

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt as to the action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other financial adviser authorised under the Financial Services and Markets Act 2000 without delay. Shareholders should also carefully consider the risk factors set out on pages 3 to 6 of this document.

If you have sold or otherwise transferred all your Shares in ProVen Health VCT plc, please send this document, together with the accompanying forms of proxy, as soon as possible to the purchaser or transferee, or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for onward transmission to the purchaser or transferee. However, the distribution of this document and any accompanying documents into jurisdictions other than the United Kingdom may be restricted by law and therefore persons into whose possession this document and any accompanying documents come should inform themselves about and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of securities laws of any such jurisdiction. Shareholders (including, without limitation, nominees, trustees or custodians) who would, or otherwise intend to, forward this document and the accompanying documents outside the United Kingdom should read the section headed "Overseas Shareholders" in paragraph 5 of Part 2 of this document.

PROVEN HEALTH VCT PLC

(Incorporated in England and Wales with registered number 04131354)

Recommended proposals for the reconstruction and voluntary winding up of the Company

Your attention is drawn to the letter from the Chairman of ProVen Health VCT plc in Part 1 of this document, which contains the recommendation of the Board that Shareholders vote in favour of the resolutions to be proposed at the meetings referred to below.

This document should be read in conjunction with the accompanying Prospectus published by ProVen Growth and Income VCT plc.

Your attention is drawn to pages 3 to 6 of this document, which summarise the risk factors associated with the Proposals. However, you should read this document in its entirety before deciding what action you should take.

Notices convening general meetings of ProVen Health VCT plc, to be held at 10.00 a.m. on 26 July 2013 and 10.00 a.m. on 6 August 2013, to approve the Proposals and to place the Company into members' voluntary liquidation, are set out on pages 37 to 42 of this document. Both meetings will be held at the offices of Beringea LLP, 39 Earlham Street, London WC2H 9LT. Forms of proxy for use at these meetings accompany this document (BLUE for the First General Meeting and GREEN for the Second General Meeting). To be valid, the relevant form of proxy must be completed and returned so as to be received by Beringea LLP, 39 Earlham Street, London WC2H 9LT, not later than 10.00 a.m. on 24 July 2013, in the case of the form of proxy for use at the First General Meeting, and not later than 10.00 a.m. on 2 August 2013, in the case of the form of proxy for use at the Second General Meeting.

Your attention is drawn to the section entitled "Action to be taken" on page 14 of this document.

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RISK FACTORS

The risks referred to in this section are the material risks known to the Directors at the date of this document which the Directors believe Shareholders should consider prior to deciding how to cast their votes on the Resolutions. Shareholders who are in any doubt about the action they should take should consult their stockbroker, bank manager, solicitor, accountant or other financial adviser authorised under the Financial Services and Markets Act 2000 without delay.

Details of ProVen Growth & Income VCT are set out in Part 4 of this document. Full details of ProVen Growth & Income VCT and the risks associated with an investment in ProVen Growth & Income VCT Shares are set out in the Prospectus. Shareholders are strongly advised to read the whole of the Prospectus and, in particular, the risk factors set out on pages 13 to 16 of that document before voting on the Resolutions.

RISKS ASSOCIATED WITH THE SCHEME

Consequences of the Scheme not becoming effective

Implementation of the Scheme is conditional, *inter alia*, upon the Resolutions being passed at the General Meetings (full details of the conditions of the Scheme are set out in paragraph 11 of Part 3 of this document). If any of the conditions of the Scheme are not met, the Scheme will not be implemented, Shareholders will not receive New ProVen Growth & Income VCT Shares and Shareholders will remain invested in a VCT with a less diversified portfolio of VCT qualifying investments and therefore greater portfolio risk across a narrower range of investments and businesses. If the Scheme is not implemented certain costs and expenses incurred in connection with the Scheme (estimated to be in the region of £95,000 (including VAT)) will also be borne by the Company. In these circumstances, the Company would continue as a separate VCT and the Board would reassess the options available to the Company. The Board may, in this event, consider formulating new proposals for the merger of the Company with another VCT which would be likely to result in additional costs being incurred by the Company. There is, however, no certainty that the Board would be able to identify a suitable and willing merger partner or as to the terms of any such alternative merger proposal.

Valuation of entitlements

For the purposes of the Proposals, and in order to enable the Company's net assets to be transferred to ProVen Growth & Income VCT, the assets and liabilities of the Company and ProVen Growth & Income VCT are expected to be valued as at close of business on 2 August 2013 (which will be the Calculation Date for the purposes of the Proposals). The Company's assets will be transferred to ProVen Growth & Income VCT as soon as practicable following the Effective Date, which is expected to be 6 August 2013. It is not expected that the value of the Company's or ProVen Growth & Income VCTs assets or liabilities will change significantly between the Calculation Date and the Effective Date. However, movements in the value of the Company's and/or ProVen Growth & Income VCT's assets or liabilities after the Calculation Date will not be taken into account when calculating the entitlements of Shareholders under the Scheme.

Taxation

Representations in this document concerning the taxation of Shareholders are based on current law and practice, which are subject to change. The information in this document relating to taxation law and practice is given by way of general summary and does not constitute legal or tax advice to Shareholders.

The Board has been advised that the Proposals should be treated as a scheme of reconstruction for the purposes of UK taxation of capital gains. Clearance has been granted by HMRC under section 138 of the TCGA that section 136 of the TCGA will not be prevented from applying to the Scheme by virtue of section 137 of the TCGA. HMRC has also advised that no notices under section 698 of the Income Tax Act 2007 or section 733 of the Corporation Tax Act 2010 (cancellation of tax advantages from certain transactions in securities) ought to be given in respect of the Proposals.

OTHER RISKS RELATING TO PROVEN GROWTH & INCOME VCT

General risk factors relating to ProVen Growth & Income VCT and its shares

If the Proposals are implemented, Shareholders will receive ProVen Growth & Income VCT Shares in respect of their Shares. Full details of ProVen Growth & Income VCT and the rights attaching to the ProVen Growth & Income VCT Shares are contained in the Prospectus.

ProVen Growth & Income VCT's portfolio

If the Scheme becomes effective, Shareholders will receive New ProVen Growth & Income VCT Shares and gain exposure to ProVen Growth & Income VCT's investment portfolio. In order to comply with VCT legislation, ProVen Growth & Income VCT (in common with other VCTs including the Company) will invest a proportion of the cash acquired from the Company pursuant to the Scheme in smaller and unquoted companies. Investment in smaller and unquoted companies involves a higher degree of risk than investment in larger companies and those traded on the Main Market of the London Stock Exchange. Smaller companies generally may have limited product lines, markets or financial resources and may be more dependent on their management or key individuals than larger companies. Prices of smaller capitalisation stocks are often more volatile than prices of larger capitalisation stocks and the risk of bankruptcy of many smaller companies (with the attendant losses to investors) is higher. In certain circumstances, particularly in times of economic slowdown or recession, smaller companies may be more likely to reduce or stop paying dividends or otherwise returning funds to investors (which could reduce the income received by ProVen Growth & Income VCT and impact its ability to pay dividends).

Although ProVen Growth & Income VCT 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. Markets for smaller companies' securities may be less regulated and are often less liquid, and this may cause difficulties in valuing and disposing of equity investments in such companies. Realisation of investments in unquoted companies can be difficult and may take considerable time.

The profitability of the businesses of ProVen Growth & Income VCT's portfolio companies could be impacted by business conditions and adverse economic conditions. Factors such as unemployment levels, the levels and volatility of equity markets, consumer confidence, interest rates and inflation could significantly affect the market for products or services of portfolio companies. A difficult economic climate may adversely affect the prospects for both existing portfolio companies and any new investments.

Investment objective and policy

The Company's investment objective is to provide investors with an attractive return through a stream of tax free dividend distributions from the capital gains and income generated from a diversified portfolio of investments in small and medium sized companies. Similarly, ProVen Growth & Income VCT's investment objective is to provide investors with long-term returns greater than those available from direct investment in quoted businesses by investing in a portfolio of carefully selected smaller companies with excellent growth prospects. There can be no guarantee that the investment objective of ProVen Growth & Income VCT will be met. Meeting its objective is a target but the existence of such an objective should not be considered as an assurance or guarantee that it will be met (as this will depend on the performance of and returns generated by portfolio companies). If ProVen Growth & Income VCT does not meet its investment objective the returns made to ProVen Growth & Income VCT Shareholders may go down. The value of an investment in ProVen Growth & Income VCT may go down as well as up and investors may not get back the full value attributed to their Shares under the Scheme.

Both the Company and ProVen Growth & Income VCT currently seek to achieve their investment objectives by investing in: (i) a portfolio of carefully selected qualifying investments in small and medium sized unquoted companies; and (ii) a portfolio of non-qualifying investments including cash, liquidity funds, fixed interest securities and non-qualifying venture capital investments. The Company currently holds non-qualifying investments of approximately £2.9 million in cash and cash equivalent funds and ProVen Growth & Income VCT holds non-qualifying investments of approximately £25.7 million in cash. Although such investments in cash and cash equivalent funds generate low levels of income they are relatively secure investments. At the ProVen Growth & Income VCT General Meeting, a resolution will be proposed to

approve the adoption of an amended investment policy of ProVen Growth & Income VCT to allow it to make non-qualifying investments in debt and debt-related securities of growth companies. The Scheme is not conditional on the passing of this resolution.

Although investments in debt and debt-related securities of growth companies are expected to generate higher yields for ProVen Growth & Income VCT they are higher risk than investments in cash and cash equivalent funds. Investments in debt and debt-related securities of growth companies are subject to credit risks. Adverse changes in the financial position of an issuer or in general economic conditions may impair the ability of the issuer to make payments of principal and interest or may cause the liquidation or insolvency of an issuer. ProVen Growth & Income VCT may realise a higher current yield than the yield offered by cash holdings or holdings of cash equivalent investments, but investment in debt and debt-related securities of growth companies involves a greater volatility of price and a greater risk of default by the issuers of such securities, with consequent loss of interest payment and principal. A lack of liquidity in such debt securities may make it difficult for ProVen Growth & Income VCT to sell those securities at or near their purported value.

The ProVen Growth & Income VCT Shares may trade at a discount to Net Asset Value

At any given point in time, the price for a ProVen Growth & Income VCT Share which a shareholder could achieve on the stock market may be significantly less than the Net Asset Value of a share or the issue price of that share under the Scheme. The ProVen Growth & Income VCT Shares may trade at a discount to their Net Asset Value for a variety of reasons, including as a consequence of general market conditions, concerns regarding the general liquidity or marketability of the ProVen Growth & Income VCT Shares or the actual or expected performance of ProVen Growth & Income VCT. As such, Shareholders may only be able to realise their New ProVen Growth & Income VCT Shares at a discount to their underlying Net Asset Value (as may also be the case in respect of their existing Shares).

Liquidity

ProVen Growth & Income VCT is a closed-ended company. Shareholders will have no right to have their ProVen Growth & Income VCT Shares redeemed or repurchased by ProVen Growth & Income VCT at any time. If the Scheme is implemented, Shareholders wishing to realise their new investment in ProVen Growth & Income VCT will be required to dispose of their ProVen Growth & Income VCT Shares on the stock market. Accordingly, the ability of Shareholders to realise the Net Asset Value of, or any value in respect of, their ProVen Growth & Income VCT Shares will be dependent on the existence of a liquid market in the ProVen Growth & Income VCT Shares and the market price of such ProVen Growth & Income VCT Shares.

Although the existing ProVen Growth & Income VCT Shares have been (and it is anticipated that the New ProVen Growth & Income VCT Shares will be) admitted to the premium segment of the Official List of the UK Listing Authority and traded on the London Stock Exchange's main market for listed securities, it is unlikely that there will be a liquid market for the ProVen Growth & Income VCT Shares as there is a limited secondary market for VCT shares. This is primarily because initial VCT income tax relief is only available to individuals subscribing for newly issued shares. As a result, Shareholders receiving New ProVen Growth & Income VCT Shares under the Scheme may find it difficult to sell any such shares in the future.

Share buybacks

It is the intention of the ProVen Growth & Income VCT Directors that ProVen Growth & Income VCT will buy back shares from its shareholders where they trade at a discount of approximately 10 per cent. to their underlying Net Asset Value. There can, however, be no guarantee that ProVen Growth & Income VCT will buy back its shares from its shareholders or that if it does so the discount to NAV will not be greater. Share buybacks will be subject to applicable legislation and VCT regulations and the availability of sufficient reserves and cash in ProVen Growth & Income VCT. The number of shares bought back by ProVen Growth & Income VCT over a period of 12 months will be less than 10 per cent. of the number of ProVen Growth & Income VCT Shares in issue. As such, Shareholders wishing to sell New ProVen Growth & Income VCT Shares acquired under the terms of the Scheme back to ProVen Growth & Income VCT will not necessarily be able to do so.

Loss of tax reliefs

The information, including tax rules, contained in this document is based on existing legislation. The tax rules or their interpretation in relation to an investment in ProVen Growth & Income VCT and/or the rates of tax, or other statutory provisions to which ProVen Growth & Income VCT is subject, may change during the life of ProVen Growth & Income VCT and such changes could be retrospective. If an investor who subscribes for ProVen Growth & Income VCT Shares disposes of those ProVen Growth & Income VCT Shares within five years of the date of investment, the investor is likely to be subject to claw back by HMRC of any income tax relief originally obtained on subscription (with New ProVen Growth & Income VCT Shares acquired under the Scheme treated as if they had been subscribed for at the time of subscription for their original shares). While it is the intention of the ProVen Growth & Income VCT Directors that ProVen Growth & Income VCT will be managed so as to continue to qualify as a VCT, there can be no guarantee that this status will be maintained. A failure to meet the qualifying requirements could result in the loss of tax reliefs previously obtained, resulting in adverse tax consequences for investors, including a requirement to repay the income tax relief obtained, and could also cause ProVen Growth & Income VCT to lose its exemption from corporation tax on capital gains.

Restrictions in relation to payment of dividends

ProVen Growth & Income VCT will only pay dividends to holders of ProVen Growth & Income VCT Shares to the extent that it has sufficient cash and reserves available for that purpose and subject to any requirement to retain funds to remain at an economically viable size. A reduction of income from ProVen Growth & Income VCT's portfolio would adversely affect the ability of ProVen Growth & Income VCT to pay dividends on the ProVen Growth & Income VCT Shares.

Any change in the tax treatment of dividends paid or income received by ProVen Growth & Income VCT may reduce the dividends paid to the holders of ProVen Growth & Income VCT Shares. A reduction of income from ProVen Growth & Income VCT's investments would adversely affect the yield on the ProVen Growth & Income VCT Shares. Such a reduction could arise, for example, from lower rates of dividend paid on investments, reductions in loan stock interest payments by investee companies or difficulties realising gains on portfolio investments.

Investment manager of ProVen Growth & Income VCT

The past performance of Beringea, the investment manager of ProVen Growth & Income VCT, and other assets managed by Beringea are not guides to the future performance of ProVen Growth & Income VCT.

There can be no guarantee that Beringea will remain as the investment manager of ProVen Growth & Income VCT. Beringea ceasing to act as investment manager of ProVen Growth & Income VCT may have an adverse effect on the performance of ProVen Growth & Income VCT. ProVen Growth & Income VCT has no employees and is dependent on the skills and experience of Beringea to manage its investments. If key personnel cease to remain with Beringea or be involved in the management of ProVen Growth & Income VCT's portfolio, there is no assurance that suitable replacements will be found. If this occurs there may be an adverse effect on the performance of ProVen Growth & Income VCT and the value of the ProVen Growth & Income VCT Shares.

ACTION TO BE TAKEN BY SHAREHOLDERS

To vote on the Proposals

The Proposals are conditional on Shareholder approval. All Shareholders are requested to complete and return their forms of proxy to indicate how they wish to vote.

Enclosed with this document are two forms of proxy for use by Shareholders: BLUE for the First General Meeting (to be held at 10.00 a.m. on 26 July 2013) and GREEN for the Second General Meeting (to be held at 10.00 a.m. on 6 August 2013).

To vote on the Proposals complete, sign
and return to Beringea:



(1) the BLUE form of proxy for the First General Meeting; and

(2) the GREEN form of proxy for the Second General Meeting,

or attend and vote at the relevant General Meeting in person.

Forms of proxy must be received by Beringea no later than 10.00 a.m. on 24 July 2013, in the case of forms of proxy for use at the First General Meeting, and no later than 10.00 a.m. on 2 August 2013, in the case of forms of proxy for use at the Second General Meeting.

General

Full details of the action to be taken by Shareholders are set out in the paragraph headed “Action to be taken” on page 14 of Part 1 of this document and in the instructions on the forms of proxy. The attention of Overseas Shareholders is drawn to the sections headed “Overseas Shareholders” in paragraph 5 of Part 2 of this document.

If you have any queries in relation to your shareholding(s) in the Company, please call the Registrar on 0870 707 1657. The Registrar can only provide information regarding your shareholding; it cannot provide you with investment, tax or legal advice.

EXPECTED TIMETABLE

All references are to UK time.

2013

Record date for the Interim Dividend	5 July
Latest time and date for receipt of BLUE forms of proxy for the First General Meeting of ProVen Health	10.00 a.m. on 24 July
Payment date for the Interim Dividend	25 July
First General Meeting of ProVen Health	10.00 a.m. on 26 July
Time and date from which it is advised that dealings in Shares should only be for cash settlement and immediate delivery of documents of title	8.00 a.m. on 30 July
ProVen Growth & Income VCT General Meeting	3.00 p.m. on 30 July
Shares disabled in CREST	7.30 a.m. on 31 July
Latest time and date for receipt of GREEN forms of proxy for the Second General Meeting of ProVen Health	10.00 a.m. on 2 August
Calculation Date	close of business on 2 August
Record Date for Shareholders' entitlements under the Scheme	6.00 p.m. on 2 August
Dealings in Shares suspended	7.30 a.m. on 6 August
Second General Meeting of ProVen Health	10.00 a.m. on 6 August
Effective Date for implementation of the Scheme and commencement of the liquidation of the Company	6 August
Admission to listing and dealings commence in the New ProVen Growth & Income VCT Shares issued pursuant to the Scheme	8.00 a.m. on 7 August
New ProVen Growth & Income VCT Shares issued in uncertificated form credited to CREST accounts of Shareholders under the Scheme	8.00 a.m. on 7 August
Cancellation of listing of Shares from the premium segment of the Official List and trading on the main market of the London Stock Exchange	8.00 a.m. on 7 August
Share and tax certificates in respect of New ProVen Growth & Income VCT Shares issued in certificated form pursuant to the Scheme despatched to Shareholders entitled thereto	week commencing 19 August

Notes:

- (1) For the avoidance of doubt, the Register will remain open until the Effective Date.
- (2) Each of the times and dates in the above expected timetable (other than in relation to the General Meetings) may be extended or brought forward without further notice. If any of the above times and/or dates changes, the revised time(s) and/or date(s) will be notified to Shareholders by an announcement through a Regulatory Information Service provider.

PART 1

LETTER FROM THE CHAIRMAN

PROVEN HEALTH VCT PLC

(Incorporated in England and Wales with registered number 04131354)

Directors:

Charles Pinney (*Chairman*)
Peter Arthur
Frank Harding
Diane James

Registered office:

39 Earlham Street
London
WC2H 9LT

27 June 2013

Dear Shareholder,

Recommended proposals for the reconstruction and voluntary winding up of the Company

1. Introduction

As announced today, the Company has reached agreement with ProVen Growth & Income VCT in respect of a recommended merger pursuant to a scheme of reconstruction and winding up of the Company under section 110 of the Insolvency Act 1986. ProVen Growth & Income VCT is a venture capital trust which was launched in 2001 and is also managed by the Company's investment manager, Beringea.

The Scheme, further details of which are set out in this document, will allow Shareholders to continue their investment in a VCT (and retain the upfront VCT income tax relief they obtained on subscription for their Shares). This document explains the effects of the Proposals, which are conditional on, among other matters, the approval of Shareholders at the General Meetings of the Company to be held on 26 July 2013 and 6 August 2013.

The Board considers the Proposals to be in the interests of Shareholders as a whole and recommends that Shareholders vote in favour of the Resolutions required to implement the Proposals at the General Meetings. Notices of the General Meetings are set out at the end of this document.

In the event that either of the Resolutions is not passed or any other condition of the Proposals is not met, the Proposals will not be implemented and the Company will continue as a separate VCT. In these circumstances, the Board will reassess the options available to the Company.

2. Background to the Proposals

In October 2011, the Board sent a survey to Shareholders seeking their views in relation to the future of the Company. Following the feedback provided by Shareholders, the Company changed its investment policy in March 2012 to give it the flexibility to invest in a number of sectors (rather than restrict investments to the health sector) and has undertaken a number of initiatives in an attempt to increase the size of the Company. The Company completed a merger with Longbow Growth and Income VCT plc under which it acquired LGIV's net assets in consideration for the issue of Shares. The Company also carried out an offer for subscription from February 2012 to April 2012 (spanning the 2011/12 tax year and the 2012/13 tax year) raising gross proceeds of £31,000 and an enhanced share buyback with gross proceeds of £1.2 million being reinvested in the Company.

Notwithstanding these initiatives, as at 30 April 2013 the Company had net assets of £7.6 million. In the light of the difficulties encountered by the Board increasing the size of the Company and the challenging financial markets, the Board decided to consider alternative strategies. The Board has concluded that Shareholders' interests will be best served by a merger with another larger listed VCT. After considering available options including mergers with a number of other VCTs, the Board has reached agreement with

ProVen Growth & Income VCT in respect of a merger of the Company and ProVen Growth & Income VCT pursuant to the Scheme.

3. The Proposals

Under the Proposals, the Company will be wound up voluntarily pursuant to a scheme of reconstruction under section 110 of the Insolvency Act 1986. The Scheme provides for the business and assets of the Company to be transferred to ProVen Growth & Income VCT in consideration for the issue of New ProVen Growth & Income VCT Shares of an equivalent value to Shareholders.

Under the Proposals, the Company will be placed into members' voluntary liquidation and its assets will (after setting aside a Liquidation Fund to cover the estimated liabilities and contingent liabilities of the Company including any amounts required to purchase the Shares of any members who have validly dissented from the Scheme under section 111(2) of the Insolvency Act 1986) be transferred to ProVen Growth & Income VCT in consideration for the issue of New ProVen Growth & Income VCT Shares to Shareholders. The Scheme will be completed on a relative adjusted net asset value basis. The number of New ProVen Growth & Income VCT Shares to be issued to Shareholders will be calculated based on the unaudited net asset value of both VCTs as at the Calculation Date (expected to be 2 August 2013), adjusted to take into account each VCT's allocation of the estimated costs and expenses of the Proposals. Further details of the calculations of value and the number of New ProVen Growth & Income VCT Shares to be issued are set out in paragraphs 3 and 6 of Part 3 of this document.

The New ProVen Growth & Income VCT Shares will rank *pari passu* with the existing ProVen Growth & Income VCT Shares, save that they shall not qualify for the interim dividend payable by ProVen Growth & Income VCT in respect of the period ended 28 February 2013.

The Board and the ProVen Growth & Income VCT Board have considered what the size and future composition of ProVen Growth & Income VCT's board of directors should be following the Scheme becoming effective and have taken into account the amount of the respective net assets of both VCTs. The ProVen Growth & Income VCT Board currently comprises four directors, Marc Vlessing (Chairman), Natasha Christie-Miller, James Stewart and Malcolm Moss (who is also a member of Beringea and is not therefore independent of the Investment Manager). As part of the Proposals, it is intended that Frank Harding will join the ProVen Growth & Income VCT Board on the Effective Date. None of the other Directors will join the enlarged ProVen Growth & Income VCT Board and the total number of directors will reduce from eight directors (across both VCTs) to five directors (with a resultant annual cost saving of approximately £40,000). As part of the participation of ProVen Growth & Income VCT in the Scheme, a resolution will be proposed at the general meeting of ProVen Growth & Income VCT to be held on 30 July 2013 to increase the aggregate cap on fees and expenses of ProVen Growth & Income VCT Directors from £100,000 to £150,000, allowing an additional ProVen Growth & Income VCT Director to be appointed upon the Scheme becoming effective. It is also intended that I will be appointed as a consultant to the ProVen Growth & Income VCT Board to assist with the transition of the Company's investment portfolio to ProVen Growth & Income VCT. This consultancy appointment will last for one year from the Effective Date and any fees payable to me will be borne by the Investment Manager.

4. Interim Dividend

An interim dividend of one pence per Share was declared by the Board on 27 June 2013 and Shareholders who are on the Register at 6.00 p.m. on the record date of 5 July 2013 will be entitled to receive such a dividend. The Interim Dividend will be paid on 25 July 2013. The Shares will go ex dividend on 3 July 2013.

In the light of the Proposals, the Company has announced today the suspension of its dividend re-investment scheme. If the Scheme does not become effective and the Company continues as a standalone VCT, the Board will consider lifting this suspension and reopening the dividend re-investment scheme.

5. Information on ProVen Growth & Income VCT

ProVen Growth & Income VCT is a venture capital trust which was launched in 2001. ProVen Growth & Income VCT aims to provide investors with long-term returns greater than those available from direct investment in quoted businesses by investing in a portfolio of carefully selected smaller companies with excellent growth prospects.

ProVen Growth & Income VCT's investment portfolio consists of 25 unquoted investments and three quoted investments. As at 26 June 2013 (being the latest practicable date prior to publication of this document) the aggregate value of ProVen Growth & Income VCT's investment portfolio was £20.1 million. In addition, ProVen Growth & Income VCT had cash of approximately £25.7 million. As at 28 February 2013 (being the date of the latest published net asset value of a ProVen Growth & Income VCT Share), the net asset value per ProVen Growth & Income VCT Share was 87.7 pence.

If the Scheme becomes effective, Shareholders will continue to benefit from the management expertise of Beringea and reduced basic investment management fees (with the basic investment management fee payable by ProVen Growth & Income VCT being 2.0 per cent. per annum of its net assets compared to the basic investment management fee of 2.5 per cent. of the Company's net assets currently payable) and reduced total expenses as a percentage of net assets. In line with the Company's current management arrangements, the Investment Manager is also entitled to receive a performance incentive fee from ProVen Growth & Income VCT if certain performance conditions are satisfied. Further details of ProVen Growth & Income VCT's investment management arrangements (which will continue if the Scheme becomes effective) are set out in paragraph 8 of Part 4 of this document.

Further details of ProVen Growth & Income VCT are set out in Part 4 of this document and in the accompanying Prospectus published by ProVen Growth & Income VCT.

6. Benefits of the Proposals

The Directors consider that the Proposals have the following benefits for Shareholders:

- they allow Shareholders to roll over their investment in a tax efficient manner (without incurring an immediate liability to UK capital gains tax);
- Shareholders will retain the upfront VCT income tax relief they obtained on subscription for their Shares (provided they retain their New ProVen Growth & Income VCT Shares until at least five years after their Shares were issued);
- Shareholders will be invested in a VCT which already has 28 portfolio investments and will therefore be able to gain exposure to a diversified portfolio of VCT qualifying companies without incurring significant reinvestment costs or portfolio reorganisation costs;
- Shareholders will be invested in a VCT with greater dividend potential than the Company. The ProVen Growth & Income VCT Board has set an objective of paying dividends each year which equate to a yield of approximately 5 per cent. of net asset value;¹
- the enlarged ProVen Growth & Income VCT will have a more diversified portfolio thereby dispersing the portfolio risk across a broader range of investments and businesses;
- the merger of ProVen Growth & Income VCT and the Company will create a single VCT with a greater capital base over which to spread administration and management costs. Shareholders will continue to benefit from the management expertise of Beringea and reduced basic management fees (with the basic investment management fee payable by ProVen Growth & Income VCT being 2.0 per cent. per annum of its net assets compared to the basic investment management fee of 2.5 per cent. of the Company's net assets currently payable) and reduced total expenses as a percentage of net assets;

Note:

1. This is not a profit forecast. There is no certainty that any dividends will be paid by ProVen Growth & Income VCT following the Scheme becoming effective and dividend payments will depend on the amount and timing of profits realised from investments.

- as Beringea will continue to manage the enlarged ProVen Growth & Income VCT's funds after the Scheme is implemented (as Beringea is the investment manager of ProVen Growth & Income VCT), Beringea has agreed to the termination of its existing investment management agreement with the Company on the Effective Date without notice or penalty; and
- ProVen Growth & Income VCT operates a share buy-back policy under which it buys back ProVen Growth & Income VCT Shares at a discount of 10 per cent. to net asset value (allowing shareholders wishing to realise their investment on opportunity to do so). Any such share buy-backs are subject to applicable legislation and VCT regulations and ProVen Growth & Income VCT having sufficient reserves and cash to purchase shares.

7. Performance track record

ProVen Growth & Income VCT has been managed by Beringea since it was launched in 2001. Beringea also manages the Company and two other VCTs: ProVen VCT plc and ProVen Planned Exit VCT plc.

The table below illustrates the net asset value total return of ProVen Growth & Income VCT plc and the total return on the Numis Smaller Companies Index (ex Investment Companies) over the ten year period to 28 February 2013:

		<i>Net asset value total return performance</i>				
		<i>1 year</i>	<i>2 years</i>	<i>3 years</i>	<i>5 years</i>	<i>10 years</i>
		<i>(%)</i>	<i>(%)</i>	<i>(%)</i>	<i>(%)</i>	<i>(%)</i>
ProVen Growth and Income VCT plc						
(i)	Original ordinary shares (Note 4)	12.8	13.2	32.0	19.5	216.2
(ii)	Original C shares (Note 4)	12.8	13.2	32.0	11.4	n/a
(iii)	New ordinary shares issued prior to October 2012 (Note 3)	12.8	13.2	32.0	n/a	n/a
(iv)	D shares (Note 5)	15.5	11.3	8.6	n/a	n/a
(v)	Total return of the Numis Smaller Companies Index (ex Investment Companies)	23.3	28.1	65.4	66.3	332.7

Source: ProVen Growth & Income VCT

Notes:

- (1) Past performance is not a guide to future performance.
- (2) The net asset value total return of ProVen Growth & Income VCT is calculated as the net asset value with dividends reinvested at the net asset value prevailing on the date the dividends were paid. The figures stated are calculated before taking into account the VCT tax benefits received by shareholders.
- (3) New ordinary shares were created from the merger of the original ordinary shares and original C shares in October 2009.
- (4) The performance of the original ordinary shares and the original C shares since 26 October 2009 is shown on a pro forma basis. Original ordinary shares and original C shares ceased to exist from 26 October 2009.
- (5) Following approval at the Shareholder meetings held on 24 October 2012, the D shares were converted into ordinary shares on 29 October 2012. D Shareholders received approximately 1.1427 ordinary shares for each D share previously held.

8. Costs and expenses

The aggregate costs and expenses to be incurred by ProVen Growth & Income VCT and the Company in connection with the Scheme are expected to be approximately £240,000 (including VAT and stamp duty). It is estimated that aggregate costs and expenses of approximately £100,000 (including VAT) will be borne by the Company in connection with the Scheme as ProVen Growth & Income VCT has agreed to meet the first £140,000 of the total costs and expenses of the Scheme with £40,000 of this amount to be reimbursed to ProVen Growth & Income VCT by Beringea by means of a partial management fee waiver over one year commencing on the Effective Date (with £10,000 of the management fees otherwise payable to Beringea waived each quarter until £40,000 of the costs and expenses paid by ProVen Growth & Income VCT have been recovered in full). If the total costs and expenses incurred by ProVen Growth & Income VCT and the

Company are more than £240,000 (including VAT) ProVen Growth & Income VCT and the Company will each meet 50 per cent. of any such costs in excess of this amount.

The Board has also agreed to a Liquidator's retention of up to £20,000 which will be retained by the Liquidator to meet any unforeseen costs and liabilities. If the Scheme does not become effective, the Company will bear abort costs and expenses estimated at approximately £95,000 (including VAT). In these circumstances, the Board will reassess the options available to the Company which may result in additional costs being incurred by the Company.

9. Dealings in Shares on the London Stock Exchange

The Register will remain open until the Effective Date, but the Shares will be disabled in CREST on 31 July 2013. The last day for trading in the Shares on the London Stock Exchange for normal settlement (in order to enable settlement prior to the Record Date) will be 29 July 2013. As from 30 July 2013, dealings should be for cash settlement only and, in the case of certificated Shares, will only be registered if documents of title are delivered immediately. The Record Date, being the date for determining which Shareholders are entitled to participate in the Scheme, is 6.00 p.m. on 2 August 2013. Dealings in the Shares on the London Stock Exchange will be suspended at 7.30 a.m. on 6 August 2013 and it is expected that the listing of the Shares will be cancelled on or around 7 August 2013. Further details regarding dealings in the Shares on the London Stock Exchange are set out in paragraph 2 of Part 2 of this document.

10. Taxation

As explained in more detail in Part 5 of this document, the receipt by Shareholders of ProVen Growth & Income VCT Shares will allow Shareholders to retain any upfront VCT income tax relief they obtained on subscription for their Shares (or, in the case of Shareholders who originally subscribed for shares in Longbow Growth and Income VCT, on subscription for their original shares in Longbow Growth and Income VCT plc) and should not constitute a disposal of their Shares for UK capital gains tax purposes. Shareholders should, for UK tax purposes, effectively be able to treat the New ProVen Growth & Income VCT Shares received pursuant to the Scheme as if they had been acquired at the date of and the cost of the original Shares in the Company (or shares in Longbow Growth and Income VCT plc, if applicable). As ProVen Growth & Income VCT is also a VCT, the usual VCT tax reliefs should continue to apply.

11. Risk factors

For a discussion on certain risk factors which should be taken into account when considering whether to vote in favour of the Resolutions, please see pages 3 to 6 of this document.

12. Shareholder meetings

The notices convening the First General Meeting (to be held at 10.00 a.m. on 26 July 2013) and the Second General Meeting (to be held at 10.00 a.m. on 6 August 2013) are set out on pages 37 to 42. Both General Meetings will be held at the offices of Beringea LLP, 39 Earlham Street, London WC2H 9LT.

First General Meeting

The resolution to be considered at the First General Meeting (which is required under the Insolvency Act 1986 and will be proposed as a special resolution) will, if passed, approve the Scheme and authorise its implementation by the Liquidator. An explanation of this resolution is set out in Part 3 of this document. The resolution will require the approval of at least 75 per cent. of the votes cast in respect of it. The Scheme will not become effective unless and until, *inter alia*, the resolution to be proposed at the Second General Meeting has also been passed.

Second General Meeting

The resolution to be considered at the Second General Meeting (which is required under the Insolvency Act 1986 and will be proposed as a special resolution) will be to wind up the Company voluntarily and appoint the Liquidator. This resolution is subject to the conditions set out in paragraph 11 of Part 3 of this document being fulfilled. The resolution will also authorise the Liquidator to exercise certain powers for which the

express sanction of Shareholders is required. The resolution will require the approval of at least 75 per cent. of the votes cast in respect of it.

Shareholders should note that the Annual General Meeting of the Company convened for 10.00 a.m. on 9 July 2013 will still be held as there is no certainty that the Proposals will become effective.

13. Conditions of the Scheme

Implementation of the Scheme is conditional, *inter alia*, on the Resolutions being passed. If either of the Resolutions is not passed or any of the other conditions to the Scheme are not satisfied, the Proposals will not be implemented, in which event the Company will continue as a separate VCT.

The Scheme is also conditional on the shareholders of ProVen Growth & Income VCT approving the issue of ProVen Growth & Income VCT Shares in connection with the Scheme and on the other conditions set out in paragraph 11 of Part 3 of this document being satisfied.

14. Action to be taken

Shareholders will find enclosed forms of proxy for use in relation to the General Meetings (BLUE for the First General Meeting and GREEN for the Second General Meeting).

Whether or not they propose to attend the General Meetings, Shareholders are asked to complete and return both forms of proxy in accordance with the instructions printed thereon as soon as possible and, in any event, so as to be received by Beringea LLP, 39 Earlham Street, London WC2H 9LT by not later than 10.00 a.m. on 24 July 2013, in the case of the form of proxy for the First General Meeting, and 10.00 a.m. on 2 August 2013, in the case of the form of proxy for the Second General Meeting. Completion and return of a form of proxy will not prevent you from attending and voting in person at the relevant General Meeting should you wish to do so.

15. Overseas Shareholders

The issue of New ProVen Growth & Income VCT Shares to persons, residents in or citizens of jurisdictions outside the United Kingdom may be affected by the laws of the relevant jurisdiction.

Further details relating to Overseas Shareholders are set out in paragraph 5 of Part 2.

16. Directors' intentions and Recommendation

The Board considers the proposals described in this document and the Resolutions to implement them to be in the best interests of Shareholders as a whole. Accordingly, the Board recommends unanimously that Shareholders vote in favour of the Resolutions, as the Directors intend to do in respect of their own beneficial holdings which total 103,537 Shares (representing 0.5 per cent. of the total voting rights in the Company exercisable at each General Meeting).

Shareholders who are in any doubt as to the contents of this document or as to the action they should take should consult their stockbroker, bank manager, solicitor, accountant or an appropriately qualified and duly authorised independent financial adviser without delay.

Yours faithfully

Charles Pinney
Chairman

PART 2

FURTHER DETAILS OF THE PROPOSALS

1. Mechanics of the Proposals

Subject to the passing of the Resolutions (and satisfaction of the other conditions of the Scheme, full details of which are set out in paragraph 11 of Part 3), the Company will be placed into members' voluntary liquidation and the Scheme will take effect with effect from Admission.

Before any assets are transferred to ProVen Growth & Income VCT, the Liquidator will set aside a Liquidation Fund to cover all liabilities of the Company (including tax and contingent and unknown liabilities) and any amounts required to purchase the Shares of any members who have validly dissented from the Scheme under section 111(2) of the Insolvency Act 1986. After provision has been made for the Liquidation Fund, the remainder of the Company's assets will be transferred to ProVen Growth & Income VCT in accordance with the Transfer Agreement. In consideration for the transfer of such assets to ProVen Growth & Income VCT, New ProVen Growth & Income VCT Shares will be issued to Shareholders (save for any dissenting Shareholders).

Any surplus in the Liquidation Fund will be paid in cash to Shareholders on the Register on the Effective Date (as amended for any transfer of Shares after the Effective Date which the Liquidator has sanctioned under section 88 of the Insolvency Act 1986) in accordance with their entitlements under the Scheme as one or more distribution, save that no payment of less than £5.00 shall be made to any Shareholder. Any such residual amounts shall be donated to charity.

2. Dealings in Shares on the London Stock Exchange

The last day for trading in the Shares on the London Stock Exchange for normal settlement (in order to enable settlement prior to the Record Date) will be 29 July 2013. As from 30 July 2013, dealings will be for cash settlement only and, in the case of certificated Shares, will only be registered if documents of title are delivered immediately.

The Record Date, being the date for determining which Shareholders are entitled to participate in the Scheme, is the close of business on 2 August 2013.

If Shareholders dispose of their Shares otherwise than through the London Stock Exchange, they must make their own arrangements with the other parties concerned as regards entitlements under the Scheme.

3. Settlement and dealings in New ProVen Growth & Income VCT Shares

Applications will be made to the UK Listing Authority and the London Stock Exchange respectively for the New ProVen Growth & Income VCT Shares to be issued under the Scheme to be admitted to the premium segment of the Official List and to trading on the London Stock Exchange's main market for listed securities. If the Scheme becomes effective, it is expected that the New ProVen Growth & Income VCT Shares will be admitted to the Official List on 7 August 2013, and that the first day of dealings in such securities will be 7 August 2013.

New ProVen Growth & Income VCT Shares will be issued in registered form and may be held in either certificated or uncertificated form. Those Shareholders who hold their Shares in certificated form at the Record Date will receive their New ProVen Growth & Income VCT Shares in certificated form. It is expected that share certificates in respect of such New ProVen Growth & Income VCT Shares will be despatched to the Shareholders entitled thereto in the week commencing 19 August 2013.

It is expected that Shareholders who hold their Shares in uncertificated form at the Record Date will receive their New ProVen Growth & Income VCT Shares in uncertificated form on 7 August 2013, although ProVen Growth & Income VCT reserves the right to issue such securities in certificated form. In normal circumstances, this is only likely to be exercised in the event of an interruption, failure or breakdown of CREST or of the facilities or system operated by ProVen Growth & Income VCT's registrar in connection with CREST. ProVen Growth & Income VCT will procure that instructions are given to credit the appropriate stock accounts in CREST with the relevant entitlements to New ProVen Growth & Income VCT Shares in uncertificated form.

Share certificates

Existing certificates in respect of Shares will cease to be of value for any purpose following the despatch to Shareholders of certificates in respect of their new holdings in ProVen Growth & Income VCT.

General

All documents and remittances despatched to or from Shareholders or their appointed agents in connection with the Scheme will be despatched at Shareholders' own risk.

4. Dissenting Shareholders

Section 111 of the Insolvency Act 1986 provides that Shareholders have the right to dissent from the Scheme.

In respect of any Shareholders who formally dissent from the Scheme by validly exercising their rights under section 111(2) of the Insolvency Act 1986, the Liquidator will retain an amount of the cash, undertaking and securities of the Company in the Liquidation Fund which at his discretion he believes is sufficient to purchase the interests of such Shareholders.

5. Overseas Shareholders

5.1 The issue of New ProVen Growth & Income VCT Shares to persons resident in or citizens of jurisdictions outside the UK may be affected by the laws of the relevant jurisdiction. Such Shareholders should inform themselves about and observe any legal requirements. In particular:

5.1.1 none of the New ProVen Growth & Income VCT Shares have been or will be registered under the United States Securities Act 1933, as amended, or qualify under applicable United States' state statute and the relevant clearances have not been, and will not be, obtained from the securities commission of any province of Canada, Australia, Japan or South Africa;

5.1.2 New ProVen Growth & Income VCT Shares have not been and will not be registered under the United States Investment Company Act of 1940, as amended, and investors are not entitled to the benefits of that Act; and

5.1.3 no offer is being made, directly or indirectly, under the Scheme, in or into by the use of mails, or by means of instrumentality (including, without limitation, facsimile, transmission, telex or telephone) of interstate or foreign commerce, or of any facility in a national securities exchange, of the United States, Canada, Japan or South Africa.

5.2 It is the responsibility of Shareholders with registered addresses outside the UK to satisfy themselves as to the observance of the laws of the relevant jurisdiction in connection with the issue of New ProVen Growth & Income VCT Shares, including the obtaining of any governmental or exchange control or other consents which may be required, the compliance with any other necessary formalities which need to be observed and the payment of any issue, transfer or other taxes or duties due in such jurisdiction.

PART 3

THE SCHEME

1. Definitions and interpretation

The definitions set out on pages 33 to 36 of this document have the same meaning when used in the context of the Scheme. Save as otherwise provided in this Part 3, any Shares held by persons who validly exercise their rights under section 111(2) of the Insolvency Act 1986 shall be disregarded for the purposes of this Part 3 and shall be treated as if those Shares were not in issue.

2. Apportionment of the Company's total assets

2.1 Subject to the resolution contained in the notice of the First General Meeting being passed at such meeting and becoming unconditional, on the Calculation Date, or as soon as possible thereafter, the Directors, in consultation with the proposed Liquidator and ProVen Growth & Income VCT, shall calculate the aggregate value of the total assets of the Company and the FAV per PHV Share in accordance with paragraph 3.1 below as at the Calculation Date.

2.2 On or prior to the Effective Date, the Liquidator shall divide the undertaking and the assets of the Company into two separate and distinct funds, namely the Liquidation Fund and the Rollover Fund, as follows and in the following order:

- (a) first, there shall be appropriated to the Liquidation Fund such of the cash, undertaking and other assets of the Company (including, without limitation, the right to receive any and all dividends and interest due but not paid to the Company by the Effective Date), which the Liquidator may call in, realise and convert into cash as he considers necessary, of a value calculated in accordance with paragraph 3.1 below and estimated by the Liquidator to be sufficient to meet the outstanding liabilities and contingent liabilities of the Company including, without prejudice to the generality of the foregoing (and save to the extent they have already been paid):
 - (i) the costs and expenses incurred and to be incurred by the Company in connection with the Scheme and the issue of the New ProVen Growth & Income VCT Shares (save to the extent to be borne by ProVen Growth & Income VCT or the Investment Manager under the Costs Contribution and Process Agreement);
 - (ii) the costs of purchasing (or making provision for the purchase of) the interests of Shareholders who have validly exercised their rights to dissent from the Scheme under section 111(2) of the Insolvency Act 1986, provided that the Liquidator will appropriate in respect of such costs or provision a *pro rata* share of the assets, undertaking and securities of the Company;
 - (iii) any unclaimed dividends (so far as not previously paid) and any declared but unpaid dividends;
 - (iv) the costs and expenses of winding up of the Company, including the fees and expenses of the Liquidator (save to the extent to be borne by ProVen Growth & Income VCT or the Investment Manager under the terms of the Costs Contribution and Process Agreement);
 - (v) any tax payable or to become payable by the Company; and
 - (vi) any amounts considered by the Liquidator to be appropriate to provide for any unknown or contingent liabilities of the Company (such amount not to exceed £20,000).

- (b) second, there shall be appropriated to the Rollover Fund all the cash, undertaking and other assets of the business of the Company remaining after the appropriation referred to in paragraph 2.2(a) above.

3. Calculations of value

3.1 Except as otherwise provided in the Scheme, for the purposes of calculating the value of the Company's assets at any time and date at which the calculation of value is required by the Scheme (including when appropriating the assets of the Company to the Liquidation Fund and the Rollover Fund), the assets and liabilities of the Company shall be valued on the following basis:

- (a) investments which are listed, quoted or traded on a recognised stock exchange shall be valued by reference to the bid price on the principal stock exchange where the relevant investment is listed, quoted or traded at the Relevant Time and according to the prices shown by the relevant exchange's method of publication of prices for such investments or, in the absence of such recognised method by the latest price available prior to the Relevant Time. If the relevant exchange is not open for business at the Relevant Time, the investments will be valued as at the latest day prior to the relevant date on which the relevant stock exchange was open for business;
- (b) unquoted investments and quoted investments which are subject to restrictions on transferability or which, in the opinion of the Directors (or a duly constituted committee thereof) are otherwise illiquid shall be valued at their fair value as agreed between the Company and ProVen Growth & Income VCT (or, in the absence of agreement, as determined by an independent valuer appointed by agreement between the Company and ProVen Growth & Income VCT);
- (c) all money market instruments and other short term securities issued by a UK clearing bank, UK Treasury bills and other debt securities not included in sub-paragraph 3.1(a) above denominated in sterling shall be valued at par (together with any interest accrued to the Relevant Time less any tax payable thereon to that date);
- (d) cash and deposits with, or balances at, banks, together with all bills receivable, shall be valued at the amount thereof (together with any interest accrued to the Relevant Time less any tax payable thereon to that date);
- (e) any sums owing from debtors (including any dividends due but not paid and any accrual of interest on debt-related securities to the extent not already taken into account under subparagraph 3.1(a), (b), (c) or (d) above) as at the Relevant Time shall be valued at their actual amount less such provision for diminution of value (including provisions for bad or doubtful debts or discount to reflect the time value of money) as may be determined by the Directors;
- (f) all other tangible assets shall be valued by the Directors who, in so doing, shall, if appropriate, value such assets as at the Relevant Time in accordance with the Company's normal accounting policies;
- (g) all income earned or accrued up to the Calculation Date shall be treated as an asset at the Relevant Time and all expenses (including interest costs) incurred or accrued up to the Calculation Date shall be treated as a liability at the Relevant Time;
- (h) any securities issued by an issuer which is in liquidation, administration, receivership or any analogous proceedings in any jurisdiction, and any securities which have any listing suspended, shall be valued by the Directors;
- (i) any assets denominated in currencies other than sterling shall be converted into sterling at the ruling middle market rates of exchange available in the London foreign exchange market as at the Relevant Time; and

- (j) liabilities shall be valued in accordance with the Company's normal accounting policies. Such liabilities shall include unpaid Scheme costs and expenses including costs and expenses incurred or to be incurred by the Company in formulating, preparing and implementing the Proposals.

In this paragraph 3.1, the **Relevant Time** means the time and date at which any calculation of value is required by the Scheme to be made (and, for the purposes of apportioning assets to the Liquidation Fund and the Rollover Fund, shall be the Calculation Date). The Directors shall consult with the Liquidator in making determinations pursuant to this paragraph 3.1.

- 3.2 Notwithstanding the foregoing, the Directors or a duly authorised committee thereof, may, in their absolute discretion (but in consultation with the Liquidator), permit an alternative method of valuation to be used if, acting in good faith, they consider that such valuation better reflects the fair value of any asset or security.
- 3.3 The FAV per PHV Share shall be calculated by the Directors and shall be the adjusted net asset value of a Share as at the Calculation Date calculated in accordance with paragraph 3.1 above (and otherwise in accordance with the Company's normal accounting policies) adjusted to make a deduction in respect of any interim dividend which has been declared but not paid and after deducting the value of the undertaking, cash and other assets of the Company comprising the Liquidation Fund which shall include the costs and expenses of the Proposals to be borne by the Company (save to the extent to be met or reimbursed by any other person pursuant to the Costs Contribution and Process Agreement or otherwise). The FAV per PHV Share (expressed in pence) shall be calculated to two decimal places (with 0.005 rounded down).
- 3.4 The FAV per PGIV Share will be calculated by ProVen Growth & Income VCT and will be based on ProVen Growth & Income VCT's adjusted net asset value (as valued in accordance with its normal accounting policies). Investments which are listed, quoted or traded on a recognised stock exchange will be valued by reference to the bid price on the principal stock exchange where the relevant investment is listed, quoted or dealt. Unquoted investments will be valued at their fair value as agreed between the Company and ProVen Growth & Income VCT (or, in the absence of agreement, as determined by an independent valuer appointed by agreement between the Company and ProVen Growth & Income VCT). The FAV per PGIV Share will be the net asset value of a ProVen Growth & Income VCT Share adjusted to make a deduction in respect of any interim dividend which has been declared but not paid (and which holders of New ProVen Growth & Income VCT Shares will not receive) and the costs and expenses of the Proposals to be borne by ProVen Growth & Income VCT (save to the extent to be met or reimbursed by any other person pursuant to the Costs Contribution and Process Agreement or otherwise). The FAV per PGIV Share (expressed in pence) shall be calculated to two decimal places (with 0.005 rounded down).
- 3.5 None of the Directors, the Investment Manager, the ProVen Growth & Income VCT Directors nor the Liquidator shall be under any liability by reason of the fact that a price reasonably believed to be the appropriate market price of any listed investment or any valuation reasonably believed to be appropriate may subsequently be found not to have been the appropriate market price or valuation.

4. Provision of information by Liquidator

On the Effective Date, or as soon as practicable thereafter, the Investment Manager, on the instructions of the Liquidator, shall procure that there shall be delivered to ProVen Growth & Income VCT (or its nominee) particulars of the assets comprised in the Rollover Fund and a list certified by the Registrar of the names and addresses of, and the numbers of Shares held by each Shareholder on the Register on the Record Date and the entitlements of such Shareholders to New ProVen Growth & Income VCT Shares under the Scheme.

5. Transfer of assets

- 5.1 On the Effective Date, or as soon as practicable thereafter, the Liquidator (in his personal capacity and on behalf of the Company) shall enter into and implement the Transfer Agreement (subject to

such modifications as may be agreed between the parties thereto), whereby the Liquidator shall procure the transfer of the Rollover Fund to ProVen Growth & Income VCT (or its nominee) in exchange for the issue of New ProVen Growth & Income VCT Shares to holders of Shares on the basis set out in paragraph 6.1 of this Part 3.

- 5.2 The Transfer Agreement provides that the assets to be transferred to ProVen Growth & Income VCT shall be transferred with such rights and title as the Company may have in respect of the same or any part thereof subject to and with the benefit of all and any rights, restrictions, obligations, conditions and agreements affecting the same or any part thereof, including the right to all income, dividends, distributions, interest and other rights and benefits attaching thereto or accruing therefrom except for any such income, dividend, distribution, interest or other right or benefit on any investments marked “ex” the relevant income, dividend, distribution, interest or other right or benefit at or prior to the Effective Date. The Transfer Agreement further provides that the Liquidator, insofar as he is reasonably able to do so by law or otherwise, shall comply with all reasonable requests made by ProVen Growth & Income VCT (or its nominee) in respect of the assets to be acquired and shall, in particular, account to ProVen Growth & Income VCT for all income, dividends, distributions, interest and other rights and benefits in respect of such assets received after the Effective Date, except for any such income, dividend, distribution, interest or other right or benefit on any investment marked “ex” the relevant income, dividend, distribution, interest or other right or benefit at or prior to the Effective Date.

6. Issue of New ProVen Growth & Income VCT Shares

- 6.1 In consideration for the transfer of the Rollover Fund to ProVen Growth & Income VCT in accordance with paragraph 5 above, New ProVen Growth & Income VCT Shares shall be issued to the holders of Shares (other than any such holders who shall have validly exercised their rights in accordance with section 111(2) of the Insolvency Act 1986) on the basis that the number of New ProVen Growth & Income VCT Shares to be issued to each holder of Shares shall be determined by the following formula and otherwise on the terms and in the manner prescribed in the Transfer Agreement:

$$A = \frac{B \times C}{D}$$

where:

A = the aggregate number of New ProVen Growth & Income VCT Shares to be issued to each Shareholder holding Shares;

B = the FAV per PHV Share;

C = the number of Shares held by the relevant Shareholder; and

D = the FAV per PGIV Share,

provided that no fraction of a ProVen Growth & Income VCT Share shall be issued to such Shareholder, and assets in the Rollover Fund representing fractional entitlements will be retained for the benefit of ProVen Growth & Income VCT.

- 6.2 The New ProVen Growth & Income VCT Shares to be issued pursuant to paragraph 6.1 shall be allotted, credited as fully paid, to the Liquidator (as nominee for the Shareholders entitled thereto) as soon as practicable after the delivery to ProVen Growth & Income VCT (or its nominee) of the particulars referred to in paragraph 4 above, whereupon the Liquidator shall renounce the relevant New ProVen Growth & Income VCT Shares to the Shareholders entitled thereto and ProVen Growth & Income VCT shall issue such New ProVen Growth & Income VCT Shares to such Shareholders. ProVen Growth & Income VCT shall:
- (a) in the case of New ProVen Growth & Income VCT Shares issued in certificated form, arrange for the despatch of certificates for such shares issued under the Scheme to the Shareholders entitled thereto at their respective addresses in the Register (and, in the case of joint holders,

to the address of the first-named) or to such other person and address as may be specified by such persons in writing, in each case at the risk of the persons entitled thereto; and

- (b) in the case of New ProVen Growth & Income VCT Shares issued in uncertificated form, procure that Euroclear is instructed on the first Business Day following the Effective Date (or as soon as practicable thereafter) to credit the appropriate stock accounts in CREST of the Shareholders entitled thereto with their respective entitlements to New ProVen Growth & Income VCT Shares issued under the Scheme.

- 6.3 ProVen Growth & Income VCT shall be entitled to assume that all information delivered to it in accordance with paragraph 4 above is correct and to utilise the same in procuring registration in the ProVen Growth & Income VCT register of members of the holders of the New ProVen Growth & Income VCT Shares issued under the Scheme.

7. Application of the Liquidation Fund

- 7.1 On or following the Effective Date, the Liquidation Fund shall be applied by the Liquidator in discharging the liabilities of the Company including to purchase the interests of Shareholders who have validly exercised their rights to dissent from the Scheme under section 111(2) of the Insolvency Act 1986. Any remaining balance shall be allocated between holders of Shares on the register of members of the Company on the Effective Date *pro rata* according to their registered holdings of Shares on that date.
- 7.2 Any surplus allocated to the Shareholders pursuant to paragraph 7.1 above shall be paid in cash to such Shareholders as one or more Liquidation distributions, provided that the aggregate value of the assets of the Liquidation Fund is not less than £1,000 and no payment of less than £5.00 shall be made to any Shareholder, such amounts to be donated to Cancer Research UK (Charity number 1089464 in England and Wales). The Liquidator shall be entitled to make interim payments to such Shareholders on the basis set out above. Any distributions will be made by cheque only.

8. Modifications

The provisions of the Scheme shall have effect subject to such non-material modifications or additions as the Directors and the parties to the Transfer Agreement may from time to time approve in writing.

9. Reliance on information

The Company, the Directors, the Liquidator, the Investment Manager and ProVen Growth & Income VCT shall be entitled to act, and rely without enquiry, on any information furnished or made available to them or any of them (as the case may be) in connection with the Scheme and the Transfer Agreement, including, for the avoidance of doubt, any certificate, opinion, advice, valuation, evidence or other information furnished or made available to them by the Company, the Directors (or any of them), the Investment Manager, ProVen Growth & Income VCT, the ProVen Growth & Income VCT Directors or the Registrar, auditors, bankers or other professional advisers, and no such person shall be liable or responsible for any loss suffered as a result thereof by the Company, any Shareholder, ProVen Growth & Income VCT or any shareholder of ProVen Growth & Income VCT.

10. Liquidator's liability

Nothing in the Scheme or in any document executed under or in connection with the Scheme shall impose any personal liability on the Liquidator save for any liability arising out of any negligence, fraud, breach of duty or wilful default by the Liquidator in the performance of his duties and this shall, for the avoidance of doubt, exclude any such liability for any action taken by the Liquidator in accordance with the Scheme or the Transfer Agreement.

11. Conditions

11.1 The Scheme is conditional on:

- (a) the passing of the resolution to be proposed at the First General Meeting and on any conditions of such resolution (other than any such conditions relating to this paragraph 11.1) being satisfied and the passing of the resolution to be proposed at the Second General Meeting and on any conditions of such resolution (other than any such conditions relating to this paragraph 11.1) being satisfied;
- (b) the passing of the resolution of ProVen Growth & Income VCT to approve the allotment of New ProVen Growth & Income VCT Shares in connection with the Scheme and amend its articles of association (to increase the cap on the aggregate fees and expenses of ProVen Growth & Income VCT Directors from £100,000 to £150,000, allowing an additional ProVen Growth & Income VCT Director to be appointed upon the Scheme becoming effective) at the general meeting of ProVen Growth & Income VCT convened for 30 July 2013 or any adjournment of that meeting;
- (c) the UKLA, having acknowledged to the Company or its agent (and such acknowledgement not having been withdrawn) that the application for the admission of the New ProVen Growth & Income VCT Shares to the Official List with a premium listing has been approved and (after satisfaction of any conditions to which such approval is expressed to be subject ("Listing Conditions")) will become effective as soon as dealing notice has been issued by the Financial Conduct Authority and any Listing Conditions having been satisfied and the London Stock Exchange having acknowledged to the Company or its agent (and such acknowledgement not having been withdrawn) that the New ProVen Growth & Income VCT Shares will be admitted to trading, subject only to allotment; and
- (d) the Directors not having exercised their right in accordance with paragraph 12.2 below not to proceed with the Scheme.

11.2 Subject to paragraphs 11.1 and 11.4, the Scheme shall become effective on the date on which the special resolution or the winding up of the Company to be proposed at the Second General Meeting (or any adjournment thereof) is passed.

11.3 If it shall become effective, the Scheme shall, subject to the rights of any Shareholders who have validly exercised their rights to dissent under section 111(2) of the Insolvency Act 1986, be binding on all Shareholders and on all persons claiming through or under them.

11.4 Unless the Scheme shall become effective on or before 30 September 2013, the Scheme shall never become effective.

12. General

12.1 Any instructions for the payment of dividends on Shares in force on the Effective Date and lodged with the Company and/or the Registrars shall, unless and until revoked by notice in writing to the Registrars or ProVen Growth & Income VCT's registrars (as the case may be), continue to apply in respect of distributions or allocations of, or the other application of, monies under the Scheme or in respect of the issue of New ProVen Growth & Income VCT Shares under the Scheme.

12.2 If, within seven days after the passing of the resolutions proposed at the First General Meeting, Shareholders validly exercise their rights under section 111(2) of the Insolvency Act 1986 in respect of more than 10 per cent. in nominal value of the issued Shares, the Directors may, but shall not be obliged to, abandon the Scheme.

12.3 The Scheme shall, in all respects, be governed by, and construed in accordance with, the laws of England.

27 June 2013

PART 4

PROVEN GROWTH AND INCOME VCT PLC

1. Constitution and status

ProVen Growth & Income VCT (previously known as ProVen Media VCT plc and Wisemanor plc) was launched in 2001 with the investment objective of providing investors with long-term returns greater than those available from direct investment in quoted businesses by investing in a portfolio of carefully selected smaller companies with excellent growth prospects. ProVen Growth & Income VCT is also a VCT managed by Beringea.

2. Directors

The directors of ProVen Growth & Income VCT are Marc Vlessing (Chairman), Natasha Christie-Miller, Malcolm Moss and James Stewart. Malcolm Moss is a member of Beringea (and is therefore not independent of the Investment Manager). As part of the Proposals it is intended that Frank Harding will join the ProVen Growth & Income VCT Board on the Effective Date. It is also intended that Charles Pinney will be appointed as a consultant to the ProVen Growth & Income VCT Board to assist with the transition of the Company's investment portfolio to ProVen Growth & Income VCT. This consultancy appointment will last for one year from the Effective Date and any fees payable to the consultant will be borne by the Investment Manager.

3. Investments and net asset value

ProVen Growth & Income VCT's investment portfolio consists of 25 unquoted investments and three quoted investments. As at 26 June 2013 (being the latest practicable date prior to the publication of this document) the aggregate value of ProVen Growth & Income VCT's investment portfolio was £20.1 million. In addition, ProVen Growth & Income VCT had cash of approximately £25.7 million. As at 28 February 2013 (being the date of the latest published net asset value of a ProVen Growth & Income VCT Share), the net asset value per ProVen Growth & Income VCT Share was 87.7 pence.

Source: ProVen Growth & Income VCT.

4. Current investment policy and proposed investment policy

ProVen Growth & Income VCT's current investment policy is to achieve long-term returns greater than those available from investing in a portfolio of quoted companies, by investing in a portfolio of carefully selected qualifying investment in small and medium sized unquoted companies with excellent growth prospects and a portfolio of non-qualifying investments including cash, liquidity funds, fixed interest securities and non-qualifying venture capital investments. The full text of ProVen Growth & Income VCT's current investment policy is set out in the accompanying Prospectus.

The ProVen Growth & Income VCT Board believes that the performance of ProVen Growth & Income VCT could be improved if its investment policy gave it more flexibility to invest in debt and debt-related securities in growth companies within its portfolio of non-qualifying investments, either directly or indirectly. ProVen Growth & Income VCT already provides debt funding alongside equity funding within many of its qualifying investments and is proposing to amend its investment policy to allow investment in debt and debt-related securities from the non-qualifying venture capital investment portfolio.

Accordingly, at the ProVen Growth & Income VCT General Meeting a resolution will be proposed to amend the investment policy. The Scheme is not conditional upon ProVen Growth & Income VCT Shareholders approving the proposed change to the investment policy. The full text of the proposed investment policy is also set out in the Prospectus.

5. Dividend policy

The ProVen Growth & Income VCT Directors have set an objective of paying dividends each year which will equate to a yield of approximately 5 per cent. 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 amount and timing of profits realised from the sale of investments, which cannot be guaranteed. There is no certainty that any dividends will be paid. The ProVen Growth & Income VCT Board may decide to pay a special dividend if there is a realisation from its portfolio which results in an exceptionally large gain which may result in dividends being paid of in excess of the target yield of 5 per cent. The average annual dividend yield from the ordinary shares of the Company over the past five financial years (to 28 February 2013) has been 4.1 per cent. of NAV, although this is not a guide to the future level of dividend payments.

ProVen Growth & Income VCT has declared an interim dividend of four pence per ProVen Growth & Income VCT Share in respect of the period ended 28 February 2013 which will be paid on 2 August 2013 to shareholders on its register of members on 5 July 2013. The New ProVen Growth & Income VCT Shares will not therefore qualify to receive this dividend.

6. Share capital

ProVen Growth & Income VCT's share capital comprises ordinary shares of 1.6187 pence each. The New ProVen Growth & Income VCT Shares will rank *pari passu* with the existing ProVen Growth & Income VCT Shares, save that they shall not qualify for the dividend payable by ProVen Growth & Income VCT in respect of the period ended 28 February 2013.

7. Buy-back policy

Under the guidelines currently established by the ProVen Growth & Income VCT Board, the ProVen Growth & Income VCT Directors aim to provide ProVen Growth & Income VCT Shareholders who wish to sell their ProVen Growth & Income VCT Shares with an opportunity to do so by operating an active policy of purchasing ProVen Growth & Income VCT Shares in the market. Subject to ensuring sufficient liquidity to meet working capital requirements and any need to retain funds to remain at an economically viable size, it is the intention that ProVen Growth & Income VCT will buy back ProVen Growth & Income VCT Shares where it has sufficient cash and reserves available to do so at a discount of approximately 10 per cent. to the most recently announced NAV per ProVen Growth & Income VCT Share (as adjusted for any dividends paid since the announcement).

8. Management fees and annual expenses

8.1 Basic management fees

Beringea is entitled to receive an annual investment management fee of 2.0 per cent. of the ProVen Growth & Income VCT's net assets, calculated and paid on a quarterly basis. However, the annual running costs of ProVen Growth & Income VCT (excluding trail commission, performance incentive fees and certain other amounts) are capped at 3.6 per cent. of its net assets; any excess will either be paid by the Investment Manager or refunded to ProVen Growth & Income VCT by way of a reduction to the Investment Manager's fees.

8.2 Performance fees

In line with normal VCT practice, the Investment Manager is also entitled to receive a performance related incentive fee. The incentive fee is based on the performance of separate tranches of shares issued by ProVen Growth & Income VCT being the Original Ordinary Shares; ProVen Growth & Income VCT Shares issued prior to the 2010/11 Offer; and ProVen Growth & Income VCT Shares issued pursuant to the 2010/2011 Offer and the 2011/12 Offer; ProVen Growth & Income VCT Shares which arose upon the conversion of the ProVen Growth & Income VCT D Shares into ProVen Growth & Income VCT Shares on 29 October 2012; and ProVen Growth & Income VCT Shares issued pursuant to the 2012/13 Offer and the 2013/14 Offer. Each such tranche of shares has its own performance hurdles and targets before a performance fee is payable. Details of the performance fee arrangements are set out below:

Original Ordinary Shares

In relation to dividends paid as the result of the realisation of investments made from the Original Ordinary Share fund, Beringea is entitled to receive an incentive fee equal to 15 per cent. of the cumulative dividends paid from 1 March 2006 up to 4p per Original Ordinary Share per annum, plus 20 per cent. of the cumulative dividends paid from 1 March 2006 in excess of 4p per Original Ordinary Share per annum, less the amount of any incentive fee previously paid to Beringea in relation to the Original Ordinary Shares. For the purposes of calculating this element of the performance incentive fee for dividends paid following the exchange of Original Ordinary Shares for ProVen Growth & Income VCT Shares, a pro-forma dividend per Original Ordinary Share will be calculated, based on the number of Original Ordinary Shares in issue immediately prior to the share exchange.

ProVen Growth & Income VCT Shares issued prior to the 2010/2011 Offer

In relation to the other ProVen Growth & Income VCT Shares issued prior to the 2010/2011 Offer, providing that the Performance Value per ProVen Growth & Income VCT Share is at least 130p, Beringea is entitled to receive a performance incentive fee equal to 15 per cent. of the cumulative dividends paid on the ProVen Growth & Income VCT Shares after 1 March 2009 up to 4p per ProVen Growth & Income VCT Share per annum, plus 20 per cent. of the cumulative dividends paid after 1 March 2009 in excess of 4p per ProVen Growth & Income VCT Share per annum, less the amount of any incentive fee previously paid to Beringea in relation to the ProVen Growth & Income VCT Shares. Dividends paid on the C Shares prior to the exchange of C Shares for ProVen Growth & Income VCT Shares shall be treated as dividends on the ProVen Growth & Income VCT Shares.

ProVen Growth & Income VCT Shares issued pursuant to the 2010/11 Offer and 2011/12 Offer

In relation to the ProVen Growth & Income VCT Shares issued under the 2010/2011 Offer and 2011/2012 Offers (the "Further Ordinary Shares"), providing that ProVen Growth & Income VCT has paid cumulative dividends equal to at least 4 per cent. of the weighted average Offer Price per Further Ordinary Share per annum for the financial years commencing on or after 1 March 2014 and the Performance Value per Further Ordinary Share is at least 1.3 times the weighted average Offer Price per Further Ordinary Share, Beringea is entitled to receive a performance incentive fee equal to 15 per cent. of the cumulative dividends paid on the Further Ordinary Shares after 1 March 2014 up to 4 per cent. of the weighted average Offer Price per Further Ordinary Share per annum, plus 20 per cent. of the cumulative dividends paid after 1 March 2014 in excess of 4 per cent. of the weighted average Offer Price per Further Ordinary Share per annum, less the amount of any incentive fee previously paid to Beringea in relation to the Further Ordinary Shares.

Converted Ordinary Shares

Beringea is entitled to receive performance incentive fees in respect of ProVen Growth & Income VCT Shares which arose upon the conversion of the ProVen Growth & Income's D Shares into Ordinary Shares on 29 October 2012 (the "Converted Ordinary Shares"). These are first calculated in relation to the financial years starting on or after 1 March 2012 and provided that:

- (i) the ProVen Growth & Income has returned to holders of Converted Ordinary Shares who subscribed under the D Share prospectuses in aggregate an amount equal to 22.4p per £1 so subscribed; and
- (ii) total return per £1 subscribed under the D Share prospectuses exceeds 116.4p, an annual performance incentive fee (inclusive of VAT if applicable) is payable equal to: (i) 33 per cent. of the cumulative dividends paid in relation to the financial years starting on or after 1 March 2012 over and above 2.7 pence per Converted Ordinary Share per annum but less than 5.4 pence per Converted Ordinary Share per annum; plus (ii) 20 per cent. of the cumulative dividends paid in relation to the financial years starting on or after 1 March 2012 in excess of 5.4 pence per Converted Ordinary Share per annum, less the cumulative amount of any incentive fee previously paid to the Investment Manager.

ProVen Growth & Income VCT Shares issued pursuant to the 2012/13 Offer and 2013/14 Offer

In relation to the ProVen Growth & Income VCT Shares issued under the 2012/2013 Offer and the 2013/2014 Offer (the “2012/2013 Ordinary Shares”), providing that ProVen Growth & Income VCT has paid cumulative dividends equal to at least 4 per cent. of the weighted average Offer Price per 2012/2013 Ordinary Share per annum for the financial years starting 1 March 2016 and the Performance Value per 2012/2013 Ordinary Share is at least 1.3 times the weighted average Offer Price per 2012/2013 Ordinary Share, Beringea is entitled to receive a performance incentive fee equal to 15 per cent. of the cumulative dividends paid on the 2012/2013 Ordinary Shares after 1 March 2016 up to 4 per cent. of the weighted average Offer Price per 2012/2013 Ordinary Share per annum, plus 20 per cent. of the cumulative dividends paid after 1 March 2016 in excess of 4 per cent. of the weighted average Offer Price per 2012/2013 Ordinary Share per annum, less the amount of any incentive fee previously paid to Beringea in relation to the 2012/2013 Ordinary Shares.

There was no performance fee payable to Beringea by the Company in respect of the financial year ended 28 February 2013.

8.3 Annual running costs

ProVen Growth & Income VCT’s annual running costs (excluding trail commission, performance incentive fees and certain other amounts) are capped at 3.6 per cent. of its net assets at the year end. Any excess will be paid by Beringea by reducing its fees payable (with any such reduction being in addition to the contribution to the costs of the Proposals of £40,000 to be reimbursed by Beringea to ProVen Growth & Income VCT by means of a partial management fee waiver with £10,000 of the management fees otherwise payable waived each quarter until the costs contribution has been paid in full).

9. Accounts and auditors

The accounting reference date of ProVen Growth & Income VCT is 28 February and annual accounts are dispatched in July each year with half yearly accounts for the six months period to 31 August usually being dispatched in October each year. The auditors of ProVen Growth & Income VCT are BDO LLP.

10. Publication of NAV

The NAV of a ProVen Growth & Income VCT Share will be calculated at least on a quarterly basis and published via a Regulatory Information Service. The most recent unaudited NAV and share price of a ProVen Growth & Income VCT Share are available free on the website of the London Stock Exchange.

PART 5

TAXATION

The following paragraphs apply to the Company and to such persons holding Shares as an investment in the Company who are the absolute beneficial owners of such Shares and are resident in the UK. They may not apply to certain classes of persons, such as dealers in securities. The following information is based on current UK law and practice and is subject to changes therein, is given by way of general summary and does not constitute legal or tax advice.

If you are in any doubt about your position, or if you may be subject to tax in a jurisdiction other than the UK, you should consult your independent financial adviser.

1. Receipt by Shareholders of ProVen Growth & Income VCT Shares

The receipt by Shareholders of ProVen Growth & Income VCT Shares under the Scheme will allow Shareholders to retain any upfront VCT income tax relief they obtained on subscription for their Shares (provided they retain their New ProVen Growth & Income VCT Shares until at least five years after their original Shares in the Company were issued). Former shareholders of Longbow Growth and Income VCT plc who received Shares under the terms of the merger with the Company in March 2012 will also retain any upfront VCT income tax relief they obtained on subscription for their shares in Longbow Growth and Income VCT plc (provided that they retain their New ProVen Growth & Income VCT Shares until at least five years after their original shares in Longbow Growth and Income VCT plc were issued).

The effective exchange of existing Shares in the Company for ProVen Growth & Income VCT Shares should not constitute a disposal of the existing Shares for the purposes of UK taxation. Instead, the new holdings of ProVen Growth & Income VCT Shares should be treated as having been acquired at the same time and at the same cost as the existing Shares in the Company from which they are derived.

For Shareholders holding (together with their associates) more than 5 per cent. of the Shares in the Company, clearance has been obtained from HMRC in terms of section 138 of TCGA that the treatment described above for persons who (together with their associates) own less than 5 per cent. of the Shares in the Company should also apply to them.

Shareholders in ProVen Growth & Income VCT, as a VCT, should be afforded the usual reliefs available to shareholders in VCTs. Shareholders should receive dividends paid tax-free and should not be subject to UK taxation on any capital gains on the disposal of ProVen Growth & Income VCT Shares.

No UK stamp duty will be payable by Shareholders as a result of the implementation of the Scheme.

2. Dissenting shareholders

Dissenting Shareholders whose holdings are purchased for cash shall be treated as having disposed of their existing Shares in the Company. The Company should still be able to claim benefit of VCT status and the dissenting Shareholder should not be subject to any UK taxation in respect of any capital gains arising on disposal. However, the purchase will constitute a disposal of the existing holding in the Company. As dissenting Shareholders who subscribed for their Shares in the past five years would, in these circumstances, dispose of Shares within the holding period required to retain upfront tax relief, income tax relief on those subscriptions will also be repayable.

3. Clearances

Clearance has been obtained from HMRC in respect of the Scheme under section 701 of the Income Tax Act 2007 and section 138 of TCGA. With regard to the former, the receipt of ProVen Growth & Income VCT Shares should not, except in the case of dealers, fall to be regarded as an income receipt for the purposes of UK taxation.

Clearance has been received from HMRC that the receipt by Shareholders of ProVen Growth & Income VCT Shares under the Scheme should not prejudice tax reliefs obtained by Shareholders on existing Shares in the Company and should not be regarded as a disposal.

PART 6

GENERAL INFORMATION

1. Share capital

- 1.1 As at the date of this document, the issued share capital of the Company is as follows:

	<i>Number of issued and fully paid Ordinary Shares</i>	<i>Total nominal value (£)</i>
Ordinary Shares of 1p each	20,607,864	£206,078.64

- 1.2 No share or loan capital of the Company is under option or has been agreed, conditionally or unconditionally, to be put under option.

2. Disclosure of interests

- 2.1 The names and business addresses of the Directors, all of whom are non-executive, are as follows:

Charles Pinney
Peter Arthur
Frank Harding
Diane James

all of 39 Earlham Street, London WC2H 9LT.

- 2.2 As at 26 June 2013, the interests of the Directors, or their immediate families, in the share capital of the Company (all of which were beneficial unless otherwise stated):

- (a) which had been or will be required to be notified to the Company pursuant to the Disclosure and Transparency Rules; or
- (b) being interests of a person connected (within the meaning of the Disclosure and Transparency Rules) with a Director which would, if such connected person were a Director, be required to be disclosed under (a) above and the existence of which was known to or could, with reasonable diligence, be ascertained by the Director, were as follows:

<i>Director</i>	<i>No. of Shares</i>	<i>% of voting rights</i>
Charles Pinney	9,103	0.04%
Peter Arthur	71,257	0.35%
Frank Harding	23,177	0.11%
Diane James	Nil	Nil

- 2.3 No compensation is payable by the Company in connection with the loss of office of any of the Directors in connection with the Proposals. The total emoluments receivable by the Directors will not be varied in consequence of the Proposals, save that, in recognition of the significant additional work undertaken by them in relation to the strategic review carried out of the future of the Company, the Directors will each receive additional remuneration of £5,000.
- 2.4 No Director is or has been interested 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 in the financial period ended 31 January 2013 or in the current financial year.
- 2.5 As at the close of business on 26 June 2013, the Company was not aware of any persons who directly or indirectly were interested in 3 per cent. or more of its issued share capital.

3. Material contracts

Save as disclosed in this paragraph 3, the Company has not entered into (other than in the ordinary course of business) (a) any contract which is or may be material to the Company within two years immediately preceding the publication of this document or (b) any contract containing provisions under which the Company has any obligation or entitlement which is material to the Company at the date of this document.

- 3.1 If the resolution to be proposed at the Second General Meeting is passed, the Liquidator (in his personal capacity and on behalf of the Company) will enter into the Transfer Agreement on or about the Effective Date, pursuant to which the undertaking and assets of the Company (other than those comprised in the Liquidation Fund) will be transferred to ProVen Growth & Income VCT in consideration for the issue of New ProVen Growth & Income VCT Shares to Shareholders. Further details of the Transfer Agreement are set out in paragraph 5 of Part 3 of this document.
- 3.2 A Costs Contribution and Process Agreement dated 27 June 2013 between the Company, ProVen Growth & Income VCT and the Investment Manager, whereby the parties have agreed to regulate the liability for costs and expenses incurred in relation to the Proposals and their conduct in relation to certain matters relevant to the implementation of the Scheme. Under this agreement, ProVen Growth & Income VCT has agreed to meet the first £140,000 of the costs and expenses incurred by the Company and ProVen Growth & Income VCT in connection with the Scheme. Beringea agrees to reimburse £40,000 (inclusive of VAT) of the amount payable by ProVen Growth & Income VCT by means of a partial fee waiver over one year commencing on the Effective Date (with £10,000 of the management fees otherwise payable to Beringea waived each quarter until £40,000 of the costs and expenses paid by ProVen Growth & Income VCT have been recovered in full). The Company will be responsible for meeting any of the other costs and expenses incurred in connection with the Proposals up to a total of £100,000 (including VAT). In the event that the costs and expenses incurred by the Company and ProVen Growth & Income VCT in connection with the Proposals are less than £240,000 (inclusive of VAT) the corresponding savings would accrue exclusively to Shareholders. If the total costs and expenses incurred by ProVen Growth & Income VCT and the Company are more than £240,000 (inclusive of VAT), ProVen Growth & Income VCT and the Company will each meet 50 per cent. of any such costs in excess of this amount. Under this agreement, Beringea also agrees to pay or meet any fees and expenses of up to £22,500 (including VAT, if applicable) otherwise payable by ProVen Growth & Income VCT to Charles Pinney as a consultant to ProVen Growth & Income VCT. Any fees payable by ProVen Growth & Income VCT to Frank Harding (as the Proposed Director), by Beringea to Charles Pinney (in respect of the consultancy appointment) or any additional fees payable by the Company to the Directors (in recognition of the additional work undertaken by them in connection with the strategic review carried out of the future of the Company) shall not be treated as costs and expenses of the Scheme for the purposes of the Costs Contribution and Process Agreement. In addition, each of the parties has irrevocably undertaken, in connection with the Scheme, to enter into the Transfer Agreement as soon as practicable on the Effective Date (details of which agreement are set out in paragraph 3.1 above). Each of the parties to the Costs Contribution and Process Agreement has undertaken to use its reasonable endeavours to implement the Scheme.
- 3.3 An investment management agreement dated 12 February 2001 between the Company and Sitka Limited ("Sitka"), under which Sitka was appointed manager of the Company. Pursuant to a deed of novation dated 1 July 2007, Noble Fund Managers Limited was appointed manager of the Company with effect from that date. Pursuant to a further deed of novation dated 23 December 2008, the Investment Manager was appointed manager of the Company and agreed to provide investment management services to the Company in respect of its portfolios of qualifying investments. The investment management agreement was for an initial period of four years from 26 March 2001 and continues thereafter unless terminated by either party giving not less than one year's prior written notice. The investment management agreement is subject to earlier termination in the event of, *inter alia*, a party committing a material breach of the investment management agreement and or becoming insolvent, and by the Company if the Investment Manager is guilty of fraud, wilful deceit or gross negligence or ceases to carry on business or materially fulfil its obligations under the investment management agreement or the Directors resolve that it is desirable to terminate the

investment management agreement to preserve the status of the Company as a venture capital trust. The Investment Manager is entitled to receive management fees of 2.5 per cent. per annum of the net assets of the Company calculated on a quarterly basis.

Under the terms of the Investment Management Agreement, a performance incentive may be payable to the Investment Manager if the following conditions are met: (i) the net asset value per Ordinary Share on 31 January in any year plus the aggregate amount of dividends per Ordinary Share paid up to that date is equal to or greater than 174 pence; and (ii) not less than 50 pence of the amount referred to in (i) has been paid in the form of dividends.

The performance fees payable by the Company will be, for each financial year after the conditions are satisfied (including the financial year in which it is first satisfied), an aggregate amount equal to 20 per cent. of the Excess Return. Unless decided otherwise by the Directors, the amount of performance fee paid in any financial year shall not exceed an amount equal to 5 per cent. of the net asset value of the Company as shown in the accounts by reference to which the amount of the performance fee has been calculated. Any amount which cannot be paid as a result shall be carried forward and paid, with interest, at such time or times as such payment can be made without contravening the 5 per cent. limit. In the event that a Target Return is not achieved in respect of any financial year, the shortfall of such return will be carried forward into subsequent periods and the performance fee will only be paid once all previous and current Target Returns have been met.

The Company's annual running costs (which exclude trail commission, performance incentive fees and certain other amounts) are capped at 3.6 per cent. of the net assets at the year end. Any excess will be paid by the Investment Manager by reducing their fees payable. In the financial period ending 31 January 2013 the Investment Manager's fee was capped, with the total fee due being reduced by £89,000. As Beringea had taken a lower fee during the year (to account for the cap), at the year end £40,000 was due from Beringea in respect of the overpaid management fees.

- 3.4 On 1 February 2009 Beringea replaced Noble Corporate Management Limited as the providers of administration and company secretarial services to the Company under a deed of novation and variation dated 23 December 2008. This appointment is terminable on cessation of the Investment Management Agreement. Beringea is entitled to receive a fee of £30,000 per annum for its services under this agreement. Beringea waived its entitlement to administration and company secretarial fees for the year ended 31 January 2013.
- 3.5 The Company, the Investment Manager, Longbow Growth & Income VCT plc ("LGIV") and Longbow Capital LLP entered into a costs contribution and process agreement dated 10 February 2012, whereby the parties agreed to allocate the liability for costs incurred in relation to the merger of the Company and LGIV and their conduct in relation to certain matters relevant to the implementation of the scheme of reconstruction of LGIV. Under this agreement, the Company agreed to pay £75,000 (including VAT and stamp duty) of the Company's and LGIV's costs and expenses in relation to the transaction. Beringea agreed to reimburse this amount to the Company by means of a partial management fee waiver over two years commencing on 16 March 2012 (with £9,375 of the management fees otherwise payable to Beringea waived each quarter until the £75,000 of costs paid by the Company have been recovered in full). The balance of this cost contribution is payable on the earlier of termination of the Investment Management Agreement and 31 March 2014.
- 3.6 The Company and the Investment Manager entered into the Offer Commission Agreement dated 10 February 2012 under which the Company agreed to pay the Investment Manager a fee of 5.5 per cent. of the gross funds raised pursuant to the Offer for Subscription on the allotment of the New Ordinary Shares pursuant to the Offer for Subscription plus an annual commission of 0.2 per cent. of the amounts raised under the Offer for Subscription for a period of five years. In consideration for the Company agreeing to pay these fees, the Investment Manager agreed to pay all of the costs of the Offer for Subscription, including professional fees, marketing expenses and commission to authorised financial advisors (including any trail commissions).

- 3.7 The Company, LGIV, the Investment Manager and Longbow Capital LLP entered into a transfer agreement on 16 March 2012, pursuant to which the net assets of LGIV were transferred to the Company in exchange for the issue of new Ordinary Shares to the shareholders in LGIV.

4. General

- 4.1 Since 28 February 2013 (the date to which the latest published accounts of the Company were prepared) there has been no significant change in the financial or trading position of the Company.
- 4.2 There are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Company is aware) which may have, or have had in the recent past (covering the 12 months preceding the date of this document), significant effects on the financial position or profitability of the Company.
- 4.3 The Liquidator has given and not withdrawn his written consent to the issue of this document and the inclusion of his name and the references to him in the form and context in which they appear.

5. Documents available for inspection

Copies of the following documents will be available for inspection during normal business hours on any day (Saturdays, Sundays and public holidays excepted) from the date of this document until the Effective Date at the offices of Dickson Minto W.S., Broadgate Tower, 20 Primrose Street, London EC2A 2EW and will also be available at the venue of the General Meetings for at least 15 minutes before and during the General Meetings:

- 5.1 the articles of association of the Company in force at the date of this document;
- 5.2 the consent referred to in paragraph 4.3 of this Part 6;
- 5.3 the Prospectus published by ProVen Growth & Income VCT on 27 June 2013 and the documents (other than this document) referred to in the Prospectus as being available for inspection; and
- 5.4 this document.

27 June 2013

DEFINITIONS

The following definitions apply throughout this document unless the context requires otherwise:

2010/2011 Offer	ProVen Growth & Income VCT's offer for subscription in respect of the 2010/2011 tax year
2011/2012 Offer	ProVen Growth & Income VCT's offer for subscription in respect of the 2011/2012 tax year
2012/2013 Offer	ProVen Growth & Income VCT's offer for subscription in respect of the 2012/2013 tax year
2013/2014 Offer	ProVen Growth & Income VCT's offer for subscription in respect of the 2013/2014 tax year
2012/2013 Ordinary Shares	ProVen Growth & Income VCT Shares issued under the 2012/2013 Offer
Actual Return	the net asset value per Ordinary Share on 31 January each year plus the aggregate amount of dividends per Ordinary Share paid up to that date after adding back any performance fees already paid by the Company
Admission	the admission of the New ProVen Growth & Income VCT Shares to be issued under the Proposals to the Official List with a Premium Listing and to trading on the Main Market
Annual General Meeting	the annual general meeting of the Company convened for 10.00 a.m. on 9 July 2013
Articles	the articles of association of the Company in force from time to time
Board or Directors	the directors of the Company or any duly constituted committee thereof
Business Day	any day on which banks are open for business in London (excluding Saturdays and Sundays)
Calculation Date	the time and date, to be determined by the Directors but expected to be close of business on 2 August 2013 (unless the First General Meeting is adjourned), at which the FAV per PHV Share and the FAV per PGIV Share will be calculated for the purposes of the Scheme
certificated or in certificated form	a share which is not in uncertificated form
Company	ProVen Health VCT plc, a company incorporated in England and Wales with registered number 04131354
Costs Contribution and Process Agreement	the costs contribution and process agreement entered into between the Company, ProVen Growth & Income VCT and Beringea on 27 June 2013 (further details of which are set out in paragraph 3.2 of Part 6 of this document)
CREST	the relevant system (as defined in the CREST Regulations) in respect of which Euroclear is the Operator (as defined in the CREST Regulations)

CREST Manual	the CREST Reference Manual issued by Euroclear dated 27 June 2011
CREST Regulations	the Uncertificated Securities Regulations 2001 (SI 2001/3755) (as amended)
C Shares	the C shares in ProVen Growth & Income VCT which existed prior to conversion into ProVen Growth & Income VCT Shares on 26 October 2009
Disclosure and Transparency Rules	the Disclosure Rules and Transparency Rules of the Financial Conduct Authority
D Shares	the D shares of 1 pence each in ProVen Growth & Income VCT which were converted into ProVen Growth & Income VCT Shares on 29 October 2012
Effective Date	the date of the passing of the resolution to be proposed at the Second General Meeting or, if later, on all conditions of such resolution being satisfied (which is expected to be 6 August 2013)
Euroclear	Euroclear UK & Ireland Limited
Excess Return	the amount by which the Actual Return exceeds the Target Return
FAV per PGIV Share	the formula asset value of a ProVen Growth & Income VCT Share calculated as at the Calculation Date in accordance with the Scheme
FAV per PHV Share	the formula asset value of an Ordinary Share calculated as at the Calculation Date in accordance with the Scheme
First General Meeting	the general meeting of the Company convened for 10.00 a.m. on 26 July 2013, or any adjournment thereof
FSMA	the Financial Services and Markets Act 2000 (as amended)
General Meetings	the First General Meeting and Second General Meeting
HMRC	HM Revenue & Customs
Investment Management Agreement	the agreement dated 12 February 2001 between the Company and the Investment Manager pursuant to which the Investment Manager manages the Company's investments (as amended)
Investment Manager or Beringea	Beringea LLP, a limited liability partnership registered in England and Wales with registered number OC342919
Interim Dividend	the interim dividend payable by the Company in respect of the period ended 31 January 2013 to be paid on 25 July 2013
LGIV	Longbow Growth and Income VCT plc, a company incorporated in England & Wales with registered number 7423739 (in a members' voluntary liquidation)
Liquidation Fund	the liquidation fund to be retained by the Liquidator as described in paragraph 2.2 of Part 3 of this document
Liquidator	the liquidator for the time being of the Company, being initially the person appointed at the Second General Meeting
London Stock Exchange	London Stock Exchange plc

Main Market	the London Stock Exchange's main market for listed securities
NAV or Net Asset Value	net asset value
New ProVen Growth & Income VCT Shares	the ProVen Growth & Income VCT Shares to be issued pursuant to the Scheme
Offer Price	the offer price under the 2010/2011 Offer, the 2011/2012 Offer, the 2012/2013 Offer or the 2013/2014 Offer by ProVen Growth & Income VCT (as the case may be)
Official List	the Official List of the UK Listing Authority
Original Ordinary Shares	the ordinary shares of 1 pence each in ProVen Growth & Income VCT prior to the consolidation of the ordinary shares which took place on 26 October 2009
Overseas Shareholders	Shareholders who have a registered address outside or who are resident in, or citizens, residents or nationals of, jurisdictions outside the United Kingdom
Performance Value	for the relevant financial year end, the sum of (i) the net asset value per share as at that date and (ii) all distributions per share declared and/or paid since the first admission of the shares to the Official List of the UK Listing Authority
Premium Listing	a listing on the premium segment of the Official List
Proposals	the proposals for the voluntary winding up and reconstruction of the Company (including the Scheme) described in this document
Prospectus	the prospectus published by ProVen Growth & Income VCT on 27 June 2013
ProVen Growth & Income VCT	ProVen Growth and Income VCT plc, a company incorporated in England and Wales with registered number 04125326
ProVen Growth & Income VCT Board or ProVen Growth & Income VCT Directors	the directors of ProVen Growth & Income VCT or any duly constituted committee thereof
ProVen Growth & Income VCT General Meeting	the general meeting of ProVen Growth & Income VCT convened for 3.00 p.m. on 30 July 2013, or any adjournment thereof
ProVen Growth & Income VCT Shareholder	a holder of ProVen Growth & Income VCT Shares
ProVen Growth & Income VCT Shares	ordinary shares of 1.6187p each in ProVen Growth & Income VCT
Record Date	6.00 p.m. on 2 August 2013, being the record date for determining which Shareholders are entitled to participate in the Scheme
Register	the register of members of the Company
Registrar	Computershare Investors Services PLC, a company incorporated in England & Wales with registered number 3498808
Regulatory Information Service	any of the services authorised from time to time by the Financial Conduct Authority for the purposes of disseminating regulatory announcements

Relevant Time	the relevant time for the calculations of value as defined in paragraph 3.1 of Part 3 of this document
Resolutions	the resolutions set out in the notices of the General Meetings
Rollover Fund	the assets to be transferred to ProVen Growth & Income VCT under the Scheme for the New ProVen Growth & Income VCT Shares to be issued to Shareholders
Scheme	the scheme under section 110 of the Insolvency Act 1986 set out in Part 3 of this document
Second General Meeting	the general meeting of the Company convened for 10.00 a.m. on 6 August 2013, or any adjournment thereof
Shareholders	holders of Shares
Shares or Ordinary Shares	ordinary shares of 1p each in the capital of the Company
Target Return	initial net asset value per Ordinary Share rate of 94 pence as increased in line with the base rate of National Westminster Bank plc averaged over a financial year plus 2 per cent. per annum on a compound basis for each financial period commencing with the financial period ended 31 January 2002
TCGA	the Taxation of Chargeable Gains Act 1992
Transfer Agreement	the agreement to be entered into on or about the Effective Date between the Liquidator (in his personal capacity and on behalf of the Company), ProVen Growth & Income VCT and others, the terms of which are summarised in paragraph 3.1 of Part 6 of this document
UK or United Kingdom	the United Kingdom of Great Britain and Northern Ireland
UK Listing Authority	the Financial Conduct Authority acting in its capacity as the UK Listing Authority pursuant to Part VI of FSMA
uncertificated or in uncertificated form	recorded in the register of members of the Company or ProVen Growth & Income VCT (as appropriate) as being held in uncertificated form in CREST and title to which may be transferred by means of CREST
VAT	value added tax
VCT or Venture Capital Trust	a venture capital trust as defined in section 259 of the Income Tax Act 2007 (as amended)

PROVEN HEALTH VCT PLC

(Incorporated in England and Wales with registered no. 04131354)

NOTICE OF FIRST GENERAL MEETING

NOTICE IS HEREBY GIVEN that a general meeting of the Company will be held at the offices of Beringea LLP, 39 Earlham Street, London WC2H 9LT on 26 July 2013 at 10.00 a.m. for the purpose of considering and, if thought fit, passing the following resolution, which will be proposed as a special resolution, namely:

SPECIAL RESOLUTION

THAT:

- (A) subject to the fulfilment (or, to the extent permitted, earlier waiver) of the conditions set out in paragraph 11 of the Scheme contained in Part 3 of the circular to the shareholders of the Company dated 27 June 2013, a copy of which has been produced to the meeting and signed for the purpose of identification by the Chairman thereof (the **Circular**):
- (i) notwithstanding anything to the contrary in the Articles, the Proposals be and are hereby approved and the liquidator of the Company, when appointed, (the **Liquidator**) be and is hereby authorised to implement the Proposals and to execute any document and do any thing for the purpose of carrying the Proposals into effect;
 - (ii) in particular and without prejudice to the generality of sub-paragraph (A)(i) above, the Liquidator, when appointed, be and is hereby authorised and directed, pursuant to section 110 of Insolvency Act 1986 and/or this resolution and/or the Articles as amended by this resolution:
 - (a) to enter into and give effect to the Transfer Agreement (in his personal capacity and on behalf of the Company) (in the form of the draft produced to the meeting and signed for the purpose of identification by the Chairman thereof) with such non-material amendments thereto as the Directors and the parties to such agreement may agree;
 - (b) to procure that the Rollover Fund be vested in ProVen Growth & Income VCT (or its nominees) on and subject to the terms of the Transfer Agreement;
 - (c) to purchase the interests of any members of the Company who shall have validly exercised their rights under section 111(2) of the Insolvency Act 1986 out of the Liquidation Fund (as defined in the Scheme);
 - (d) the Liquidator be and he is hereby authorised and directed to request ProVen Growth & Income VCT to allot and issue New ProVen Growth & Income VCT Shares, credited as fully paid, on the basis described in the Transfer Agreement for distribution among the holders of the Shares entitled thereto under the Scheme (or to the Liquidator as nominee on their behalf) by way of satisfaction and discharge of their respective interests in so much of the undertaking, property and assets of the Company comprising the Rollover Fund as shall be transferred to ProVen Growth & Income VCT in accordance with the Transfer Agreement and with the Scheme; and
 - (e) to distribute any surplus in the Liquidation Fund in accordance with the Scheme;
- (B) this resolution shall operate by way of such amendments to the Articles as may be necessary to give effect hereto; and
- (C) terms defined in the Circular shall have the same meanings in this resolution, save where the context otherwise requires.

Dated 27 June 2013

Registered office:
39 Earlham Street
London
WC2H 9LT

By Order of the Board
Beringea LLP
Company Secretary

Notes:

- (i) A member entitled to attend and vote at the General Meeting convened by the above Notice of General Meeting is entitled to appoint one or more proxies to exercise all or any of the rights of the member to attend and speak and vote in his place. A proxy need not be a member of the Company. If a member appoints more than one proxy to attend the General Meeting, each proxy must be appointed to exercise the rights attached to a different share held by the member.
- (ii) To appoint a proxy you may use the form of proxy enclosed with this Notice of General Meeting. To be valid, the form of proxy, together with the power of attorney (if any) under which it is signed or a notarially certified or office copy of the same, must be completed and returned in accordance with the instructions printed thereon to Beringea LLP, 39 Earlham Street, London WC2H 9LT **as soon as possible but in any event so as to be received by not later than 10.00 a.m. on 24 July 2013**. Amended instructions must also be received by Beringea LLP by the deadline for receipt of forms of proxy.
- (iii) Completion of the form of proxy will not prevent you from attending and voting in person.
- (iv) Any person receiving a copy of this Notice as a person nominated by a member to enjoy information rights under section 146 of the Companies Act 2006 (a **Nominated Person**) should note that the provisions in notes (i) to (ii) above concerning the appointment of a proxy or proxies to attend the General Meeting in place of a member, do not apply to a Nominated Person as only Shareholders have the right to appoint a proxy. However, a Nominated Person may have a right under an agreement between the Nominated Person and the member by whom he or she was nominated to be appointed, or to have someone else appointed, as a proxy for the General Meeting. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he/she may have a right under such an agreement to give instructions to the member as to the exercise of voting rights at the General Meeting.
- (v) Nominated persons should also remember that their main point of contact in terms of their investment in the Company remains the member who nominated the Nominated Person to enjoy information rights (or perhaps the custodian or broker who administers the investment on their behalf). Nominated Persons should continue to contact that member, custodian or broker (and not the Company) regarding any changes or queries relating to the Nominated Person's personal details and interest in the Company (including any administrative matter). The only exception to this is where the Company expressly requests a response from a Nominated Person.
- (vi) Pursuant to regulation 41 of the Uncertificated Securities Regulations 2001, only Shareholders registered in the register of members of the Company by not later than 6.00 p.m. two days (excluding non-working days) prior to the time fixed for the General Meeting shall be entitled to attend and vote at the General Meeting in respect of the number of Shares registered in their name at such time. If the General Meeting is adjourned, the time by which a person must be entered on the register of members of the Company in order to have the right to attend and vote at the adjourned General Meeting is 6.00 p.m. two days (excluding non-working days) prior to the time of the adjournment. Changes to the register of members after the relevant times shall be disregarded in determining the rights of any person to attend and vote at the General Meeting.
- (vii) In the case of joint holders, the vote of the senior holder who tenders a vote whether in person or by proxy shall be accepted to the exclusion of the votes of the other joint holders and, for this purpose, seniority shall be determined by the order in which the names stand in the register of members of the Company in respect of the relevant joint holding.
- (viii) Shareholders who hold their shares electronically may submit their votes at proxy@beringea.co.uk so as to be received by Beringea no later than 48 hours (excluding non-working days) before the start of the meeting.
- (ix) Any corporation which is a member can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a member provided that, if it is appointing more than one corporate representative, it does not do so in relation to the same shares. It is therefore no longer necessary to nominate a designated corporate representative.
- (x) If the Chairman, as a result of any proxy appointments, is given discretion as to how the votes the subject of those proxies are cast and the voting rights in respect of those discretionary proxies, when added to the interests in the Company's securities already held by the Chairman, result in the Chairman holding such number of voting rights that he has a notifiable obligation under the Disclosure and Transparency Rules, the Chairman will make the necessary notifications to the Company and the Financial Conduct Authority. As a result, any member holding 3 per cent. or more of the voting rights in the Company who grants the Chairman a discretionary proxy in respect of some or all of those voting rights and so would otherwise have a notification obligation under the Disclosure and Transparency Rules, need not make a separate notification to the Company and the Financial Conduct Authority.
- (xi) Any questions relevant to the business of the General Meeting may be asked at the General Meeting by anyone permitted to speak at the General Meeting. A Shareholder may alternatively submit a question in advance by a letter addressed to the Company Secretary at the Company's registered office. Under section 319A of the Companies Act 2006, the Company must answer any question a shareholder asks relating to the business being dealt with at the meeting, unless (i) answering the question would interfere unduly with the preparation for the General Meeting or involve the disclosure of confidential information; (ii) the answer had already been given on a website in the form of an answer to a question; or (iii) it is undesirable in the interests of the Company or the good order of the meeting that the question be answered.
- (xii) At 26 June 2013 (the business day before the printing of this Notice), the Company's issued capital consisted of 20,607,864 Ordinary Shares carrying one vote each. Therefore, the total voting rights in the Company at 26 June 2013 comprised 20,607,864 votes. Further information regarding the General Meeting which the Company is required by section 311A of the Companies Act 2006 to publish on a website in advance of the General Meeting (including this Notice) can be accessed at www.provenvcts.co.uk.

- (xiii) In accordance with section 311A of the Companies Act 2006, the contents of this Notice of Meeting, details of the total number of shares in respect of which members are entitled to exercise voting rights at the Meeting and, if applicable, any members' statements, members' resolutions or members' matters of business received by the Company after the date of this notice will be available on the Company's website www.provenvcts.co.uk.
- (xiv) You may not use any electronic address provided either in this Notice of Meeting or any related documents (including the Form of Proxy) to communicate with the Company for any purposes other than those expressly stated.

PROVEN HEALTH VCT PLC

(Incorporated in England and Wales with registered no. 04131354)

NOTICE OF SECOND GENERAL MEETING

NOTICE IS HEREBY GIVEN that a general meeting of the Company will be held at 10.00 a.m. on 6 August 2013 at the offices of Beringea LLP, 39 Earlam Street, London WC2H 9LT to consider and, if thought fit, pass the following resolution, which will be proposed as a special resolution, namely:

SPECIAL RESOLUTION

THAT:

- (A) subject to the fulfilment of the conditions (other than the passing of this resolution) (the **Conditions**) set out in paragraph 11 of the Scheme contained in Part 3 of the circular to the shareholders of the Company dated 27 June 2013, a copy of which has been produced to the meeting and signed for the purpose of identification by the Chairman thereof (the **Circular**) (in each case prior to the passing of this resolution):
- (i) the Company be wound up voluntarily under the provisions of the Insolvency Act 1986 and Stewart MacDonald of Scott-Moncrieff, 25 Bothwell Street, Glasgow G2 6NL (the **Liquidator**) be and he is hereby appointed as liquidator of the Company for the purposes of such winding up with power to act for the purpose of winding up the affairs and distributing the assets of the Company in accordance with the Scheme under the provisions of the Insolvency Act 1986, and any power conferred on him by law or this resolution and any act required or authorised under any enactment to be done by him;
 - (ii) the remuneration of the Liquidator be fixed by reference to the time properly spent by him and his staff in attending to matters arising prior to or during the winding up of the Company (including, without limitation, the implementation of the Scheme and any matters outside the statutory duties of the Liquidator and undertaken at the request of the members or a majority of them) and the Liquidator be and is hereby authorised to draw such remuneration monthly or at such longer intervals as he may determine and to pay any expenses properly incurred by him to give effect to the Scheme;
 - (iii) the Company's books and records be held by the Company's investment manager to the order of the Liquidator until the expiry of 12 months after the date of dissolution of the Company, when they may be disposed of, save for financial and trading records which shall be kept for a minimum of six years following the vacation of the Liquidator from office;
 - (iv) the Liquidator be empowered and directed to carry into effect the provisions of the Articles; and
 - (v) the Liquidator be and is hereby authorised pursuant to section 165 of the Insolvency Act 1986 to exercise the powers set out in Part 1 of Schedule 4 to that Act and to divide among the members *in specie* the whole or any part of the assets of the Company; and
- (B) terms defined in the Circular have the same meanings in this resolution, save where the context otherwise requires.

Dated 27 June 2013

Registered office:
39 Earlam Street
London
WC2H 9LT

By Order of the Board
Beringea LLP
Company Secretary

Notes:

- (i) A member entitled to attend and vote at the General Meeting convened by the above Notice of General Meeting is entitled to appoint one or more proxies to exercise all or any of the rights of the member to attend and speak and vote in his place. A proxy need not be a member of the Company. If a member appoints more than one proxy to attend the General Meeting, each proxy must be appointed to exercise the rights attached to a different share held by the member.
- (ii) To appoint a proxy you may use the form of proxy enclosed with this Notice of General Meeting. To be valid, the form of proxy, together with the power of attorney (if any) under which it is signed or a notarially certified or office copy of the same, must be completed and returned in accordance with the instructions printed thereon to the Beringea LLP, 39 Earlham Street, London WC2H 9LT **as soon as possible but in any event so as to be received by not later than 10.00 a.m. on 2 August 2013**. Amended instructions must also be received by Beringea LLP by the deadline for receipt of forms of proxy.
- (iii) Completion of the form of proxy will not prevent you from attending and voting in person.
- (iv) Any person receiving a copy of this Notice as a person nominated by a member to enjoy information rights under section 146 of the Companies Act 2006 (a **Nominated Person**) should note that the provisions in notes (i) to (ii) above concerning the appointment of a proxy or proxies to attend the General Meeting in place of a member, do not apply to a Nominated Person as only Shareholders have the right to appoint a proxy. However, a Nominated Person may have a right under an agreement between the Nominated Person and the member by whom he or she was nominated to be appointed, or to have someone else appointed, as a proxy for the General Meeting. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he/she may have a right under such an agreement to give instructions to the member as to the exercise of voting rights at the General Meeting.
- (v) Nominated persons should also remember that their main point of contact in terms of their investment in the Company remains the member who nominated the Nominated Person to enjoy information rights (or perhaps the custodian or broker who administers the investment on their behalf). Nominated Persons should continue to contact that member, custodian or broker (and not the Company) regarding any changes or queries relating to the Nominated Person's personal details and interest in the Company (including any administrative matter). The only exception to this is where the Company expressly requests a response from a Nominated Person.
- (vi) Pursuant to regulation 41 of the Uncertificated Securities Regulations 2001, only Shareholders registered in the register of members of the Company by not later than 6.00 p.m. two days (excluding non-working days) prior to the time fixed for the General Meeting shall be entitled to attend and vote at the General Meeting in respect of the number of Shares registered in their name at such time. If the Meeting is adjourned, the time by which a person must be entered on the register of members of the Company in order to have the right to attend and vote at the adjourned General Meeting is 6.00 p.m. two days (excluding non-working days) prior to the time of the adjournment. Changes to the register of members after the relevant times shall be disregarded in determining the rights of any person to attend and vote at the General Meeting.
- (vii) In the case of joint holders, the vote of the senior holder who tenders a vote whether in person or by proxy shall be accepted to the exclusion of the votes of the other joint holders and, for this purpose, seniority shall be determined by the order in which the names stand in the register of members of the Company in respect of the relevant joint holding.
- (viii) Shareholders who hold their shares electronically may submit their votes at proxy@beringea.co.uk so as to be received by Beringea no later than 48 hours (excluding non-working days) before the start of the meeting.
- (ix) Any corporation which is a member can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a member provided that, if it is appointing more than one corporate representative, it does not do so in relation to the same shares. It is therefore no longer necessary to nominate a designated corporate representative.
- (x) If the Chairman, as a result of any proxy appointments, is given discretion as to how the votes the subject of those proxies are cast and the voting rights in respect of those discretionary proxies, when added to the interests in the Company's securities already held by the Chairman, result in the Chairman holding such number of voting rights that he has a notifiable obligation under the Disclosure and Transparency Rules, the Chairman will make the necessary notifications to the Company and the Financial Conduct Authority. As a result, any member holding 3 per cent. or more of the voting rights in the Company who grants the Chairman a discretionary proxy in respect of some or all of those voting rights and so would otherwise have a notification obligation under the Disclosure and Transparency Rules, need not make a separate notification to the Company and the Financial Conduct Authority.
- (xi) Any questions relevant to the business of the General Meeting may be asked at the General Meeting by anyone permitted to speak at the General Meeting. A Shareholder may alternatively submit a question in advance by a letter addressed to the Company Secretary at the Company's registered office. Under section 319A of the Companies Act 2006, the Company must answer any question a shareholder asks relating to the business being dealt with at the meeting, unless (i) answering the question would interfere unduly with the preparation for the General Meeting or involve the disclosure of confidential information; (ii) the answer had already been given on a website in the form of an answer to a question; or (iii) it is undesirable in the interests of the Company or the good order of the meeting that the question be answered.
- (xii) At 26 June 2013 (the business day before the printing of this Notice), the Company's issued capital consisted of 20,607,864 Ordinary Shares carrying one vote each. Therefore, the total voting rights in the Company at 26 June 2013 comprised 20,607,864 votes. Further information regarding the General Meeting which the Company is required by section 311A of the Companies Act 2006 to publish on a website in advance of the General Meeting (including this Notice) can be accessed at www.provenvcts.co.uk.

- (xiii) In accordance with section 311A of the Companies Act 2006, the contents of this Notice of Meeting, details of the total number of shares in respect of which members are entitled to exercise voting rights at the General Meeting and, if applicable, any members' statements, members' resolutions or members' matters of business received by the Company after the date of this notice will be available on the Company's website www.provenvcts.co.uk.
- (xiv) You may not use any electronic address provided either in this Notice of Meeting or any related documents (including the Form of Proxy) to communicate with the Company for any purposes other than those expressly stated.

