

ProVen VCT plc

Ordinary Shares

Top-up Offer for Subscription

Tax year 2012-13



Managed by
Beringea LLP



THIS DOCUMENT IS IMPORTANT.

If you are in any doubt as to what action you should take, you are recommended to seek your own personal financial advice immediately from your stockbroker, bank manager, solicitor, accountant or other independent financial adviser duly authorised under the Financial Services and Markets Act 2000 ("FSMA").

Your attention is drawn, in particular, to the Risk Factors set out on page 4.

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Risk Factors

As a prospective Investor, there are a number of risk factors of which you should be aware before investing in New Ordinary Shares. Prospective Investors should read the whole of this Document and not rely solely on the information in the section entitled “Risk Factors”. The business and financial condition of the Company could be adversely affected if any of the following risks were to occur and as a result the trading price of the New Ordinary Shares could decline and Investors could lose part or all of their investment.

The Directors consider the following risks to be material for potential Investors, but the risks listed below do not necessarily comprise all those associated with an investment in the Company and are not set out in order of priority. Additional risks and uncertainties currently unknown to the Company (such as changes in legal, regulatory or tax requirements), or which the Company currently believes are immaterial, may also have a materially adverse effect on its financial condition or prospects of the Company or the trading price of the New Ordinary Shares.

The attention of Investors is drawn specifically to the following risk factors:

- Prospective investors should be aware that the value of the New Ordinary Shares may fluctuate and an Investor may not receive back the full amount originally invested, and there is no certainty as to any level of dividends.
- Levels, bases of, and relief from, taxation are subject to change. Such changes could be retrospective. The tax reliefs described are based on current legislation, practice and interpretation. The ability of Investors to secure the tax reliefs available to investors in VCTs depends on their individual circumstances.
- Changes in legislation concerning VCTs in general, and Qualifying Investments and Qualifying Trades in particular, may restrict or adversely affect the ability of the Company to meet its objectives, and may reduce the returns to Investors.
- There can be no assurances that the Company will meet its objectives or that sufficient suitable investment opportunities will be identified.
- It is the intention of the Directors that the Company be managed so as to qualify as a VCT, but there can be no guarantee that such status will be obtained or maintained. If the Company fails to meet the qualifying requirements for VCTs, this could result in adverse tax consequences for Investors, including being required to repay the 30% income tax relief.
- In order to comply with VCT legislation, the Company will invest in unquoted companies with gross assets of not more than £15 million prior to investment and fewer than 250 full time (or equivalent) employees. Such companies generally have a higher risk profile than larger, quoted companies.
- Qualifying Investments made by the Company will be in companies whose shares are not readily marketable and, therefore, may be difficult to realise. There may also be constraints imposed on the realisation of investments in order to maintain the VCT tax status of the Company.
- Although the Company may agree conventional venture capital rights in connection with some of its investments, as a minority investor it may not be in a position to fully protect its interests.
- Investors should be aware that the sale of New Ordinary Shares within five years of their subscription will require the repayment of the 30% income tax relief obtained on the subscription for these shares. Accordingly, an investment in the Company should be considered as a longer term investment.
- Past performance of the Company or of other funds managed by the Investment Manager is not an indication of the future performance of the Company.
- Although it is anticipated that the New Ordinary Shares will be admitted to the premium segment of the Official List and to trading on the London Stock Exchange’s main market for listed securities, there is likely to be an illiquid market primarily because the initial income tax relief is only available to those subscribing for

newly issued shares. It may, therefore, be difficult for Shareholders to sell their New Ordinary Shares. In addition, it is likely that the market value of the New Ordinary Shares will be less than their underlying net asset value.

- A significant proportion (25.3% as at 31 August 2012) of the Company's net assets is concentrated in three investments. Potential Investors should be aware that the future investment performance of the Ordinary Shares will be dependent to a material extent on the performance of these three investments.
- The total dividends per Share paid during a financial period may exceed the increase, if any, in the NAV per Share arising from income and realised and unrealised gains during the period. If this is the case, the NAV per Share will fall over the period.
- Whilst it is the intention of the Directors that the Company will buy back Ordinary Shares from Shareholders at a discount to NAV of not more than 10%, there can be no guarantee that the Company will buy back Ordinary Shares from Shareholders or that if it does, the discount to NAV will not be greater than 10%. Share buy backs will be subject to applicable legislation and VCT regulations and the availability of sufficient cash in the Company for follow-on investments and operational requirements. The number of Ordinary Shares bought back in each year by the Company will be a maximum of 10% of the number of Ordinary Shares in issue.

Historical Summary

The Original Ordinary Shares were first Listed in April 2000. At the date of this document the Company had raised total funds of £65.7 million.

NAV per Original Ordinary Share as at 31 August 2012	50.8p
NAV per consolidated Ordinary Share most recently announced to the Stock Exchange prior to the date of this document (following the one-for-two share consolidation on 30 October 2012) – Note 1	101.6p
Total dividends paid since the Company's formation per £ invested in Original Ordinary Shares at launch	114.0p
Total return (NAV plus dividends paid) since the Company's formation per £ invested in Original Ordinary Shares at launch	164.8p

Note 1: On 29 October 2012 there was an Ordinary Share consolidation, pursuant to which holders of Original Ordinary Shares received one consolidated Ordinary Share for each two Original Ordinary Shares held prior to the consolidation. The NAV per Ordinary Share following the Ordinary Share consolidation was 101.6p, double the NAV per share prior to the consolidation.

Expected Timetable for the Offer

Offer opens	19 November 2012
Final date for receipt of applications through Intermediaries providing investment advice to their clients on which commission will be paid	1pm on 21 December 2012
Closing date and deadline for receipt of Applications ¹	1pm on 5 April 2013
First admission	within 10 business days of the first allotment ²
Dealings commence	within 10 business days of each allotment ²
Share and tax certificates sent out	within 15 business days of each allotment ²

¹ The Offer will close earlier than the date stated above if it is fully subscribed.

² New Ordinary Shares will be allotted and issued on 21 December 2012 in respect of successful Applications received on or before that date, and on 5 April 2013 and any other date prior to 5 April 2013 on which the Directors decide, in respect of successful Applications received after 21 December 2012 and on or before 5 April 2013.

ENQUIRIES

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Important Notice

This Document, which constitutes a financial promotion for the purposes of section 21 of FSMA, has been approved, for the purposes of that section only, by Beringea LLP, which is authorised and regulated by the Financial Services Authority. In approving this Document, Beringea LLP is acting solely for the Company and no-one else and will not regard any other person as its customer or be responsible to anyone other than the Company for providing the protections afforded to customers of Beringea LLP or for providing advice in relation to the proposals described herein. There is no guarantee that the Company's investment objectives will be attained. If you are in any doubt as to what action to take, you should contact an independent financial adviser. The levels and bases of reliefs from taxation described in this Document are those currently available. These may change and their value depends on an Investor's individual circumstances. No person has been authorised to issue any advertisements or give any information, or make any representations in connection with the Offer, other than those contained in this Document and, if issued, given or made, such advertisements, information or representations must not be relied upon as having been authorised by the Company. This Document does not constitute either a prospectus or listing particulars.

Chairman's Letter

Introduction and reasons for the Offer

The Board has decided to offer Investors the opportunity to subscribe for New Ordinary Shares. The funds raised under the Offer may be used to make new Qualifying Investments or to fund dividend payments, share buy-backs or operating expenses of the Company.

Investors in the Offer will gain immediate access to a more mature portfolio of investments than they would by investing in a new VCT share class and may therefore receive comparatively higher levels of dividends over the first few years of their investment. Investors will also be entitled to receive the tax benefits of investing in a VCT, subject to the usual restrictions.

The Offer will also benefit the existing Shareholders of the Company by allowing the operating costs to be spread over a larger asset base.

Investment Objective

The investment objective for the funds raised from the Offer is to provide Investors with a total return greater than that available from direct investment in quoted businesses, by investing in a portfolio of carefully selected smaller unquoted companies with excellent growth prospects.

Dividend Policy

The Board has set an objective of paying a dividend each year which will equate to a yield of approximately 5% of net asset value. The ability to achieve this objective will, however, depend on there being sufficient reserves available for distribution, which in turn will depend on the level and timing of profitable realisations. It therefore cannot be guaranteed. The Board believes that this objective is consistent with the NAV remaining broadly stable or increasing over time, although this will depend on the returns from the Company's investments and cannot be guaranteed.

The New Ordinary Shares, once allotted, will rank with the Existing Ordinary Shares in respect of future dividend payments.

The total dividends per Share paid during a financial period may exceed the increase, if any, in the NAV per Share arising from income and realised and unrealised gains during the period. If this is the case, the NAV per Share will fall over the period.

Tax benefits for Investors

Investors will be eligible to benefit from the significant tax advantages available for investment in VCTs, including 30% income tax relief on their initial investment (which will be forfeited if the shares are held for less than 5 years) and tax-free dividends. In addition, the sale of VCT shares is not subject to capital gains tax. The tax relief cannot exceed an amount which reduces the Investor's tax liability to nil.

The initial 30% income tax relief provides Investors with an initial investment uplift (after issue costs) of 35%. The initial uplift cannot be realised immediately, however, as the initial income tax relief will be forfeited if the New Ordinary Shares are disposed of within 5 years.

Further details of tax legislation as it relates to investors in VCTs are given in the section below entitled "Taxation".

Structure of the Offer and Pricing of the New Ordinary Shares

The Company is seeking to raise, through the issue of New Ordinary Shares, a gross amount of £4 million. This is the maximum amount allowed under the UK Listing Authority's prospectus rules without the issue of a full prospectus.

New Ordinary Shares will be issued at the Offer Price calculated on the basis of the following Pricing Formula:

The Offer Price is the Net Asset Value of an Ordinary Share in the Company most recently announced to the London Stock Exchange, divided by 0.945 (to allow for issue costs of 5.5%), rounded up to the nearest tenth of a penny.

The most recently published NAV per Ordinary Share as at the date of this document, following the one-for-two share consolidation, is 101.6p. Based on this NAV, the New Ordinary Shares would be issued at an Offer Price of 107.5p per Share.

The Company normally announces its latest NAV per Share on a quarterly basis, with the next announcement after the date of this Document being due on or around 16 January. However, it may announce a new NAV between the normal quarterly dates if there is a material movement. Such announcements may have an upwards or downwards impact on the NAV of the Ordinary Shares and therefore on the Offer Price. Consequently, the Offer Price may change between the date on which an Investor's Application Form is posted and the date on which New Ordinary Shares in respect of that Application are allotted.

Subscription monies not used to acquire New Ordinary Shares and amounting to more than £1 will be refunded.

The New Ordinary Shares will rank equally with the Existing Ordinary Shares of the Company, including for all future dividend payments.

Additional Shares for Shareholders in ProVen VCT and other ProVen VCTs

Investors who are shareholders in ProVen VCT as at the date of this Document will be entitled to receive additional New Ordinary Shares equivalent to 2% of the amount subscribed by them under the Offer. Investors who are shareholders in PGI VCT, ProVen Health VCT or PPE VCT as at the date of this Document will be entitled to receive additional New Ordinary Shares equivalent to 1% of the amount subscribed by them under the Offer. The subscription price for the additional New Ordinary Shares will be borne by the Investment Manager.

Track Record

ProVen VCT has been managed by Beringea since the Original Ordinary Shares were first Listed in April 2000. The original Ordinary Share offer is the best performing VCT offer of its year of launch and the 6th best performing new Generalist VCT share offer ever (source: www.taxefficientreview.com – VCT performance page as at 31 October 2012, based on annual rate of return since launch).

For each £1 invested by a shareholder at the launch of the Ordinary Shares, the returns from launch to 31 August 2012 (the latest date to which results have been announced) were as follows, although prospective Investors should be aware that past performance is no guide to the future:

First Listed	Net Asset Value per £1 invested	Cumulative Dividends paid per £1 invested	Total Return per £1 invested	Annual rate of return¹
April 2000	50.8p	114.0p	164.8p	8.8%

¹ Based on a net cost of 80p per share after initial income tax relief of 20%, the rate prevailing at the time.

Further details regarding the performance of each share issue by ProVen VCT can be found in the half-year accounts for the period to 31 August 2012, which are available on request from Beringea by calling 0845 686 0225 or at www.provenvcts.co.uk.

In the 12 month period ended 31 August 2012, a total dividend of 6.25p per share was paid on the Ordinary Shares, although this is no guide to future dividend payments.

Ordinary Share consolidation

On 29 October 2012 there was an Ordinary Share consolidation, pursuant to which holders of Original Ordinary Shares received one consolidated Ordinary Share for each two Original Ordinary Shares held prior to the consolidation. The NAV per Ordinary Share following the Ordinary Share consolidation was 101.6p, which was double the NAV per share prior to the consolidation. There was no change in the value of a holding of Ordinary Shares in the Company as a result of the consolidation.

Conversion of C Shares and D Shares into Ordinary Shares

Prior to the Ordinary Share consolidation the Company had three share classes: Ordinary Shares, C Shares and D Shares. Immediately following the Ordinary Share consolidation the three share classes merged, through a conversion of C Shares and D Shares into Ordinary Shares. Each C Share, which prior to the conversion had a NAV of 93.6p per C Share, converted into 0.9213 Ordinary Shares with an NAV per Ordinary Share of 101.6p. Each D Share, which prior to the conversion had a NAV of 88.6p per Share, converted into 0.8720 Ordinary Shares with an NAV per Ordinary Share of 101.6p. Each holding of C and D Shares therefore converted into a holding of Ordinary Shares of exactly the same value.

Current Trading and Prospects

At 31 August 2012, the latest date to which results have been announced, the Company's total net assets were £45.8 million, including investments in 28 unquoted companies with an aggregate value of £28.4 million. The balance of the assets at 31 August 2012 was invested in liquidity funds and cash deposits.

Since 31 August 2012 the Company has invested £365,000 in one new unquoted company and made further investments totalling £619,000 in two existing portfolio companies.

A summary of the performance of the portfolio companies which accounted for the Company's five largest investments at 31 August 2012 is given below.

The largest Qualifying Investment in the portfolio is the investment in Think, which at 31 August 2012 was valued at £5.3 million. It therefore accounted for 11.5% of the total net asset value of the Company as at that date. Think is a strategic digital agency which provides strategic consultancy, creative design and technical build capabilities. It recently designed and created the "Pottermore" website, the on-line destination for readers of JK Rowling's "Harry Potter" series of books. The investment in Think was valued at 3.3 times cost at 31 August 2012.

The investment in Espresso Group is the Qualifying Investment with the second highest valuation in the Company's portfolio, accounting for 8.7% of the Company's net assets at 31 August 2012 and being valued at 3.0 times cost as at that date. Espresso Group is the leading provider of multimedia education content for schools, delivered over the internet. Over 9,000 UK primary schools subscribe to its flagship "Espresso for Schools" product and the company has also established a presence in the UK secondary school market. The UK business is performing well, with high renewal rates in both the primary and secondary sectors. Two years ago, Espresso launched a product for US elementary schools.

The Company's investment in Donatantonio represents 5.1% of its total net asset value and is valued at nearly 60% above cost as at 31 August 2012. Donatantonio imports and distributes high quality Mediterranean products in the UK. It has a diverse customer base, ranging from high street supermarkets and food manufacturers to retailers, wholesalers and restaurants. The company has enjoyed strong and profitable growth over the last three years.

SPC is involved in the repair and refurbishment of electronic equipment. In recent years the company has established additional operations and capacity in Thailand, India and the USA to add to the existing facilities in the UK, France and Slovakia. The Company's investment is valued at 10% above cost as at 31 August 2012 and represented 4.8% of the Company's net assets at 31 August 2012.

Fjord is a cross platform digital agency providing design and research services for companies wishing to provide services through digital platforms. It has worked on flagship products for the BBC (iplayer), Nokia (maps, Ovi) and Citibank. The company has offices in London, Helsinki, Berlin, New York, Madrid, Stockholm and San Francisco. The Company's investment in Fjord represents 4.0% of its total net asset value.

Apart from the five investments above, no Qualifying Investment represented more than 4% of the value of the Company's Net Assets at 31 August 2012.

The Qualifying Investments in the Company's portfolio are at various stages of maturity. As a result, the potential for further growth in value prior to a realisation will vary between investments.

Further information on the Company and its investment portfolio can be obtained from the Company's audited accounts for the year to 29 February 2012 and the half-year accounts for the period to 31 August 2012, which are available on request from Beringea by calling 0845 686 0225 or at www.provenvcts.co.uk.

Investment Outlook

Despite the difficult economic environment, the Investment Manager continues to see a steady flow of smaller unquoted companies seeking investment which it believes have the potential to grow rapidly. These companies generally focus on specific, high growth market sectors; they are therefore much less dependent than larger companies on the performance of the whole economy. The lack of availability of bank finance for smaller companies is another factor contributing to this strong deal flow.

Following a significant relaxation in some of the VCT investment rules earlier this year, the Company is now able to invest in a much broader range of, and larger, companies than previously. The employee limit applying to Qualifying Companies has been increased from 50 to 250 employees and the permissible gross assets following an investment have been increased from £8 million to £16 million. In addition, a company seeking investment can now raise up to £5 million of VCT or other "state-aided" investment in a 12 month period, compared to £2 million previously. These changes have made it possible for the Company to meet the investment requirements of many more companies than before.

The Investment Manager therefore believes that the prospects for it to make attractive investments on behalf of the Company are now better than they have been for some time.

The Investment Manager

The Company has been managed since launch by Beringea, an award-winning specialist in investing in small and medium sized unquoted companies. Beringea has been established for over 25 years and has managed VCTs since their inception in 1996. The investment team has over 60 years of combined investment experience in the unquoted company sector.

The Investment Manager is highly selective in making investments and has well-established processes in place to ensure a high standard of quality control. The Investment Manager also pursues a proactive approach to post-investment management including, where possible, appointing one of its executives to the board of each of the companies in which the Company invests.

Investment Strategy

The Company's investment strategy is to invest in companies with established revenue streams which meet the following criteria:

- A strong, well-balanced and motivated management team
- Excellent growth prospects
- An attractive entry price for the Company
- A clearly identified route for a successful realisation of the Company's investment, normally in a 3-4 year timescale

Where appropriate, the Company will invest alongside the other VCTs managed by the Investment Manager. This should enable the Company to benefit from exposure to larger businesses. The allocation of investment opportunities between the VCTs managed by the Investment Manager is governed by a co-investment policy, more details of which are given on page 13.

Prior to investing the new funds raised by the Offer in Qualifying Investments or using them to fund dividend payments, share buy-backs or operating expenses, the Company will invest them in cash, liquidity funds, fixed income securities of an A credit rating or better, or investments originated in line with the Company's investment policy for Qualifying Investments but which do not qualify under the VCT legislation for technical reasons, with the intention of generating the maximum return consistent with minimising risk to capital.

Share Buy Back Policy

The Directors aim to provide Shareholders who wish to sell their Shares with an opportunity to do so, by operating an active policy of purchasing Shares in the market. Subject to maintaining a level of liquidity in the Company which the Directors consider sufficient for follow-on investments and operational requirements, it is the intention that the Company will buy back Ordinary Shares at a discount of no greater than 10% to the most recently announced NAV per Ordinary Share (as adjusted for any dividends paid since the announcement). The number of Ordinary Shares bought back in each year by the Company will be a maximum of 10% of the number of Ordinary Shares in issue.

Dividend Reinvestment Scheme

The Company operates a dividend reinvestment scheme which allows Shareholders to reinvest their dividends to subscribe for additional shares. If you wish to participate in this scheme, please complete Section 5 of the Application Form. Subject to the normal limits on tax relief for investment in VCTs, the Shares obtained through this scheme should qualify for the VCT tax reliefs that are applicable to subscription for new VCT shares. The detailed rules of the dividend reinvestment scheme are available from Beringea by calling 0845 686 0225 or at www.provenvcts.co.uk.

Reporting to Shareholders

The Company provides financial, portfolio and valuation information to Shareholders on a quarterly basis through its annual and half year reports and interim management statements. Beringea also advises Shareholders about new investments and developments in the portfolios through a newsletter, normally produced twice a year. A Shareholder event is normally held once a year, at which a number of portfolio companies give presentations. This also allows Shareholders to meet the directors of the Company and the investment management team.

Costs

Beringea has agreed to meet all the costs of the Offer in return for an initial fee of 5.5% of the monies raised, together with an annual commission of 0.2% of gross funds raised for a period of five years. Out of these fees, Beringea will be responsible for paying all the costs of the Offer including, where appropriate and permissible, initial commission payable to Intermediaries, normally at a rate of either 3% or 2.5% on the amount of successful Applications submitted through them. Intermediaries who opt to receive initial commission at the rate of 2.5% will also be entitled to be paid annual trail commission by Beringea, if permissible, normally at the rate of 0.25% for up to five years.

From 1 January 2013, Intermediaries providing investment advice to retail clients will be prohibited by new rules introduced by the Financial Services Authority from receiving commissions on the financial products that they recommend. Accordingly, Beringea will not pay commission to Intermediaries who provide advice to their clients on successful Applications received after 21 December 2012. The new rules do not apply to Intermediaries who do not provide advice, so commissions will continue to be payable to Intermediaries who fall into this category on successful Applications received after 21 December 2012.

Beringea is also entitled to receive an annual investment management fee of 2% of the Company's Net Assets. However, the Annual Running Costs are capped at 3.25% of its Net Assets; any excess will either be paid by the Investment Manager or refunded to the Company by way of a reduction to the Investment Manager's fees.

In addition, as is customary in the venture capital industry, a performance incentive may be payable to the Investment Manager in the future, dependent on the Company achieving certain performance targets.

A performance incentive fee will be payable if, at the end of a financial year, the Performance Value exceeds the Hurdle. In this event the performance incentive fee will be equal to 20% of the amount by which the Performance Value exceeds the Initial Net Asset Value, multiplied by the average number of Ordinary Shares in issue during the relevant financial year, less the amount of any performance incentive fee already paid in relation to previous financial years starting after 29 February 2012 (which will not include, for the avoidance of doubt, the Residual PIF). If 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 incentive fee per Ordinary Share payable in relation to a financial year will be reduced, if necessary, to ensure that (i) the cumulative 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 Total Return per Ordinary Share is at least equal to the Hurdle.

In consideration of the Investment 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. This performance incentive fee will be equal to 20% of the aggregate profit realised on the sale of Espresso Group Limited and Think Limited, subject to a maximum fee of £673,000 (being 20% of the aggregate unrealised profit on these investments as at 31 August 2011). All fees paid under the performance incentive arrangements will be inclusive of VAT, if applicable. In the event of a Reorganisation, the calculation of the performance incentive will be adjusted to ensure that the amount of any fee payable is unchanged. The Investment Manager will receive 91% of all fees paid under the performance incentive arrangements and Downing LLP will receive 9%.

Duration of the Company

It is not intended that the Company should have a limited life and there is no requirement for the Directors of the Company to put to Shareholders a resolution concerning the continuation of the Company as a VCT within five years of the closing date of the Offer.

Co-investment

It is expected that the Company may co-invest the funds raised under the Offer alongside funds from the other VCTs managed by the Investment Manager, namely PGI VCT, ProVen Health VCT and PPE VCT. In order to ensure that new investment opportunities are apportioned fairly between the VCTs, their allocation is governed by the terms of a co-investment agreement. This broadly provides that new investments which meet the Company's investment strategy will be offered first to the Company, PGI VCT and ProVen Health VCT. These investments will be apportioned to share pools in these companies in the order in which the pools were raised. For share pools of the same vintage the allocation will be in proportion to the total VCT investment value of the relevant share pools. The amount which is apportioned to each share pool will be restricted in order to ensure good portfolio diversification. A share pool will not generally be apportioned part of any new investment once its VCT qualifying percentage has reached 75%. Each follow-on investment will be offered first to those share classes that already have an investment in the target company, pro-rata to the value of their existing investments. There are also override provisions designed to ensure that each company retains its VCT qualifying status.

Application Procedure

The Terms and Conditions of Application, which should be read in full, are set out on pages 18 to 20 of this Document.

Investors are invited to subscribe an amount in pounds sterling, rather than apply for a particular number of New Ordinary Shares. The minimum subscription amount is £5,000.

There is no maximum individual subscription level under the Offer but the maximum investment on which tax reliefs on investments in VCTs are currently available is £200,000 in each tax year.

New Ordinary Shares will normally be allocated on a first-come, first-served basis. However, the Directors reserve the absolute discretion to determine the basis of allocation. The right is reserved to reject in whole or in part and/or scale down and/or ballot any Application or any part thereof including, without limitation, Applications in respect of which any verification of identity which the Company or Receiving Agent consider may be required for the purposes of the Money Laundering Regulations has not been satisfactorily supplied. Investors and/or Intermediaries are advised to check the status of the Offer on www.provenvcts.co.uk or telephone Beringea on 0845 686 0225 to avoid submitting Applications which may be rejected because the Offer is oversubscribed.

An Application Form is attached at the back of this Document, together with explanatory notes. Completed Application Forms should be sent or hand delivered to **Beringea LLP, 39 Earlham Street, London, WC2H 9LT**, together with a remittance for the full amount payable in respect of the Application. The final closing date for receipt of Applications is 1pm on 21 December 2012, unless the Offer is fully subscribed earlier. The Receiving Agent will acknowledge receipt of Applications.

Application will be made to the UK Listing Authority for the New Ordinary Shares to be admitted to the premier segment of the Official List and to trading on the London Stock Exchange's main market for listed securities.

Enquiries

If you have any questions about the Offer please contact your financial adviser or call Beringea LLP, the Investment Manager of the Company, on 0845 686 0225 or email info@beringea.co.uk. Please note that Beringea is not permitted to give investment advice.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'A Davison', with a stylized flourish at the end.

Andrew Davison
Chairman
ProVen VCT

19 November 2012

TAXATION

1. Tax considerations for Investors

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

Tax Reliefs

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

(a) Income tax

(i) Relief from income tax on investment

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

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

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

To obtain relief an Investor must subscribe on his own behalf, although the shares may subsequently be transferred to a nominee. Investments to be used as security for, or financed by, loans may not qualify for relief, depending on the circumstances.

(ii) Dividend relief

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

(iii) Purchasers in the market

An individual purchaser of existing VCT shares in the market will be entitled to claim dividend relief (as described in paragraph (ii) above) but not relief from income tax on investment (as described in paragraph (i) above).

(iv) Withdrawal of relief

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

(b) Capital gains tax

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

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

(ii) Purchasers in the market

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

Obtaining Tax Reliefs

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

Investors not Resident in the UK

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

Withholding Taxation

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

Withdrawal of Approval

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

2. Conditions to be met by Venture Capital Trusts

Qualification as a VCT

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

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

Qualifying Investments

A Qualifying Investment consists of shares or securities first issued to the VCT (and held by it ever since) by a company satisfying certain conditions. The conditions are detailed but include that the company must be a Qualifying Company, have gross assets not exceeding £15 million immediately before and £16 million immediately after the investment, apply the money raised for the purposes of a Qualifying Trade within certain time periods and not be controlled by another company. In any twelve month period the company can receive

no more than £5 million from state aided funds, including VCTs and the Enterprise Investment Scheme. The company must have fewer than 250 full time (or equivalent) employees at the time of making the investment. In certain circumstances, an investment in a company by a VCT can be split into part Qualifying Investment and part non-Qualifying Investment.

Qualifying Companies

A Qualifying Company must be unquoted (for VCT purposes this includes companies whose shares are traded on the PLUS market and the Alternative Investment Market) and must carry on a Qualifying Trade. For this purpose certain activities are excluded (such as dealing in land or shares or providing financial services). The Qualifying Trade must either be carried on by, or be intended to be carried on by, the Qualifying Company or by a Relevant Qualifying Subsidiary (see below) at the time of the issue of shares or securities to the VCT (and at all times thereafter). A Qualifying Company must have a permanent establishment in the UK. A company intending to carry on a Qualifying Trade must begin to trade within two years of the issue of shares or securities to the VCT and continue it thereafter.

A Qualifying Company may have no subsidiaries other than Qualifying Subsidiaries which must be more than 50% owned. A Relevant Qualifying Subsidiary can be a 90% directly held subsidiary of the company invested in, its wholly owned subsidiary, or a 90% owned subsidiary of a directly held wholly owned subsidiary.

Approval as a VCT

A VCT must be approved at all times by HMRC. Approval has effect from the time specified in the approval. A VCT cannot be approved unless the tests detailed above are met throughout the most recent complete accounting period of the VCT and HMRC is satisfied that they will be met in relation to the accounting period of the VCT which is current when the application is made. However, in order to facilitate the launch of a VCT, HMRC may approve a VCT notwithstanding that certain of the tests are not met at the time of application, provided HMRC is satisfied that the tests will be met within certain time limits. In particular, in the case of the tests described at 2.i (d), (e) and (f) above, approval may be given if HMRC is satisfied that this will be met throughout an accounting period of the VCT beginning no more than three years after the date on which approval takes effect.

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

Withdrawal of approval

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

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

Terms and Conditions of Application

- 1 In these Terms and Conditions which apply to all Applications pursuant to the Offer, save where the context otherwise requires, words and expressions defined in this Document have the same meanings when used in these Terms and Conditions, the Application Form and the explanatory notes in relation thereto.

The minimum Application Amount is £5,000.

The contract created by the acceptance of an Application under the Offer will be conditional on Admission becoming effective.

- 2 The Company reserves the right to present all cheques and banker's drafts for payment on receipt and to retain share certificates and application monies pending clearance of successful Applicants' cheques and banker's drafts. The Company may treat Applications as valid and binding even if not made in all respects in accordance with the prescribed instructions and the Company may, at its discretion, accept an Application in respect of which payment is not received by the Company prior to the closing of the Offer. If any Application is not accepted in full or if any contract created by acceptance does not become unconditional, the Application monies or, as the case may be, the balance thereof will be returned (without interest) by returning each relevant Applicant's cheque or banker's draft or by crossed cheque in favour of the Applicant, through the post at the risk of the person(s) entitled thereto or by BACS transfer to the bank account specified on the Application Form. In the meantime, Application monies will be retained by the Receiving Agent in a separate account. Multiple Applications by Investors are permitted.
- 3 By completing and delivering an Application Form, you:

- (i) offer to subscribe for the amount of money specified in your Application Form or such lesser amount for which your Application is accepted, which shall be applied to purchase New Ordinary Shares on the basis of the Pricing Formula set out below and subject to the conditions contained in this Document, including these Terms and Conditions, and subject to the memorandum and articles of association of the Company.

The price at which New Ordinary Shares will be issued to an Investor (the "Offer Price") will be calculated on the basis of the following Pricing Formula:

The Offer Price is the Net Asset Value of an Ordinary Share in the Company most recently announced to the Stock Exchange, divided by 0.945 (to allow for issue costs of 5.5%), rounded up to the nearest tenth of a penny.

- (ii) agree that, in consideration of the Company agreeing that it will not on or prior to the Offer closing, issue or allot any New Ordinary Shares which are the subject of the Offer to any person other than by means of the procedures referred to in this Document, your Application may not be revoked and that this paragraph shall constitute a collateral contract between you and the Company which will become binding upon despatch by post to, or (in the case of delivery by hand) on receipt by, the Receiving Agent of your Application Form;
- (iii) agree and warrant that your cheque or banker's draft may be presented for payment on receipt and will be honoured on first presentation and agree that if it is not so honoured you will not be entitled to receive a certificate in respect of the New Ordinary Shares until you make payment in cleared funds for such New Ordinary Shares and such payment is accepted by the Company in its absolute discretion (which acceptance shall be on the basis that you indemnify it and the Receiving Agent against all costs, damages, losses, expenses and liabilities arising out of or in connection with the failure of your remittance to be honoured on first presentation) and you agree that, at any time prior to the unconditional acceptance by the Company of such late payment, the Company may (without prejudice to its other rights) avoid the agreement to subscribe for such New Ordinary Shares and may issue or allot such New Ordinary Shares to some other person, in which case you will not be entitled to any payment in respect of such New Ordinary Shares, other than the refund to you, at your risk, of the proceeds (if any) of the cheque or banker's draft accompanying your Application, without interest;
- (iv) agree that, in respect of those New Ordinary Shares for which your Application has been received and is not rejected, your Application may be accepted at the election of the Company either by notification to the London Stock Exchange of the basis of allocation or by notification of acceptance thereof by the Receiving Agent;

- (v) agree that any monies refundable to you may be retained by the Receiving Agent pending clearance of your remittance and any verification of identity which is, or which the Company or the Receiving Agent may consider to be, required for the purposes of the Money Laundering Regulations, and that such monies will not bear interest;
 - (vi) authorise the Registrars to send share certificate(s) in respect of the number of New Ordinary Shares for which your Application is accepted and/or a crossed cheque for any monies returnable (or BACS transfer to the bank account specified in the Application Form), by post, without interest, to your address set out in the Application Form and to procure that your name is placed on the register of members of the Company in respect of such New Ordinary Shares;
 - (vii) agree that all Applications, acceptances of Applications and contracts resulting therefrom shall be governed in accordance with English law, and that you submit to the jurisdiction of the English courts and agree that nothing shall limit the right of the Company to bring any action, suit or proceeding arising out of or in connection with any such Applications, acceptances of Applications and contracts in any other manner permitted by law before any court of competent jurisdiction;
 - (viii) confirm that, in making your Application, you are not relying on any information or representation in relation to the Company other than the information contained in this Document and, accordingly, you agree that no person responsible solely or jointly for this Document, or any part thereof or involved in the preparation thereof shall have any liability for such information or representation;
 - (ix) irrevocably authorise the Receiving Agent, the Registrars or any person authorised by them, as your agent, to do all things necessary to effect registration of any New Ordinary Shares subscribed by or issued to you into your name and authorise any representative of the Receiving Agent or the Registrars to execute any document required to do this;
 - (x) agree that, having had the opportunity to read this Document, you shall be deemed to have had notice of all information and statements concerning the Company and the New Ordinary Shares contained herein;
 - (xi) confirm that you have reviewed the restrictions contained in paragraph 5 below and warrant that you are not a "US Person" as defined in the United States Securities Act of 1933 ("Securities Act") (as amended), nor a resident of Canada and that you are not applying for any New Ordinary Shares with a view to their offer, sale or delivery to or for the benefit of any US Person or a resident of Canada;
 - (xii) declare that you are an individual aged 18 or over;
 - (xiii) agree that all documents and cheques sent by post to, by, or on behalf of, the Company or the Receiving Agent will be sent at the risk of the Applicant;
 - (xiv) agree, on request by the Company, to disclose promptly in writing to the Company, any information which the Company may reasonably request in connection with your Application including, without limitation, satisfactory evidence of identity to ensure compliance with the Money Laundering Regulations and authorise the Company to disclose any information relating to your Application as it considers appropriate;
 - (xv) agree that Beringea will not treat you as a customer by virtue of your Application being accepted or owe you any duties or responsibilities concerning the price of the New Ordinary Shares or the suitability for you of New Ordinary Shares or be responsible to you for providing the protections afforded to its customers;
 - (xvi) where applicable, authorise the Company to make on your behalf any claim to relief from income tax in respect of any dividends paid by the Company;
 - (xvii) declare that the Application Form has been completed to the best of your knowledge;
 - (xviii) undertake that you will notify the Company if you are not or cease to be either a Qualifying Subscriber or beneficially entitled to the New Ordinary Shares; and
 - (xix) declare that a loan has not been made to you or any associate, which would not have been made or not have been made on the same terms, but for you offering to subscribe for, or acquiring, New Ordinary Shares and that the New Ordinary Shares are being acquired for bona fide commercial purposes and not as part of a scheme or arrangement the main purpose of which is the avoidance of tax.
- 4 No person receiving a copy of this Document or an Application Form in any territory other than the UK may treat the same as constituting an invitation or offer to him, nor should he in any event use such Application Form unless, in the relevant territory, such an invitation or offer could lawfully be made to him or such Application Form could lawfully be used without contravention of any regulations or other legal requirements. It is the responsibility of any person outside the UK wishing to make an Application to satisfy himself as to full observance of the laws of any relevant territory in connection therewith, including obtaining any requisite governmental or other consents, observing any other formalities requiring to be observed in such territory and paying any issue, transfer or other taxes required to be paid by such territory.

- 5 The New Ordinary Shares have not been and will not be registered under the Securities Act, as amended, and may not be offered or sold in the United States of America, its territories or possessions or other areas subject to its jurisdiction (the "USA"). In addition, the Company has not been and will not be registered under the United States Investment Company Act of 1940, as amended. The Investment Manager will not be registered under the United States Investment Advisers Act of 1940, as amended. No application will be accepted if it bears an address in the USA.
- 6 The basis of allocation will be determined by the Company as set out under the headings "Structure of the Offer and Pricing of the New Ordinary Shares" and "Application Procedure" in the Chairman's letter. There is no maximum individual subscription level under the Offer but the maximum investment on which tax reliefs on investments in VCTs are currently available is £200,000 in each tax year. Dealings prior to the issue of certificates for New Ordinary Shares will be at the risk of Applicants. A person so dealing must recognise the risk that an Application may not have been accepted to the extent anticipated or at all. The Offer will not be withdrawn after dealings in the New Ordinary Shares have commenced.
- 7 Intermediaries who, acting on behalf of their clients, return valid Application Forms bearing their stamp and FSA number will normally be paid by Beringea, if permissible, either:
 - (i) 3 per cent. of the amount invested by their client (and no trail commission); or
 - (ii) 2.5 per cent. of the amount invested by their client plus an annual trail commission, usually of 0.25 per cent. per annum of the amount invested by their client for up to five years. The trail commission in respect of applications for New Ordinary Shares is expected to be paid first in July 2014 and annually thereafter (provided that the Intermediary continues to act for the client and the client continues to hold the New Ordinary Shares). It will cease to be payable if the Company is wound up.

Beringea will maintain a register of Intermediaries entitled to trail commission. Beringea will be entitled to rely on a notification from an Investor that he has changed his Intermediary, in which case the trail commission will cease to be payable to the original Intermediary and will be payable to the new Intermediary. Intermediaries should keep a record of Application Forms submitted bearing their stamp to substantiate any claim for trail commission.

Beringea LLP will collate the Application Forms bearing the Intermediaries' stamps and calculate the initial commission payable which will be paid within 14 days of each allotment.

No commission will be paid in respect of Applications received after 21 December 2012 where an Intermediary has provided financial advice to the Applicant.

- 8 Intermediaries may agree to waive initial commission in whole or in part in respect of an Application Amount. If this is the case, then the Application Amount will be increased by an amount equivalent to the commission waived.
- 9 Money Laundering Regulations
Important note for Application Amounts of 15,000 Euros (approximately £12,000) or more
 The verification of identity requirements of the Money Laundering Regulations will apply and verification of the identity of the Applicant may be required. Failure to provide the necessary evidence of identity may result in the Application being treated as invalid or in delay in confirming the Application has been accepted.
 If the Application Amount exceeds 15,000 Euros (approximately £12,000 as at the date of this Document) payment should be made by means of a UK clearing bank cheque drawn in your name on an account in your name. If this is not practicable and you use a cheque drawn by a third party or a building society cheque or banker's draft, you should write your name, address and date of birth on the back of the cheque or banker's draft and:
 - (i) if a building society cheque or banker's draft is used, the building society or bank must also endorse on the cheque or draft the name and account number of the person whose account is being debited; or
 - (ii) if a cheque is drawn by a third party, you must ensure that both of the following documents are enclosed with the Application Form: a certified copy of your passport (or your driving licence bearing a photograph and signature of the individual) and a recent (dated within three months preceding the date of Application) original bank or building society statement (or utility bill) in your name. A copy passport or driving licence should be certified as a true and correct copy of the original by a solicitor or bank. Original documents will be returned to you by post at your risk.

Definitions

In this Document the following words and expressions shall, unless the context requires otherwise, have the following meanings:

“2011 Ordinary Share Offer”	the offer for subscription for Ordinary Shares as set out in a prospectus issued by the Company on 8 December 2011
“Admission”	admission of the New Ordinary Shares issued pursuant to the Offer to the premium segment of the Official List and to trading on the London Stock Exchange’s market for listed securities
“Annual Running Costs”	annual costs incurred by the Company in the ordinary course of its business, excluding trail commission and performance incentive fees
“Applicant”	an investor whose name appears in an Application Form
“Application”	offer to subscribe for New Ordinary Shares under the Offer made by an Applicant by completing an Application Form
“Application Amount”	amount (in pounds sterling) due from an Applicant in respect of his Application or such part (if any) of his Application as is accepted
“Application Form”	application form contained at the end of this Document
“Articles”	Articles of Association of the Company
“Beringea”	Beringea LLP or Beringea Limited (formerly known as ProVen Private Equity Limited and previously Guinness Mahon Development Capital Limited)
“C Share Adjustment”	the amount by which the value of the C Share Portfolio increased or decreased 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 Shares “	C Shares of 25p each in the capital of the Company
“C Share Portfolio”	the portfolio of investments created by investing the proceeds raised from the issue of C Shares
the “Company”	ProVen VCT plc
“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 Shares of 1p each in the capital of the Company
“Directors” or “Board”	directors of the Company as at the date of this Document
“Document”	this document
“Existing Ordinary Shares”	Ordinary Shares in issue at 19 November 2012
“FSA”	Financial Services Authority
“FSMA”	Financial Services and Markets Act 2000
“Generalist VCT”	A VCT investing primarily in private companies in a range of sectors, with the primary objective of achieving a growing Total Return
“HMRC”	HM Revenue & Customs

“Hurdle”	the greater of: (i) 1.25 times the Initial Net Asset Value, and (ii) the Initial Net Asset Value increased, as from 31 August 2011, by the Bank of England base rate plus 1% per annum (compound)
“Initial Net Asset Value”	the net asset value per Ordinary Share as at 31 August 2011 less the aggregate of the interim dividend of 6.25p per Ordinary Share paid on 2 February 2012 and the related performance incentive payment paid to the Investment Manager
“ITA”	Income Tax Act 2007
“Intermediary”	a firm, authorised by the Financial Services Authority, through which an Applicant submits an Application
“Investment Manager”	Beringea LLP
“Investor”	an individual investor, who is a UK resident aged 18 or over, investing no more than £200,000 in VCTs in any one tax year
“Listed”	admitted to the premium segment of the Official List of the UK Listing Authority and to trading on the London Stock Exchange’s main market for listed securities
“London Stock Exchange”	London Stock Exchange plc
“Money Laundering Regulations”	Money Laundering Regulations 2007 (as amended)
“NAV”	net asset value
“Net Assets”	gross assets less all liabilities (excluding contingent liabilities)
“New Ordinary Shares”	new Ordinary Shares available for subscription pursuant to the Offer
“Offer” or “Offer for Subscription”	offer for subscription for New Ordinary Shares pursuant to the terms of this Document
“Offer Price”	issue price per New Ordinary Share pursuant to the Pricing Formula
“Official List”	official list of the UK Listing Authority
“Ordinary Shares”	ordinary shares of 10p each in the capital of the Company
“Original Ordinary Shares”	ordinary shares of 5p each in the capital of the Company prior to the Ordinary Share consolidation that took place on 29 October 2012
“Original Ordinary Share Portfolio”	the portfolio of investments created by investing the proceeds raised from the issue of Ordinary Shares prior to the 2011 Ordinary Share Offer
“Performance Value”	in respect of the relevant financial year end, the sum of (i) the audited net asset value per Ordinary Share at that date, (ii) 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)
“PGI VCT”	ProVen Growth & Income VCT plc
“PPE VCT”	ProVen Planned Exit VCT plc
“Pricing Formula”	formula for determining the price at which New Ordinary Shares will be issued to an Applicant as described in the Chairman’s Letter and the Terms and Conditions

“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 2011 Ordinary Share Offer
“ProVen Health VCT”	ProVen Health VCT plc
“ProVen VCT”	ProVen VCT plc
“Qualifying Company”	a company satisfying the conditions of Chapter 4 of Part 6 ITA as described in the Taxation section of this Document
“Qualifying Investment”	an investment in an unquoted company which satisfies the requirements of Chapter 4 of Part 6 ITA, as described in the Taxation section of this Document
“Qualifying Subscriber”	an individual who subscribes for New Ordinary Shares under the Offer and is aged 18 or over and satisfies the conditions of eligibility for tax relief available to investors in a VCT
“Qualifying Subsidiary”	a subsidiary company which falls within the definition of Qualifying Subsidiary contained in section 302 ITA, as described in the Taxation section of this Document
“Qualifying Trade”	a trade complying with the requirements of Chapter 4 of Part 6 ITA
“Relevant Qualifying Subsidiary”	a relevant subsidiary company which falls within the definition of Relevant Qualifying Subsidiary contained in section 301 ITA, as described in the Taxation section of this Document
“Receiving Agent”	Beringea LLP
“Registrars”	Capita Registrars
“Residual PIF”	the performance incentive fee relating to the sale of Espresso Group Limited and Think Limited, as set out on page 13 of this Document
“Residual PIF Adjustment”	the “Residual PIF” divided by the number of Ordinary Shares in issue on 31 August 2011, assuming that this included the New Ordinary Shares subsequently issued under the 2011 Ordinary Share Offer, or if the C Share Conversion has not taken place, the Residual PIF divided by the Pro- Forma Number of Ordinary Shares
“Reorganisation”	in relation to the Company, any issue by way of capitalisation of profits or reserves or by way of rights and any consolidation or sub-division or reduction of capital or capital dividend or other reconstruction or adjustment relating to the equity share capital (or any shares, stock or securities derived therefrom) and any other amalgamation, arrangement, reconstruction or compromise affecting the share capital (or any shares, stock or securities derived therefrom)
“Shares”	Ordinary Shares, New Ordinary Shares, C Shares and/or D Shares
“Shareholders”	holders of Ordinary Shares
“Terms and Conditions”	terms and conditions of Application as set out on pages 18 to 20 of this Document
“Total Return”	the net asset value per Ordinary Share at the relevant financial year end, plus Cumulative Dividends per Ordinary Share
“UK Listing Authority”	Financial Services Authority acting in its capacity as the competent authority for the purposes of FSMA
“Venture Capital Trust” or “VCT”	a company approved as a venture capital trust under section 274 ITA by the Board of HMRC

Notes on How to Complete the Application Form

Please send your completed Application Form together with your cheque or banker's draft and proof of identity if required (please see paragraph 9 of the Terms and Conditions on page 20 of this Document in this regard) to:

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

If you have any questions on how to complete the Application Form please contact Beringea on 0845 686 0225 or 0207 845 7820. Please note for legal reasons Beringea will not be able to provide advice on the merits of the Offer or give any personal tax, investment or financial advice.

SECTION 1

Please insert your full name and permanent address in BLOCK CAPITALS, your daytime telephone number, date of birth and national insurance number in Section 1 of the Application Form. Your national insurance number, which you will find on your pay slip, is required to ensure you obtain your income tax relief. Joint applications are not permitted, but husbands, wives and civil partners may apply separately. Please insert your email address to receive updates regarding the progress of the Company by email.

SECTION 2

Please note that the minimum investment is £5,000.

Specify the amount you wish to invest in New Ordinary Shares in the box.

Make cheques payable to "ProVen VCT plc". Cheques must be from a recognised UK bank account and your payment must relate solely to this application.

If the value of the New Ordinary Shares applied for exceeds 15,000 Euros (approximately £12,000 as at the date of this Document) payment should be made by means of a UK clearing bank cheque drawn in your name on an account in your name. If this is not practicable and you use a cheque drawn by a third party or a building society cheque or banker's draft, you should write your name, address and date of birth on the back of the cheque or banker's draft and:

- (i) if a building society cheque or banker's draft is used, the building society or bank must also endorse on the cheque or draft the name and account number of the person whose account is being debited;
- (ii) if a cheque is drawn by a third party, you must ensure that both of the following documents are enclosed with the Application Form: a certified copy of your passport (or your driving licence bearing a photograph and signature of the individual) and a recent (dated within three months preceding the date of application) original bank or building society statement (or utility bill) in your name. A copy passport or driving licence should be certified by a solicitor or bank. Original documents will be returned to you by post at your risk.

SECTION 3

If you are an existing shareholder in ProVen VCT, PGI VCT or ProVen Health VCT, please complete this section in order to claim your additional New Ordinary Shares.

An Investor who is a shareholder in ProVen VCT as at the date of this Document will be entitled to receive additional New Ordinary Shares equivalent to 2% of the amount subscribed under the Offer. An Investor who is a shareholder in PGI VCT, ProVen Health VCT or PPE VCT as at the date of this Document will be entitled to receive additional New Ordinary Shares equivalent to 1% of the amount subscribed under the Offer. The cost of the additional New Ordinary Shares will be borne by the Investment Manager. The right is reserved not to

issue additional New Ordinary Shares to an Investor if the Company, in its sole discretion, is not satisfied that the Investor is an existing shareholder.

SECTION 4

Read the declaration below and sign and date the Application Form.

If this form is completed and signed by the Investor named in Section 1:

By signing this form I HEREBY DECLARE THAT:

- (i) I have received the Document dated 19 November 2012 and have read the Terms and Conditions therein and agree to be bound by them;
- (ii) I will be the beneficial owner of the New Ordinary Shares issued to me under the Offer;
- (iii) I have read and understood the risk factors set out on pages 4 to 5 of this Document; and
- (iv) To the best of my knowledge and belief, the personal details I have given are correct.

If this form is completed and signed by an authorised financial intermediary or any other person apart from the Investor:

By signing this form on behalf of the individual whose details are shown above, I make a declaration (on behalf of such individual) on the terms of sub-paragraphs (i) to (iv) above and attach the power of attorney under which I have authority to sign on behalf of such individual.

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

SECTION 5

Please complete the mandate instruction in Section 5 if you wish to participate in the Dividend Reinvestment Scheme.

SECTION 6

Please complete the mandate instruction in Section 6 if you wish to have dividends paid directly into your bank or building society account. If any Application is not accepted in full, the balance of the Application Amount may be repaid (without interest) to the bank account specified.

SECTION 7

Intermediaries who are entitled to receive commission should stamp and complete Section 7, giving their full name and address, telephone number and details of their authorisation under the Financial Services and Markets Act 2000. An authorised signatory must sign on behalf of the Intermediary. The right is reserved to withhold payment of commission if the Company, in its sole discretion, is not satisfied that the Intermediary is authorised.

Please complete the appropriate box to indicate which commission structure you would prefer. If you wish to waive some or all of your commission, please insert ALL or a percentage of the New Ordinary Shares in respect of which you wish commission to be waived and reinvested in additional New Ordinary Shares.

FREQUENTLY ASKED QUESTIONS

Q: What is the minimum investment?

A: £5,000

Q: Who should I make the cheque payable to?

A: "ProVen VCT plc"

Q: Where should I send my application?

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

Q: What happens after I invest?

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

- how much you have applied to invest; and
- details of any additional amounts to be invested arising from the incentive for early investment or waived Intermediary commission.

Q: When will the New Ordinary Shares be allotted?

A: All allotments will be made on 21 December 2012 in respect of valid Applications received on or before that date, and on 5 April 2013 and any other date prior to 5 April 2013 on which the Directors decide, in respect of valid Applications received after 21 December 2012 and on or before 5 April 2013.

Q: How many New Ordinary Shares will I receive?

A: The number of New Ordinary Shares allotted to you will depend on the Offer Price, which is based on the last published net asset value per Ordinary Share prior to the date of allotment. Please see page 9 of this document for further details.

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

A: The Company's Registrar, Capita Registrars, will send share and tax certificates approximately 15 business days after New Ordinary Shares are allotted. Allotments will be announced through an RIS service.

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

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

APPLICATION FORM

ProVen VCT plc Ordinary Shares - Offer for Subscription

Before completing this Application Form you should read the Terms and Conditions of Application and the Notes on How to Complete the Application Form. The Offer opens on 19 November 2012 and the closing date will be 1.00 pm on 5 April 2013 (or earlier if the maximum subscription has been reached before then).

Please send this Application Form together with your cheque or bankers draft and proof of identity if required, to ProVen VCT, c/o Beringea LLP, 39 Earlham Street, London, WC2H 9LT.

Please complete in BLOCK capitals

Section 1

Title (Mr/Mrs/Miss/Ms/Other) Surname

Forename(s) in full

Date of birth

National Insurance Number

(You should be able to find your NI number on a payslip, form P45 or P60, a letter from HMRC, a letter from the DWP, or pension order book)

Permanent residential address

Postcode

E-mail

Please insert your email address if you wish to receive updates regarding the progress of the Company by email

Telephone (work)

Telephone (home)

Section 2

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

The minimum Application Amount is £5,000.

£

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

Section 3

Please indicate if you are an existing shareholder in one of the following VCTs:

ProVen VCT plc	☐	ProVen Growth & Income VCT plc	☐
ProVen Health VCT plc	☐	ProVen Planned Exit VCT plc	☐

Section 4

Signature

Date

Section 5

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

Signature

Date

Section 6

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

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

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

Bank or Building Society reference number and details:

(1) Sort Code Number
(2) Name of Bank/Building Society
Title of Branch
Address of Branch
(3) Account Number
(4) Signature
Date

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

Section 7

For completion by authorised financial intermediaries only

Name of firm

Address

Stamp

Telephone

Fax

E-mail

Name of Contact:

Preferred commission structure – Please state commission percentages under the preferred commission structure (either 3% or 2.5% plus trail) so that the percentages stated against A and B total either 3% or 2.5%, as appropriate.

3 per cent.

2.5 per cent.
plus trail

A: Commission to be paid to authorised financial intermediary

B: Commission to be waived and invested in additional shares for your client

RDR – Please indicate which type of services you provide to clients:

Advised

☐

Non-advised

☐

Please note that no commission will be paid in respect of Applications received after 21 December 2012 where an Intermediary has provided financial advice to the Applicant.

Signature

Date

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

