to purchase up to 5,478,568 Ordinary Shares, as contained in this Circular;
“Tender Form”	the tender form for use in respect of an acceptance of the Tender Offer by Shareholders holding Ordinary Shares in

	certificated form, as set out at the end of this Circular;
“TFE instruction”	a Transfer from Escrow instruction (as defined by the CREST manual;
“TTE instruction”	a Transfer to Escrow instruction (as defined by the CREST manual;
“uncertificated”	for the time being recorded on the register of members of the Company as being held in uncertificated form in CREST and title to which, by virtue of the Regulations, may be transferred by means of CREST;
“VCT”	Venture Capital Trust.

Notice of the General Meeting of ProVen VCT plc

NOTICE IS HEREBY GIVEN that a General Meeting of ProVen VCT plc will be held at 39 Earlam Street, London, WC2H 9LT at 11 am on 26 January 2012 to consider and, if thought fit, pass the following resolutions which will be proposed as ordinary resolutions as to resolutions (1) to (4) and as special resolutions as to resolutions (5) to (7):

Ordinary Resolutions

- (1) THAT pursuant to article 151(1) of the Company's articles of association, the Directors be and are hereby authorised to offer holders of shares in the Company the right to receive shares pursuant to the Company's dividend reinvestment scheme, credited as fully paid, instead of cash in respect of the whole (or some part to be determined by the Board) of all or any dividend declared in the period commencing on the date of this resolution and ending, subject to the passing of resolution (5) below, on either the fifth anniversary of this resolution or, if resolution 5 is not passed, the date of the Company's next annual general meeting;
- (2) THAT the Directors be and are hereby generally and unconditionally authorised in accordance with Section 551 of the Companies Act 2006 (the "Act") to exercise all the powers of the Company to allot shares in the Company in connection with a dividend reinvestment scheme during the period commencing on the passing of this resolution and expiring on the fifth anniversary of this resolution (unless previously revoked, varied or extended by the Company in general meeting), but so that this authority shall allow the Company to make before the expiry of this authority offers or agreements which would or might require shares to be allotted after such expiry and that all previous authorities given to the Directors be and they are hereby revoked, provided that such revocation shall not have retrospective effect;
- (3) THAT the new performance fee arrangements relating to the Company's ordinary shares, details of which are set out on pages 13 and 14 of the circular of the Company dated 8 December 2011 (the "Circular") be approved.
- (4) THAT the commission payable to Beringea LLP, the Company's investment manager, pursuant to the Company's offer for subscription of ordinary shares, details of which are set out on page 9 of the Circular, be approved.

Special Resolutions

- (5) THAT the proposals involving the making of a tender offer (the "Tender Offer") for up to 5,478,568 Ordinary Shares of 5p each in the capital of the Company (the "Ordinary Shares") as described in the circular to shareholders dated 8 December 2011 (the "Circular"), at the price set out in the Circular, a copy of which is produced to the meeting and initialled by the Chairman for identification purposes, be approved and, for the purposes of giving effect thereto, the contract (the "Contract") for the purchase by the Company of Ordinary Shares from those persons as are set out in the schedule to the Contract, the terms of which are set out in the Circular, be and it is hereby approved and the Company be and is hereby authorised to enter into the Contract (the authority conferred on the Company by this special resolution to expire on 7 December 2012).
- (6) THAT the Directors be and are hereby empowered in accordance with section 570(1) of the Act during the period commencing on the passing of this resolution and expiring on the fifth anniversary of this resolution (unless previously revoked, varied or extended by the Company in general meeting), to allot equity securities (as defined in Section 560 of the Act) for cash pursuant to the general authority conferred upon the Directors in resolution (2) above as if section 561 of the Act did not apply to any such allotment provided that this power is limited to the allotment of equity securities in connection with a dividend reinvestment scheme but so that this authority shall allow the Company to make offers or agreements before the expiry and the Directors may allot equity securities in pursuance of such offers or agreements as if the powers conferred hereby had not so expired.
- (7) THAT article 151(1) of the Company's articles of association be amended to delete the words "date of the Annual General Meeting next following" in line 10 and substituting the words "fifth anniversary of" therefor.

By order of the Board

Grant Whitehouse

Secretary

Registered Office:

39 Earlham Street
London WC2H 9LT

Information regarding the General Meeting, including the information required by section 311A of the Act, is available from www.provenvcts.co.uk.

8 December 2011

Notes

- (a) Any member of the Company entitled to attend and vote at the General Meeting is also entitled to appoint one or more proxies to attend, speak and vote instead of that member. A member may appoint more than one proxy in relation to the General Meeting provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that member. A proxy may demand, or join in demanding, a poll. A proxy need not be a member of the Company but must attend the General Meeting in order to represent his appointor. A member entitled to attend and vote at the General Meeting may appoint the Chairman or another person as his proxy although the Chairman will not speak for the member. A member who wishes his proxy to speak for him should appoint his own choice of proxy (not the Chairman) and give instructions directly to that person. If you are not a member of the Company but you have been nominated by a member of the Company to enjoy information rights, you do not have a right to appoint any proxies under the procedures set out in these Notes. Please read Note (h) below. Under section 319A of the Companies Act 2006, the Company must answer any question a member asks relating to the business being dealt with at the General Meeting unless:
- answering the question would interfere unduly with the preparation for the General Meeting or involve the disclosure of confidential information;
 - the answer has already been given on a website in the form of an answer to a question; or
 - it is undesirable in the interests of the Company or the good order of the General Meeting that the question be answered.
- (b) To be valid, a Form of Proxy and the power of attorney or other written authority, if any, under which it is signed or an office or notarially certified copy or a copy certified in accordance with the Powers of Attorney Act 1971 of such power and written authority, must be delivered to Downing Management Services Limited, 10 Lower Grosvenor Place, London SW1W 0EN not less than 48 hours (excluding weekends and public holidays) before the time appointed for holding the General Meeting or adjourned meeting at which the person named in the Form of Proxy proposes to vote. In the case of a poll taken more than 48 hours (excluding weekends and public holidays) after it is demanded, the document(s) must be delivered as aforesaid not less than 24 hours (excluding weekends and public holidays) before the time appointed for taking the poll, or where the poll is taken not more than 48 hours (excluding weekends and public holidays) after it was demanded, be delivered at the meeting at which the demand is made.
- (c) In order to revoke a proxy instruction a member will need to inform the Company using one of the following methods:
- a. by sending a signed hard copy notice clearly stating the intention to revoke the proxy appointment to Downing Management Services Limited, 10 Lower Grosvenor Place, London SW1W 0EN. In the case of a member which is a company, the revocation notice must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company. Any power of attorney or any other authority under which the revocation notice is signed (or a duly certified copy of such power or authority) must be included with the revocation notice.
 - b. by sending an e-mail to proxy@downing.co.uk.
- In either case the revocation notice must be received by Downing Management Services Limited before the General Meeting or the holding of a poll subsequently thereto. If a member attempts to revoke his or her proxy appointment but the revocation is received after the time specified then, subject to Note (d) directly below, the proxy appointment will remain valid.
- (d) Completion and return of a Form of Proxy will not preclude a member of the Company from attending and voting in person. If a member appoints a proxy and that member attends the General Meeting in person, the proxy appointment will automatically be terminated.
- (e) Copies of the Directors' Letters of Appointment, the Register of Directors' interests in the Ordinary Shares of the Company kept, a copy of the amended Articles of Association (marked up to show the proposed changes) and a copy of the current Articles of Association will be available for inspection at the registered office of the Company during usual business hours on any weekday (Saturday and Public Holidays excluded) from the date of this notice, until the end of the General Meeting for at least 15

- minutes prior to and during the meeting.
- (f) Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, the Company has specified that only those holders of the Company's shares registered on the Register of Members of the Company as at 11am. on 24 January 2012 or, in the event that the General Meeting is adjourned, on the Register of Members 48 hours before the time of any adjourned meeting, shall be entitled to attend and vote at the said General Meeting in respect of such shares registered in their name at the relevant time. Changes to entries on the Register of Members after 11am. on 24 January 2012 or, in the event that the General Meeting is adjourned, on the Register of Members less than 48 hours before the time of any adjourned meeting, shall be disregarded in determining the right of any person to attend and vote at the General Meeting.
- (g) As at 7 December 2011, the Company's issued share capital comprised 27,392,840 Ordinary Shares, 14,414,223 C Shares and 8,256,901 D Shares. The total number of voting rights in the Company as at 7 December 2011 is 50,063,694. The website referred to above will include information on the number of Shares and voting rights.
- (h) If you are a person who has been nominated under section 146 of the Companies Act 2006 to enjoy information rights ("Nominated Person"):
- You may have a right under an agreement between you and the member of the Company who has nominated you to have information rights ("Relevant Member") to be appointed or to have someone else appointed as a proxy for the General Meeting;
 - If you either do not have such a right or if you have such a right but do not wish to exercise it, you may have a right under an agreement between you and the Relevant Member to give instructions to the Relevant Member as to the exercise of voting rights;
 - Your main point of contact in terms of your investment in the Company remains the Relevant Member (or, perhaps your custodian or broker) and you should continue to contact them (and not the Company) regarding any changes or queries relating to your personal details and your interest in the Company (including any administrative matters). The only exception to this is where the Company expressly requests a response from you.
- (i) A corporation which is a member can appoint one or more corporate representatives who may exercise, on its behalf, all its powers as a member provided that no more than one corporate representative exercises powers over the same share.
- (j) A vote withheld is not a vote in law, which means that the vote will not be counted in the calculation of votes for or against the resolution. If no voting indication is given, the proxy will vote or abstain from voting at his or her discretion. The proxy will vote (or abstain from voting) as he or she thinks fit in relation to any other matter which is put before the General Meeting.
- (k) Members may not use any electronic address provided either in this notice of General Meeting, or any related documents (including the Chairman's letter and proxy form), to communicate with the Company for any purposes other than those expressly stated.
- (l) CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so by using the procedures described in the CREST Manual. CREST Personal Members or other CREST sponsored members, and those CREST members who have appointed a service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.
- In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with Euroclear UK & Ireland's specifications, and must contain the information required for such instruction, as described in the CREST Manual (available via www.euroclear.com/CREST). The message, regardless of whether it constitutes the appointment of a proxy or is an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by the issuer's agent (ID RA10) not less than 48 hours (excluding weekends and public holidays) before the time of the meeting. For this purpose, the time of receipt will be taken to be the time (as determined by the time stamp applied to the message by the CREST Application Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

FORM OF PROXY**ProVen VCT plc**

For use at the General Meeting of the above-named Company to be held on 26 January 2012, at 39 Earlham Street, London, WC2H 9LT at 11 am.

I/ We*
(in BLOCK CAPITALS please)

of

being the holder(s) of Ordinary shares of 5p/C shares of 25p/D shares of 1p each in the above-named Company, hereby appoint the Chairman of the General Meeting (see note 2)

or

of

as my/our* proxy to attend for me/us* on my/our* behalf at the General Meeting of the Company to be held at 39 Earlham Street, London, WC2H 9LT at 11 am on 26 January 2012 or at any adjournment thereof.

Number of Ordinary, C and D Shares the proxy is appointed over.....

Please also tick here if you are appointing more than one proxy

☐

I/ We* desire to vote on the resolutions as indicated in the appropriate column below. Please indicate with an "X" how you wish your vote to be cast.

Details of the resolutions are set out in the Notice of the General Meeting.

	FOR	AGAINST	WITHHELD
ORDINARY RESOLUTIONS			
1. To adopt the Dividend Reinvestment Scheme	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. To authorise the directors to allot ordinary shares pursuant to Section 551 of the Companies Act 2006 in connection with the Dividend Reinvestment Scheme	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. To approve the New Performance Incentive Fee	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. To approve the Commission	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
SPECIAL RESOLUTIONS			
5. To approve the Tender Offer	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. To disapply Section 561(1) of the Companies Act 2006 in respect of the allotment of shares pursuant to the Dividend Reinvestment Scheme	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. To amend article 151(1) of the Company's articles of association with respect to the allotment of shares pursuant to the Dividend Reinvestment Scheme	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Dated this day of2011*

Signature(s)/.....

Notes:

1. The Notice of the General Meeting is set out on pages • to • of the Circular.
2. Any member of the Company entitled to attend and vote at the General Meeting is also entitled to appoint one or more proxies to attend, speak and vote instead of that member. A member may appoint more than one proxy in relation to the General Meeting provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that member. A proxy may demand, or join in demanding, a poll. A proxy need not be a member of the Company but must attend the General Meeting in order to represent his appointor. A member entitled to attend and vote at the General Meeting may appoint the Chairman or another person as his proxy although the Chairman will not speak for the member. A member who wishes his proxy to speak for him should appoint his own choice of proxy (not the Chairman) and give instructions directly to that person.
3. If you wish to appoint a proxy of your own choice delete the words “the Chairman of the General Meeting” and insert the name and address of the person whom you wish to appoint in the space provided.
4. Any alterations to the Form of Proxy should be initialled.
5. To be valid, a Form of Proxy and the power of attorney or other written authority, if any, under which it is signed or an office or notarially certified copy or a copy certified in accordance with the Powers of Attorney Act 1971 of such power and written authority, must be delivered to Downing Management Services Limited, 10 Lower Grosvenor Place, London SW1W 0EN not less than 48 hours (excluding weekends and public holidays) before the time appointed for holding the General Meeting or adjourned meeting at which the person named in the Form of Proxy proposes to vote. In the case of a poll taken more than 48 hours (excluding weekends and public holidays) after it is demanded, the document(s) must be delivered as aforesaid not less than 24 hours (excluding weekends and public holidays) before the time appointed for taking the poll, or where the poll is taken not more than 48 hours (excluding weekends and public holidays) after it was demanded, be delivered at the meeting at which the demand is made.
6. In order to revoke a proxy instruction a member will need to inform the Company using one of the following methods:
 - a. by sending a signed hard copy notice clearly stating the intention to revoke the proxy appointment to Downing Management Services Limited, 10 Lower Grosvenor Place, London SW1W 0EN. In the case of a member which is a company, the revocation notice must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company. Any power of attorney or any other authority under which the revocation notice is signed (or a duly certified copy of such power or authority) must be included with the revocation notice.
 - b. by sending an e-mail to proxy@downing.co.uk.

In either case the revocation notice must be received by Downing Management Services Limited before the General Meeting or the holding of a poll subsequently thereto. If a member attempts to revoke his or her proxy appointment but the revocation is received after the time specified then, subject to Note 9 below, the proxy appointment will remain valid.
7. In the case of a corporation, this form must be executed under its common seal or signed on its behalf by its attorney or a duly authorised officer of the corporation.
8. In the case of joint shareholders, any one of them may sign. The vote of the person whose name stands first in the register of members will be accepted to the exclusion of the votes of the other joint holders.
9. Completion and return of a Form of Proxy will not preclude a member of the Company from attending and voting in person. If a member appoints a proxy and that member attends the General Meeting in person, the proxy appointment will automatically be terminated.
10. A vote withheld is not a vote in law, which means that the vote will not be counted in the calculation of votes for or against the resolution. If no voting indication is given, the proxy will vote or abstain from voting at his or her discretion. The proxy will vote (or abstain from voting) as he or she thinks fit in relation to any other matter which is put before the General Meeting.
11. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so by using the procedures described in the CREST Manual. CREST Personal Members or other CREST sponsored members, and those CREST members who have appointed a service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

* Delete as appropriate

PROVEN VCT PLC

TENDER FORM

Tender Offer for the Company to purchase up to 5,478,568 of its Ordinary Shares at the net asset value per Ordinary Share at 30 November 2011, to be announced on a regulated information service on or before 16 January 2012, less the amount of the Interim Dividend of 6.25p per Share to be paid on 2 February 2012 to Shareholders (including those participating in the Tender Offer) who are on the register on 6 January 2012 and the related performance incentive payment, on the terms of the circular "ProVen VCT Plc - Proposals relating to (i) a Tender Offer for the Company to purchase up to 5,478,568 of its Ordinary Shares at net asset value and (ii) the adoption of a dividend reinvestment scheme" dated 8 December 2011 (the "Circular").

This Tender Form should be read together with the Circular of which it forms part. The definitions used in the Circular apply in this Tender Form.

- (a) If you do not wish to participate in the Tender Offer you do not need to take any action. **HOWEVER, AS STATED IN THE CIRCULAR, THE DIRECTORS OF THE COMPANY RECOMMEND THAT SHAREHOLDERS VOTE IN FAVOUR OF THE TENDER OFFER RESOLUTION AT THE GENERAL MEETING.**
- (b) If you wish to participate in the Tender Offer and your Ordinary Shares are in certificated form, please complete the boxes overleaf, sign and date the Tender Form as a deed (that is, in front of an independent witness who is over 18 years of age and who has no financial interest in the Ordinary Shares or in the issue of new Ordinary Shares under the Ordinary Share Offer resulting from their sale, who will need to sign and complete the necessary details below their signature). Please enter a daytime telephone number on which you can be contacted in the event of any query arising from completion of this Form. Please return the completed Tender Form to Beringea LLP, 39 Earlham Street, London, WC2H 9LT as soon as possible, but in any event so as to arrive not later than 1 p.m. on 31 January 2012.
- (c) If your Ordinary Shares are in certificated form, you should attach your share certificate(s) with the Tender Form so as to arrive not later than 1 p.m. on 31 January 2012.
- (d) If your share certificate(s) has been lost or destroyed, you should also contact Capita Registrars, Northern House, Woodsome Park, Fenay Bridge, Huddersfield, West Yorkshire HD8 0GA as soon as possible on 0871 664 0321 from inside the UK and 0208 639 3399 from outside the UK to obtain a letter of indemnity which you will need to complete and return along with the Tender Form so as to arrive not later than 1 p.m. on 31 January 2012. Calls to the helpline on the 0871 664 0321 number are charged at 10p per minute plus your service provider's network extras. Calls may be recorded and monitored for security and training purposes. Calls to the helpline from outside the UK are charged at applicable international rates. Different charges may apply to calls made from mobile telephones and calls may be recorded and monitored randomly for security and training purpose.
- (e) If your Ordinary Shares are in uncertificated form (that is CREST) you should not complete a Tender Form but rather follow the provisions relating to CREST set out on page 38 of this document.
- (f) You should note that you should complete separate Tender Forms for each holding in certificated form. In addition, you should complete separate Tender Forms for Ordinary Shares held in certificated form, but under different designations. Additional Tender Forms are available from Beringea LLP, 39 Earlham Street, London, WC2H 9LT, telephone number 0207 845 7820.

TENDER FORM (continued)

I,
[full name in block capitals]

of

.....
[address in block capitals]

Daytime Telephone Number (inc. STD Code):

National Insurance Number

was a holder of Ordinary Shares on the Record Date and hereby wish to sell

Ordinary Shares in Proven VCT plc pursuant to the Tender Offer.

I have attached the share certificate relating to the Ordinary Shares I wish to sell / a completed letter of indemnity relating to a lost share certificate (delete as appropriate).

I understand that the proceeds from any shares sold will not be returned to me but will be invested in new Ordinary Shares in the tax year 2011/12 under the offer for new Ordinary Shares set out in a prospectus dated 8 December 2011 issued by Proven VCT plc (the "Prospectus"). I have received a copy of the Prospectus and agree to be bound by the Terms and Conditions of Application therein.

Signed and delivered as a deed by:

.....
Signature

.....
Date

in the presence of:

Signature of Witness:

Name of Witness:

[full name in block capitals]

Address of Witness:

[in block capitals]

Occupation of Witness:

[in block capitals]

Notes:

1. Each Shareholder by whom, or on whose behalf, a Tender Form is executed or a TTE instruction is settled irrevocably undertakes, represents, warrants and agrees to and with the Company (so as to bind him, his heirs, successors and assigns) to the following effect:
 - 1.1 that once Tender Forms have been duly completed and submitted to the Receiving Agent and Transfer to Escrow ("TTE") messages have settled, he will be deemed to have agreed that, in consideration of the Company agreeing to process the Tender Form or the TTE instruction, he will not revoke his tender or withdraw his Ordinary Shares from the Tender Offer except with the Company's consent, and that once tendered, Ordinary Shares may not be sold, transferred, charged or otherwise disposed of;
 - 1.2 that the Shareholder has full power and authority to sell the Ordinary Shares in respect of which the Tender Offer is accepted and that such Ordinary Shares are sold free from all liens, equities, charges and encumbrances and, save as other provided by the terms of the Tender Offer, together with all rights attaching thereto;
 - 1.3 that the execution of a Tender Form or the settlement of a TTE instruction constitutes, subject to the Tender Offer becoming unconditional in all respects in accordance with its terms and to a Selling Shareholder not having validly withdrawn his acceptance, an irrevocable authority and request to the Company or its agents to invest the proceeds on the Selling Shareholder's behalf under the Ordinary Share Offer; and
 - 1.4 that the execution of the Tender Form or the settlement of a TTE instruction takes effect as a deed and the Shareholder submits, in relation to all matters arising out of the Tender Offer, to the jurisdiction of the courts of England.
2. The execution of the Tender Form or the settlement of a TTE instruction shall constitute the irrevocable appointment of any Director or officer of the Company as such Shareholder's attorney and/or agent ("attorney"), and an irrevocable instruction to the attorney to complete and execute all or any instrument of transfer and/or other documents at the attorney's discretion in relation to the Ordinary Shares tendered in the Tender Form or which are the subject of a TTE instruction in favour of the Company and to deliver such instrument of transfer together with any share certificates and/or any other documents relating to the such Ordinary Shares for registration and do all other acts and things as may in the opinion of the attorney be necessary or expedient for the purpose of, or in connection with, the Tender Offer and to vest such Ordinary Shares in the Company.
3. All powers of attorney and authorities on the terms conferred by or referred to in this part or in the Tender Form are given by way of security for the performance of the obligations of Shareholders concerned and are irrevocable in accordance with section 4 of the Powers of Attorney Act 1971.
4. An offer to tender Ordinary Shares pursuant to the Tender Offer by certain persons not resident in the UK may be affected by the laws of the relevant jurisdictions. Shareholders not resident in the UK should inform themselves about and observe any applicable legal requirements. It is the responsibility of any person outside the UK wishing to sell Ordinary Shares pursuant to the Tender Offer to satisfy himself as to the full observance of the laws of the relevant territory in connection therewith, including the obtaining of any governmental or other consent which may be required or the compliance with other necessary formalities.
5. The Company reserves the right to treat as valid in whole or in part any offer to sell Ordinary Shares pursuant to the Tender Offer which is not entirely in order or which is not accompanied by the relevant share certificate(s), deed of indemnity or other document(s) of title. However, the consideration under the Tender Offer may only be applied in the manner set out in this Circular when the share certificate(s), deed of indemnity or other document(s) of title satisfactory to the Company have been received by the Company.
6. No acknowledgement of receipt of a Tender Form, share certificate, TTE instruction or other document(s) of title will be given.
7. All documents and remittances sent by or to Shareholders will be sent at their risk.

Additional Information relating to CREST

Note: CREST sponsored members should refer to their CREST sponsor, as only their CREST sponsor will be able to take the necessary action specified below. CREST members who wish to tender all or any of their Ordinary Shares for purchase by the Company should refer to the CREST Manual for further information on the CREST procedures referred to in this Circular.

1. A valid TTE instruction must include the following particulars:
 - (i) the number of Ordinary Shares being tendered;
 - (ii) the participant ID of the holder;
 - (iii) the member account ID of the holder, being the account from which the Ordinary Shares are to be debited;
 - (iv) the participant ID of the Escrow Agent which is RA10;
 - (v) the member account ID of the Escrow Agent which is 27550PRO;
 - (vi) the corporate action number for the Tender Offer which will be allocated by Euroclear and can be found by viewing the relevant corporate action details in CREST;
 - (vii) the ISIN of the Ordinary Shares which is GB0004138805;
 - (viii) the intended settlement date which must be on or before 1.00 p.m. on 31 January 2012;
 - (ix) a contact name and telephone number inserted in the shared note field;
 - (x) standard delivery priority set to 80.
2. Each Shareholder by whom, or on whose behalf, a TTE instruction is settled irrevocably undertakes, represents, warrants and agrees to and with the Company (so as to bind him, his heirs, successors and assigns) to the following effect:
 - 2.1 that once Transfer to Escrow ("TTE") messages have settled, he will be deemed to have agreed that, in consideration of the Company agreeing to process the TTE instruction, he will not revoke his tender or withdraw his Ordinary Shares from the Tender Offer except with the Company's consent, and that once tendered, Ordinary Shares may not be sold, transferred, charged or otherwise disposed of;
 - 2.2 that the Shareholder has full power and authority to sell the Ordinary Shares in respect of which the Tender Offer is accepted and that such Ordinary Shares are sold free from all liens, equities, charges and encumbrances and, save as otherwise provided by the terms of the Tender Offer, together with all rights attaching thereto;
 - 2.3 that the settlement of a TTE instruction constitutes, subject to the Tender Offer becoming unconditional in all respects in accordance with its terms and to a Selling Shareholder not having validly withdrawn his acceptance, an irrevocable authority and request to the Company or its agents to invest the proceeds on the Selling Shareholder's behalf under the Ordinary Share Offer; and
 - 2.4 that the settlement of a TTE instruction takes effect as a deed and the Shareholder submits, in relation to all matters arising out of the Tender Offer, to the jurisdiction of the courts of England.
3. The settlement of a TTE instruction shall constitute the irrevocable appointment of any Director or officer of the Company as such Shareholder's attorney and/or agent ("attorney"), and an irrevocable instruction to the attorney to complete and execute all or any instrument of transfer and/or other documents at the attorney's discretion in relation to the Ordinary Shares which are the subject of a TTE instruction in favour of the Company and to deliver such instrument of transfer together with any share certificates and/or any other documents relating to the such Ordinary Shares for registration and do all other acts and things as may in the opinion of the attorney be necessary or expedient for the purpose of, or in connection with, the Tender Offer and to vest such Ordinary Shares in the Company.
4. All powers of attorney and authorities on the terms conferred by or referred to in this part or in the Tender Form are given by way of security for the performance of the obligations of Shareholders concerned and are irrevocable in accordance with section 4 of the Powers of Attorney Act 1971.
5. No acknowledgement of receipt of a TTE instruction will be given.

6. CREST members and (where applicable) their CREST sponsors should note that Euroclear does not make available special procedures, in CREST, for any particular corporate action. Normal system timings and limitations will therefore apply in relation to the input of a TTE instruction and its settlement in connection with the exercise of the rights attaching to the Ordinary Shares held in CREST. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST sponsored member, to procure that his CREST sponsors takes) such action as shall be necessary to ensure that a TTE instruction settles by 1.00 p.m. on 31 January 2012. In this connection, CREST members and (where applicable) their CREST sponsors, are referred in particular to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.
7. The Company may in its sole discretion:
- (i) accept an alternative properly authenticated dematerialised instruction from a CREST member or (where applicable) a CREST sponsor in substitution for or in addition to a TTE instruction and subject to such further terms and conditions as the Company may determine;
 - (ii) treat a properly authenticated instruction (in this sub-paragraph the “first instruction”) as not constituting a valid TTE instruction if, at the time at which the Escrow Agent receives a properly authenticated dematerialisation instruction giving details of the first instruction, either the Company or Escrow Agent has received actual notice from Euroclear of any matters referred to in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001 in relation to the first instruction. These matters include notice that any information contained in the first instruction was incorrect or notice of lack of authority to send the first instruction; and
 - (iii) accept an alternative instruction or notification from a CREST member or CREST sponsored member or (where applicable) a CREST sponsor, or extend the time for settlement of a TTE instruction or any alternative instruction or notification, in the event that, for reasons or due to circumstances outside the control of any CREST member or CREST sponsored member or (where applicable) CREST sponsor, the CREST member or CREST sponsored member is unable validly to exercise his or her rights under the Tender Offer by means of the above procedures. In normal circumstances, this discretion is only likely to be exercised in the event of any interruption, failure or breakdown of CREST (or of any part of CREST) or on the part of the facilities and/or systems operated by the Escrow Agent in connection with CREST.

ANNEX I

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 the Interim Dividend to be paid on 2 February 2012 and all subsequent 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, of whatever share class, 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 unaudited 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 Earlam 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 Earlam 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 Registrars Limited, 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). Where Shares are held by a nominee as at the relevant record date, that nominee's beneficiary will not be entitled to receive the tax reliefs otherwise available to Participating Shareholders under the Scheme. 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 their independent adviser.

Dividend Reinvestment Mandate Form

[illegible]

THIS MANDATE FORM IS NOT TRANSFERABLE

If you wish to participate in the Dividend Reinvestment Scheme you will have to do so for all the Shares in the Company you own, of whatever share class.

If you decide to participate in the Scheme you will be deemed to have agreed that any mandate which you have given for the payment of cash dividends directly to your Bank or Building Society account shall be suspended for so long as you remain a participant in the Scheme.

Shareholders in any doubt about their tax position should consult their professional adviser.

If this form is not completed to the satisfaction of the Scheme Administrator it will not be processed and will be returned to you for completion.

To: the Scheme Administrator and the Company

I, the undersigned, confirm that I have read and understood the terms and conditions of the Scheme and that I wish to participate in that Scheme for each future dividend paid on each class of Shares to which the Scheme is applied. I agree that future dividends paid on each class of Shares to which the Scheme is applied will be reinvested in Shares of that class.

Signature(s) of Shareholder(s)

Signature	Date
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Signature	Date
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Signature	Date
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Signature	Date
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