THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any matter referred to in this document or as to the action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other independent financial adviser authorised under the Financial Services and Markets Act 2000 without delay.

If you have sold or otherwise transferred all of your ordinary shares in ProVen VCT plc (the "Company"), please send this document and the accompanying Form 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 delivery to the purchaser or transferee. If you sell or have sold or otherwise transferred only part of your holding of ordinary shares in the Company, you should retain this document and the accompanying Form of Proxy and consult the stockbroker, bank or other agent through whom the sale or transfer was effected.

The distribution of this document and the accompanying Form of Proxy into certain jurisdictions (including but not limited to the United States) other than the United Kingdom is or may be restricted by law and therefore persons into whose possession this document and/or the accompanying Form of Proxy come should inform themselves about and observe any such restrictions. Failure to comply with any such restrictions may constitute a violation of the securities laws of any such jurisdiction.

This document has been prepared in accordance with the Listing Rules of the Financial Conduct Authority made under section 73A of the Financial Services and Markets Act 2000.

The definitions used in this document are set out on pages 15 to 17 of this document.

PROVEN VCT PLC

(a company incorporated in England and Wales with registered number 03911323)

Recommended proposals to approve changes to the Company's investment policy and investment management fee arrangements

and

Notice of General Meeting

Notice of a general meeting of the Company to be held at 11.30 a.m. on 30 July 2013 in The Forest Room at The Hospital Club, 24 Endell Street, Covent Garden, London WC2H 9HQ is set out at the end of this document. A Form of Proxy for use in connection with the General Meeting is enclosed. Whether or not you propose to attend the General Meeting, you are requested to complete and return the Form of Proxy in accordance with the instructions printed on it. In order to be valid, the Form of Proxy must be completed and returned to Beringea LLP, 39 Earlham Street, London WC2H 9LT as soon as possible and in any event so as to be received no later than 11.30 a.m. on 26 July 2013.

Dickson Minto W.S., which is authorised and regulated in the United Kingdom by the Financial Conduct Authority, is acting for the Company and no one else in connection with the matters described in this document and will not be responsible to anyone other than the Company for providing the protections afforded to clients of Dickson Minto W.S. nor for providing advice in relation to such matters.

Your attention is drawn to the letter from the Chairman of the Company 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 General Meeting.

Your attention is also drawn to the section entitled "Action to be taken" on page 7 of this document.

27 June 2013

TABLE OF CONTENTS

		Page
EXPECTED TIMETABLE		2
PART 1	– LETTER FROM THE CHAIRMAN	3
PART 2	– FURTHER DETAILS OF PROPOSED AMENDMENTS TO INVESTMENT MANAGEMENT FEE ARRANGEMENTS	9
PART 3	– ADDITIONAL INFORMATION	11
DEFINITIONS		15
NOTICE OF GENERAL MEETING		18

EXPECTED TIMETABLE

	2013
Latest time and date for receipt of Forms of Proxy	11.30 a.m. on 26 July
General Meeting	11.30 a.m. on 30 July

Note:
All references to time in this document are to time in London.

PART 1 – LETTER FROM THE CHAIRMAN

PROVEN VCT PLC

(a company incorporated in England and Wales with registered number 03911323)

Directors:
Andrew Davison (*Chairman*)
Barry Dean
Malcolm Moss

Registered office:
39 Earlham Street
London
WC2H 9LT

27 June 2013

Dear Shareholder

Recommended proposals to approve changes to the Company's investment policy and investment management fee arrangements

1. Introduction

I am writing to you to provide the details of (a) the proposed changes to the Company's investment policy to allow the Company to invest part of the non-qualifying portion of its portfolio in debt and debt-related securities of growth companies; and (b) the proposed amendments to the current investment management fee arrangements relating to the performance incentive fees.

A General Meeting has been convened at which Shareholders will be asked to consider and, if thought fit, approve the Proposals. The General Meeting, notice of which is set out at the end of this document, will be held at 11.30 a.m. on 30 July 2013 in The Forest Room at The Hospital Club, 24 Endell Street, Covent Garden, London WC2H 9HQ. The resolutions which will be proposed at the General Meeting are as follows:

- Resolution 1, which will be proposed as an ordinary resolution, is required under the Listing Rules, to approve the adoption of an amended investment policy of the Company to allow the Company to invest part of the non-qualifying portion of its portfolio in debt and debt-related securities of growth companies; and

- Resolution 2, which will be proposed as an ordinary resolution, on which only Independent Shareholders may vote, to approve the amendments to the investment management fee arrangements of the Company as set out in this document.

In addition to providing you with further details of the Proposals, this document also explains the reasons why the Board recommends unanimously that you vote in favour of the Resolutions to be proposed at the General Meeting. Your attention is directed to the section entitled "Action to be taken" on page 7 of this document which sets out the details of the action you should take.

2. Proposed changes to the investment policy

The Company'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 investments 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 the Company's current investment policy is set out in paragraph 5 of Part 3 of this document.

In order to maintain its VCT status, investment is made primarily in VCT-qualifying investments being shares in, or securities of, companies satisfying the requirements of Chapter 4 of Part 6 of the Income Tax Act 2007. Any funds awaiting investment are generally held in cash and liquidity funds so that they are readily available for follow-on investments, share buybacks or to meet the Company's running costs.

In recent years interest rates on the cash and cash equivalent investments held in the non-qualifying portion of the portfolio have been very low. The Board believes that the performance of the Company could be improved if its investment policy gave it more flexibility to invest part of the non-qualifying portion of the portfolio in debt and debt-related securities in growth companies which have the potential for greater returns than in cash and cash equivalent investments. The Company is therefore proposing to amend its investment policy to allow it to make non-qualifying investments in debt and debt-related securities, either directly or indirectly. No such non-qualifying investment will be made in debt or debt-related securities issued by a company in which the Company already has a qualifying investment without prior Board approval. The investments in non-qualifying debt and debt-related securities will be managed by the Investment Manager, which has recruited a specialist investor with significant experience of making this type of investment.

Under the proposed new investment policy, the Company's portfolio would continue to be managed so as to meet the investment requirements to maintain its VCT status. In particular, the Board intends to ensure that the Company maintains an appropriate level of liquidity that will enable it to continue to make sufficient VCT-qualifying investments to meet this primary objective.

The Company expects to realise a higher current yield by making non-qualifying investments in debt and debt-related securities in growth companies than the yield offered by cash holdings or holdings of cash equivalent investments. However, in considering the proposed new investment policy, Shareholders should note that investment in debt and debt-related securities of growth companies is subject to credit risks. Adverse changes in the financial position of an issuer of the debt 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 with a consequent loss of capital. There is no established market for dealing in the investments in debt and debt-related securities which the Company intends to make under the new investment policy. This will make it difficult for the Company to sell those securities. If a sale can be achieved, it is likely to be at a significant discount to the par value. Notwithstanding these risks, the Directors believe that the Company's investment policy should be amended to give it the flexibility to make non-qualifying investments in debt and debt-related securities of growth companies.

Under the Listing Rules, any material changes to the investment policy may only be made with the prior approval of Shareholders. Accordingly, the proposed change to the Company's investment policy requires the prior approval of Shareholders. This change is therefore subject to the passing of Resolution 1.

The full text of the Company's proposed new investment policy is set out below with the changes to the current investment policy underlined:

Proposed new investment policy

Investment objective

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

- a portfolio of carefully selected qualifying investments in small and medium sized unquoted companies with excellent growth prospects; and

- a portfolio of non-qualifying investments including cash, liquidity funds, fixed interest securities and non-qualifying venture capital investments,

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

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

Qualifying investments

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

- a strong, balanced and well-motivated management team with a proven track record of achievement;

- a defensible market position;

- good growth potential;
- an attractive entry price for the Company;
- the ability to structure the investment with a proportion of secured loan notes in order to reduce risk; and
- a clearly identified route for a profitable realisation within a 3 to 4 year period.

The Company invests in companies at various stages of development, including those requiring capital for expansion and in management buy-outs, but not in start-ups. Investments are spread across a range of different sectors.

Other investments

Funds not invested in qualifying investments may be held in cash, liquidity funds, fixed interest securities of A-rating or better, investments originated in line with the Company's qualifying VCT policy but which do not qualify under the VCT rules for technical reasons and debt and debt-related securities in growth companies.

Venture capital trust regulations

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

(i) the Company holds at least 70 per cent. of its investments in qualifying companies (as defined by Part 6 of the Income Tax Act 2007);

(ii) at least 30 per cent. (70 per cent. in the case of funds raised after 5 April 2011) of the Company's qualifying investments (by value) are held in "eligible shares" – ("eligible shares" generally being ordinary share capital);

(iii) at least 10 per cent. of each investment in a qualifying company is held in "eligible shares" (by cost at time of investment);

(iv) no investment constitutes more than 15 per cent. of the Company's portfolio (by value at time of investment);

(v) the Company's income for each financial year is derived wholly or mainly from shares and securities;

(vi) the Company distributes sufficient revenue dividends to ensure that not more than 15 per cent. of the income from shares and securities in any one year is retained; and

(vii) no investment made by the Company causes an investee company to receive more than £5 million of State Aid investment (including from VCTs) in the year ending on the date of the investment.

3. Amended Performance Fee Arrangements

Under the terms of the Investment Management Agreement, Beringea provides investment management services to the Company for an annual fee of 2 per cent. of the Company's net assets per annum. Pursuant to the Investment Management Agreement, Beringea is also entitled to receive performance incentive fees as described in paragraph 1 of Part 2 of this document. It has recently become apparent to the Board and the Investment Manager that certain aspects of the drafting relating to the current performance incentive scheme do not reflect the original intentions of the Board and the Investment Manager, and therefore need to be amended.

Residual performance incentive fee

Under the terms of the Investment Management Agreement, a performance incentive fee linked to the profit achieved on the future disposal of two investments, Espresso Group Limited and Think Limited, is payable to the Investment Manager. Currently, this performance incentive fee will be equal to 20 per cent. of the "aggregate profit realised on the sale" of Espresso Group Limited and Think Limited, subject to a maximum fee of £673,000 (being 20 per cent. of the aggregate unrealised profit on these investments as at 31 August 2011).

Espresso Group Limited and/or Think Limited may pay dividends to their shareholders prior to the respective company being sold. The payment of such a dividend to the Company is likely to be in the interests of Shareholders, as it would increase the distributable profits available to be used to make dividend payments to them. A dividend payment by Espresso Group Limited or Think Limited would contribute to the "aggregate profit" made by the Company on these investments but under the current drafting it would not be taken into account when calculating the residual performance incentive fee as it would not be "realised on a sale". It is therefore proposed to amend the definition of "aggregate profit realised on the sale" to include any dividend payments made by Espresso Group Limited and Think Limited to the Company prior to an exit.

C Share Adjustment

For the financial years starting after 29 February 2012, a performance incentive fee will be payable in relation to the Ordinary Shares if, at the end of a financial year, the New Performance Value exceeds the Hurdle. Under the terms of the Investment Management Agreement, the New Performance Value in respect of the relevant financial year end is the sum of; (i) the net asset value per Ordinary Share at that date; (ii) all dividends per Ordinary Share paid in relation to financial years starting after 29 February 2012 up to and including the relevant financial year; (iii) all performance related incentive fees per Ordinary Share paid by the Company to the Investment Manager in relation to financial years starting after 29 February 2012; (iv) any C Share Adjustment (whether relating to that or any prior financial year); and (v) any Residual PIF Adjustment (whether relating to that or any prior financial year). The Hurdle is the greater of: (i) 1.25 times the Initial Net Asset Value; and (ii) the Initial Net Asset Value increased, as from 31 August 2011, by the Bank of England base rate plus one per cent. per annum (compound).

The purpose of the C Share Adjustment is to ensure that the calculation of the performance incentive fee takes account of the investment performance of the C Share portfolio in the period between 31 August 2011 and the conversion of the C Shares into Ordinary Shares on 29 October 2012. Under the terms of the Investment Management Agreement, the C Share Adjustment is defined as the amount by which the value of the C Share Fund increased or decreased between 31 August 2011 and the C Share Conversion (as adjusted to take account of any dividends paid on C Shares between 31 August 2011 and the C Share Conversion), divided by the Pro Forma Number of Ordinary Shares.

This definition does not take into account the fact that the Company carried out a series of buy-backs of C Shares in the period between 31 August 2011 and the C Share Conversion, which had a negative impact on the aggregate value of the C Share Fund (as part of the C Share Fund was used to make these share buy-backs) but the overall effect of which was to increase the NAV per C Share (as C Shares were bought back at a discount to, or at, NAV). Consequently, the C Share Adjustment as currently defined in the Investment Management Agreement does not accurately reflect the investment performance of the C Share Fund. It is therefore proposed to amend the way in which the C Share Adjustment is calculated by adjusting for any share buy-backs of C Shares between 31 August 2011 and the C Share Conversion.

Reduction in the performance incentive fee

Under the terms of the Investment Management Agreement, the performance incentive fee per Ordinary Share otherwise payable in respect of a financial year will be reduced, if necessary, to ensure that (i) the cumulative performance incentive fee per Ordinary Share payable in relation to financial years starting after 29 February 2012 does not exceed 20 per cent. of cumulative dividends per Ordinary Share paid in relation to those financial years; and (ii) the net asset value per Ordinary Share at the relevant financial year end plus the cumulative dividends paid by the Company in relation to the financial years commencing on 1 March 2012 and ending on 28 February of the relevant financial year (the "Total Return") is at least equal to the Hurdle. The purpose of limb (ii) of this provision, as agreed by the Board and the Investment Manager, is to ensure that the payment of a performance incentive fee will not reduce the Total Return below the Hurdle. However, as the Investment Management Agreement is currently drafted the C Share Adjustment and the Residual PIF Adjustment are not included in the Total Return for this purpose, which is inconsistent with the original intention of the Board and the Investment Manager. It is therefore proposed to amend the drafting to ensure that these adjustments are included.

4. Related party transaction

Beringea is a related party of the Company under Chapter 15 of the Listing Rules. The Amended Performance Fee Arrangements will constitute a related party transaction for the purposes of the Listing Rules. The Listing

Rules provide that a related party transaction entered into by a listed company and a related party must be approved in advance of its completion by the company's shareholders other than that related party, unless certain exemptions apply. Since none of the exemptions are applicable in relation to the Amended Performance Fee Arrangements, the changes to the investment management fee arrangements are subject to the passing of the Resolution 2, which will be proposed as an ordinary resolution and will require the approval of more than 50 per cent. of the votes cast in respect of it by Independent Shareholders of the Company.

The Investment Manager does not hold any shares in the Company and has undertaken to the Company to take all reasonable steps to ensure that any of its Associates who hold shares in the Company do not vote on Resolution 2.

5. General Meeting

The notice convening the General Meeting, which is to be held at 11.30 a.m. on 30 July 2013 in The Forest Room at The Hospital Club, 24 Endell Street, Covent Garden, London WC2H 9HQ, is set out at the end of this document.

Under Resolution 1, Shareholders are being asked to approve the amendment to the investment policy set out in paragraph 2 above. Resolution 1 will be proposed as an ordinary resolution which means that, in order to be passed, more than 50 per cent. of the votes cast on the resolution must be in favour. Resolution 1 is not conditional upon the passing of Resolution 2.

Under Resolution 2, Independent Shareholders are being asked to approve the Amended Performance Fee Arrangements set out in paragraph 3 above and Part 2 of this document. Resolution 2 will be proposed as an ordinary resolution and will require the approval of more than 50 per cent. of the votes cast in respect of it by Independent Shareholders of the Company. Resolution 2 is not conditional upon the passing of Resolution 1.

6. Action to be taken

You will find enclosed with this document a Form of Proxy for use by Shareholders in connection with the General Meeting.

Whether or not you propose to attend the General Meeting, you are requested to complete and return the Form of Proxy to Beringea LLP, 39 Earlham Street, London WC2H 9LT in accordance with the instructions printed on it. In order to be valid, the Form of Proxy must be completed and returned to as soon as possible and in any event so as to be received no later than 11.30 a.m. on 26 July 2013. The return of a completed Form of Proxy will not preclude you from attending and voting at the General Meeting in person.

7. Further information

You are encouraged to read the further information set out in Parts 2 and 3 of this document.

8. Recommendation

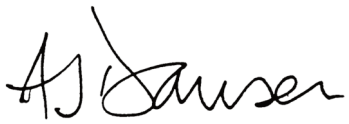
The Board, which, in respect of the Amended Performance Fee Arrangements, has been so advised by Dickson Minto W.S., considers that the Amended Performance Fee Arrangements are fair and reasonable so far as Shareholders are concerned. In providing its advice to the Board, Dickson Minto W.S. has taken into account the Board's commercial assessments.

The Board considers that the Resolutions are in the best interests of the Company and Shareholders taken as a whole and accordingly recommends unanimously that Shareholders vote in favour of the Resolutions to be proposed at the General Meeting.

Malcolm Moss is a member of the Investment Manager which is a related party of the Company under the Listing Rules. Accordingly, Malcolm Moss has not taken part in the Board's consideration of the Amended Performance Fee Arrangements.

The Directors intend to vote in favour of the Resolutions to be proposed at the General Meeting in respect of their own beneficial holdings of Ordinary Shares (amounting in aggregate to 49,855 Ordinary Shares representing approximately 0.1 per cent. of the issued share capital of the Company), save that Malcolm Moss, a director of the Company and a member of the Investment Manager, will not vote on Resolution 2 in respect of his holdings of Ordinary Shares, and has undertaken to take all reasonable steps to ensure that his Associates will not vote on Resolution 2.

Yours sincerely,



Andrew Davison
Chairman

PART 2 – FURTHER DETAILS OF PROPOSED AMENDMENTS TO INVESTMENT MANAGEMENT FEE ARRANGEMENTS

1. Current performance incentive fee arrangements

General

Under the terms of the Investment Management Agreement, Beringea is entitled to receive performance incentive fees relating to the Ordinary Shares. A performance incentive fee will be payable in relation to the Ordinary Shares if, at the end of a financial year, the New Performance Value exceeds the Hurdle. In this event the performance incentive fee will be equal to 91 per cent. of 20 per cent. of the amount by which the New Performance Value exceeds the Initial Net Asset Value, multiplied by the average number of Ordinary Shares in issue during the relevant financial year, less the amount of any performance incentive fee already paid in relation to previous financial years starting after 29 February 2012 (which will not include, for the avoidance of doubt, the residual performance incentive fee arrangements in respect of Espresso Group Limited and Think Limited as described below).

The New Performance Value in respect of the relevant financial year end, is the sum of: (i) the net asset value per Ordinary Share at that date; (ii) all dividends per Ordinary Share paid in relation to financial years starting after 29 February 2012 up to and including the relevant financial year; (iii) all performance related incentive fees per Ordinary Share paid by the Company to the Investment Manager in relation to financial years starting after 29 February 2012; (iv) any C Share Adjustment (whether relating to that or any prior financial year); and (v) any Residual PIF Adjustment (whether relating to that or any prior financial year). The Hurdle is the greater of: (i) 1.25 times the Initial Net Asset Value; and (ii) the Initial Net Asset Value increased, as from 31 August 2011, by the Bank of England base rate plus one per cent. per annum (compound).

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

The performance incentive fee per Ordinary Share payable in respect of a financial year will be reduced, if necessary, to ensure that (i) the cumulative performance incentive fee per Ordinary Share payable in relation to financial years starting after 29 February 2012 does not exceed 20 per cent. of cumulative dividends per Ordinary Share paid in relation to those financial years; and (ii) the net asset value per Ordinary Share at the relevant financial year end plus the cumulative dividends paid by the Company in relation to the financial years commencing on 1 March 2012 and ending on 28 February of the relevant financial year is at least equal to the Hurdle.

Residual performance incentive fee

In consideration of the Investment Manager's performance in managing the original Ordinary Share portfolio, a performance incentive fee linked to the profit achieved on the future disposal of two investments from this portfolio, Espresso Group Limited and Think Limited, will be payable, known as the "residual performance incentive fee". This performance incentive fee will be equal to 20 per cent. of the aggregate profit realised on the sale of Espresso Group Limited and Think Limited, subject to a maximum fee of £673,000 (being 20 per cent. of the aggregate unrealised profit on these investments as at 31 August 2011).

2. Background to and reasons for the Amended Performance Fee Arrangements

Residual performance incentive fee

As noted above, a residual performance incentive fee will be payable to the Investment Manager equal to 20 per cent. of the aggregate profit realised on the sale of Espresso Group Limited and Think Limited, subject to a maximum fee of £673,000.

Espresso Group Limited and/or Think Limited may pay dividends to their shareholders prior to the respective company being sold. The payment of such a dividend to the Company is likely to be in the interests of Shareholders, as it would increase the distributable profits available to be used to make dividend payments to them. A dividend payment by Espresso Group Limited or Think Limited would contribute to the "aggregate profit" made by the Company on these investments but under the current drafting it would not be taken into account when calculating the residual performance incentive fee as it would not be "realised on a sale". It is

therefore proposed to amend the definition of "aggregate profit realised on the sale" to include any dividend payments made by Espresso Group Limited and Think Limited to the Company prior to an exit.

C Share Adjustment

As noted above, for the financial years starting after 29 February 2012, a performance incentive fee will be payable in relation to the Ordinary Shares if, at the end of a financial year, the New Performance Value exceeds the Hurdle. The New Performance Value is the net asset value per Ordinary Share plus any dividends per Ordinary Share paid after 29 February 2012, subject to certain other adjustments including the C Share Adjustment.

The purpose of the C Share Adjustment is to ensure that the calculation of the performance incentive fee takes account of the investment performance of the C Share portfolio in the period between 31 August 2011 and the conversion of the C Shares into Ordinary Shares on 29 October 2012. Under the terms of the Investment Management Agreement, the C Share Adjustment is defined as the amount by which the value of the C Share Fund increased or decreased between 31 August 2011 and the C Share Conversion (as adjusted to take account of any dividends paid on C Shares between 31 August 2011 and the C Share Conversion), divided by the Pro Forma Number of Ordinary Shares.

This definition does not take into account the fact that the Company carried out a series of buy-backs of C Shares in the period between 31 August 2011 and the C Share Conversion, which had a negative impact on the aggregate value of the C Share Fund (as part of the C Share Fund was used to make these share buy-backs) but which increased the NAV per C Share (as C Shares were bought back at a discount to, or at, NAV). Consequently, the C Share Adjustment as currently defined in the Investment Management Agreement does not accurately reflect the investment performance of the C Share Fund. It is therefore proposed to amend the way in which the C Share Adjustment is calculated by adjusting for any share buy-backs of C Shares between 31 August 2011 and the C Share Conversion.

Reduction in the performance incentive fee

As noted above, the performance incentive fee per Ordinary Share otherwise payable in respect of a financial year will be reduced, if necessary, to ensure that the net asset value per Ordinary Share at the relevant financial year end plus the cumulative dividends paid by the Company in relation to the financial years commencing on 1 March 2012 and ending on 28 February of the relevant financial year (the "Total Return") is at least equal to the Hurdle. The purpose of limb (ii) of this provision, as agreed by the Board and the Investment Manager, is to ensure that the payment of a performance incentive fee will not reduce the Total Return below the Hurdle. However, as currently drafted the provision does not achieve this objective as the C Share Adjustment and the Residual PIF Adjustment are not included in the Total Return for this purpose, which is inconsistent with the original intention of the Board and the Investment Manager. It is therefore proposed to amend the drafting to ensure that these adjustments are included.

The Amended Performance Fee Arrangements, subject to the passing of Resolution 2 at the General Meeting, will take effect from 30 July 2013. The Investment Manager has confirmed its agreement to the Amended Performance Fee Arrangements.

PART 3 – ADDITIONAL INFORMATION

1. Incorporation and registered office

The Company was incorporated and registered in England and Wales on 18 January 2000 as a public company limited by shares with registered number 03911323. The Company operates under the Companies Act (and the regulations from time to time made thereunder). Its registered office is at 39 Earlham Street, London WC2H 9LT. Its principal place of business is 39 Earlham Street, London WC2H 9LT (telephone number 020 7845 7820). Save for its compliance with the Companies Act (and the regulations from time to time made thereunder), the Listing Rules, the Disclosure and Transparency Rules and the Prospectus Rules, the Company is not an authorised or regulated entity.

2. Major Shareholders

As at 26 June 2013 (being the latest practicable date prior to publication of this document), the Company is not aware of any person who is interested directly or indirectly in 3 per cent. or more of the issued share capital of the Company.

3. No significant change

There has been no significant change in the trading or financial position of the Company since 28 February 2013 (being the end of the last financial period of the Company for which financial information has been published), save for the sale by the Company of its entire investment in portfolio company Fjordnet Ltd for £4.95 million (being the value attributed to the investment as at 28 February 2013).

4. Material contracts

The following is a summary of all of the contracts, not being contracts entered into in the ordinary course of business, that have been entered into by the Company: (i) within the two years immediately preceding the date of this document and are, or may be, material to the Company; or (ii) which contain provisions under which the Company has any obligation or entitlement which is, or may be, material to the Company as at the date of this document:

4.1 An investment management agreement dated 9 February 2000 between the Company and the Investment Manager, as amended by deeds of variation dated 31 May 2006, 14 November 2006, 19 November 2008, 19 November 2009, 8 December 2011 and 8 November 2012, under which the Investment Manager has agreed to provide investment management services to the Company in respect of its investments. The Investment Management Agreement is terminable by either party at any time by 12 months' prior written notice given to the other party. The Investment Management Agreement is subject to earlier termination by either party in the event of, *inter alia*, the other 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 VCT.

The Investment Manager receives a fee equal to 2 per cent. per annum of the net assets of the Company (exclusive of VAT) and, assuming certain conditions are satisfied, is entitled to receive certain performance incentive fees, further details of which are set out in paragraph 1 of Part 2 of this document. The annual running costs of the Company (excluding any trail commission and performance incentive fees) are capped at 3.25 per cent. of the Company's net assets and any excess will either be paid by the Investment Manager or refunded by way of a reduction to the Investment Manager's fees.

4.2 An administration and advisory agreement dated 31 May 2006 (the "Administration Agreement"), as amended by deeds of variation dated 19 November 2008 and 19 November 2009, whereby Downing Management Services Limited ("DMS") provides certain administration services, financial advisory services and services in connection with share repurchases to the Company, for an annual fee of £38,000 (plus VAT and increases in the Retail Prices Index). The Administration Agreement is terminable by either party at any time by 12 months' prior written notice to the other party, subject to earlier termination by either party in the event of, *inter alia*, the other party becoming insolvent or committing a material breach of

the Administration Agreement and, by the Company if, *inter alia*, it ceases to be a VCT for tax purposes, or if DMS is materially unable to carry out its obligations. The Administration Agreement contains provisions whereby the Company indemnifies DMS against certain liabilities arising in respect of their appointment.

Pursuant to the deed of variation dated 19 November 2008, the Administration Agreement was amended so as to increase the annual fees payable to DMS by an amount equal to 0.1 per cent. of the gross proceeds of the First D Share Linked Offer (plus VAT and increases in the Retail Prices Index), subject to a minimum amount of £5,000 (plus VAT and increases in the Retail Prices Index), in relation to the financial years of the Company commencing on or after 1 March 2009. Pursuant to the deed of variation dated 19 November 2009, the Administration Agreement was amended so that the annual fees were also to include the gross proceeds of the Second D Share Linked Offer.

In June 2011, DMS transferred its business to a limited liability partnership, Downing LLP, and the Administration Agreement with DMS was novated to Downing LLP. The terms of the agreement, and services provided by Downing LLP are identical to those provided under the original agreement.

4.3 A deed relating to the performance incentive fee arrangements payable to Downing Corporate Finance Limited ("DCF") dated 31 May 2006 between the Company, the Investment Manager and DCF (the "DCF Deed") whereby the Company agreed to pay DCF a proportion of the performance incentive fee which relates to Beringea's performance of its services pursuant to the Investment Management Agreement.

This DCF Deed was varied on 13 April 2012 to reflect the new performance incentive arrangements with the Investment Manager, as set out at paragraph 1 of Part 2 of this document. At the same time, the DCF Deed was novated to Downing LLP. The terms of the agreement and services provided by Downing LLP are identical to those provided under the original agreement.

4.4 A co-investment agreement dated 17 October 2011 (the "Co-investment Agreement"), as amended by a deed of variation dated 22 June 2012, between the Company, ProVen Growth and Income VCT plc, ProVen Health VCT plc and ProVen Planned Exit VCT plc under which the Company will co-invest the funds raised under the Ordinary Share Offer by way of an issue of new Ordinary Shares alongside the Company's other share funds, ProVen Growth and Income VCT plc, ProVen Planned Exit VCT plc and ProVen Health VCT plc, which are also managed by Beringea (the Company, ProVen Growth and Income VCT plc, ProVen Planned Exit VCT plc and ProVen Health VCT plc together the "Companies").

New investments which meet the Company's investment strategy will be offered first to the Company, ProVen Growth and Income VCT plc and ProVen Health VCT plc. These investments will generally be apportioned to the various share pools *pro rata* in the order in which they were raised until each pool has 75 per cent. of its total investments in VCT-qualifying investments. Investments which meet the investment policy of ProVen Planned Exit VCT plc will normally be offered first to ProVen Planned Exit VCT plc. For each follow-on investment, the amount to be invested will be offered first to those share classes of the Companies that already have an investment in the target company, *pro rata* to their existing investment.

4.5 An offer agreement (the "2011 HK Offer Agreement") dated 8 December 2011 among the Company, the Directors, Howard Kennedy LLP ("Howard Kennedy"), Beringea and Beringea LLC whereby Howard Kennedy agreed to act as sponsor in relation to the Ordinary Share Offer. Under the terms of the 2011 HK Offer Agreement, the Company and the Directors gave certain limited warranties to Howard Kennedy. The Company also agreed to indemnify Howard Kennedy in respect of its role as sponsor and in respect of certain losses arising under the 2011 HK Offer Agreement. The Investment Manager's ultimate parent, Beringea LLC, guaranteed the Investment Manager's liability under the 2011 HK Offer Agreement.

4.6 An offer agreement (the "2011 Beringea Offer Agreement") dated 8 December 2011 between the Company, the Directors, Beringea and Beringea LLC whereby Beringea agreed to use its reasonable endeavours to procure subscribers for Ordinary Shares under the Ordinary Share Offer. Under the terms of the 2011 Beringea Offer Agreement, the Investment Manager is entitled to 6.5 per cent. of the gross proceeds of the Ordinary Share Offer out of which it agrees to pay the costs and expenses of or incidental to the Ordinary Share Offer, including professional fees, marketing expenses and commission to authorised financial advisors. The Investment Manager's ultimate parent, Beringea LLC, guaranteed the Investment Manager's liability under the 2011 Beringea Offer Agreement.

5. Current investment objective and policy

Investment objective

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

- a portfolio of carefully selected qualifying 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,

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

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

Qualifying investments

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

- a strong, balanced and well-motivated management team with a proven track record of achievement;
- a defensible market position;
- good growth potential;
- an attractive entry price for the Company;
- the ability to structure the investment with a proportion of secured loan notes in order to reduce risk; and
- a clearly identified route for a profitable realisation within a 3 to 4 year period.

The Company invests in companies at various stages of development, including those requiring capital for expansion and in management buy-outs, but not in start-ups. Investments are spread across a range of different sectors.

Other investments

Funds not invested in qualifying investments will be held in cash, liquidity funds, fixed interest securities of A-rating or better or in investments originated in line with the Company's qualifying VCT policy but which do not qualify under the VCT Rules for technical reasons.

Venture capital trust regulations

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

(i) the Company holds at least 70 per cent. of its investments in qualifying companies (as defined by Part 6 of the Income Tax Act 2007);

(ii) at least 30 per cent. (70 per cent. in the case of funds raised after 5 April 2011) of the Company's qualifying investments (by value) are held in "eligible shares" – ("eligible shares" generally being ordinary share capital);

(iii) at least 10 per cent. of each investment in a qualifying company is held in "eligible shares" (by cost at time of investment);

(iv) no investment constitutes more than 15 per cent. of the Company's portfolio (by value at time of investment);

(v) the Company's income for each financial year is derived wholly or mainly from shares and securities;

(vi) the Company distributes sufficient revenue dividends to ensure that not more than 15 per cent. of the income from shares and securities in any one year is retained; and

(vii) no investment made by the Company causes an investee company to receive more than £5 million of State Aid investment (including from VCTs) in the year ending on the date of the investment.

6. Consent

Dickson Minto W.S., which is authorised and regulated in the UK by the Financial Conduct Authority, has given and has not withdrawn its written consent to the inclusion in this document of its name and the references to it in the form and context in which they appear.

7. Documents available for inspection

Copies of the following documents will be available for inspection during usual business hours on any day (Saturdays, Sundays and public holidays excepted) from the date of this document at the registered office of the Company at 39 Earlham Street, London WC2H 9LT up to and including the close of business on 30 July 2013, and at the venue of the General Meeting for at least 15 minutes prior to and during the General Meeting:

(i) the memorandum of association of the Company;

(ii) the Articles;

(iii) the written consent referred to in paragraph 6 of this Part 3; and

(iv) the annual report and accounts of the Company for the financial years ended 29 February 2012 and 28 February 2013 and the interim accounts for the period ended 31 August 2012.

DEFINITIONS

In this document, the words and expressions listed below have the meanings set out opposite them (except where the context otherwise requires):

"Amended Performance Fee Arrangements"	the proposal set out in Parts 1 and 2 of this document in relation to the changes to the performance incentive fee elements of the investment management fee arrangements in respect of the Company
"Articles" or "Articles of Association"	the articles of association of the Company (as amended from time to time)
"Associate"	has the meaning given in the Listing Rules
"Board"	the board of Directors
"C Share Adjustment"	the amount by which the value of the C Share Fund increased or decreased between 31 August 2011 and the C Share Conversion, divided by the Pro Forma Number of Ordinary Shares (as adjusted to take account of any dividends paid on C Shares between 31 August 2011 and the C Share Conversion)
"C Share Conversion"	the conversion of C Shares into Ordinary Shares on 29 October 2012 in accordance with article 182 of the Articles of Association
"C Share Fund"	the assets of the Company attributable to the C Shares (prior to the C Share Conversion)
"C Shares"	C shares of 25p each in the capital of the Company
"Companies Act"	the Companies Act 2006 (as amended)
"Company"	ProVen VCT plc, a company incorporated in England and Wales with registered number 03911323
"D Shares"	the D shares of 1p each in the capital of the Company and/or the D shares of 1p each in the capital of ProVen Growth and Income VCT plc (as applicable) offered for subscription pursuant the First D Share Linked Offer and the Second D Share Linked Offer
"Directors"	the directors of the Company
"Disclosure and Transparency Rules"	the disclosure and transparency rules made by the Financial Conduct Authority under Part VI of FSMA as amended from time to time
"First D Share Linked Offer"	the Company's linked offer for subscription with ProVen Growth and Income VCT plc to raise, in aggregate, up to £20 million by way of an issue of D Shares as set out in the prospectus published on 19 November 2008
"Form of Proxy"	the form of proxy which accompanies this document for use by Shareholders in connection with the General Meeting
"FSMA"	the Financial Services and Markets Act 2000 (as amended)
"General Meeting"	the general meeting of the Company convened for 11.30 a.m. on 30 July 2013 (or any adjournment thereof)
"HMRC"	HM Revenue & Customs

"Hurdle"	the greater of: (i) 1.25 times the Initial Net Asset Value; and (ii) the Initial Net Asset Value increased, as from 31 August 2011, by the Bank of England base rate plus one per cent. per annum (compound)
"Independent Shareholders"	the Shareholders excluding Beringea LLP and its Associates
"Initial Net Asset Value"	the net asset value per Ordinary Share as at 31 August 2011 less the amount of the interim dividend paid on 2 February 2012 to Shareholders and the performance incentive payment related to this interim dividend paid to the Investment Manager
"Investment Management Agreement"	the investment management agreement dated 9 February 2000 between the Company and Beringea (as amended), further details of which are set out in paragraph 4.1 of Part 3 of this document
"Investment Manager" or "Beringea"	Beringea LLP, the investment manager of the Company, a limited liability partnership registered in England and Wales with registered number OC342919
"Listing Rules"	the listing rules made by the Financial Conduct Authority under Part VI of the Financial Services and Markets Act 2000 (as amended)
"NAV"	in relation to a share, its net asset value on the relevant date calculated on the basis of the relevant company's normal accounting principles and policies
New Performance Value	in respect of the relevant financial year end, the sum of: (i) the net asset value per Ordinary Share at that date; (ii) all dividends per Ordinary Share paid in relation to financial years starting after 29 February 2012 up to and including the relevant financial year; (iii) all performance related incentive fees per Ordinary Share paid by the Company to the Investment Manager in relation to financial years starting after 29 February 2012; (iv) any C Share Adjustment (whether relating to that or any prior financial year); and (v) any Residual PIF Adjustment (whether relating to that or any prior financial year)
"Notice of General Meeting"	the notice of General Meeting set out at the end of this document
"Ordinary Share Offer"	the Company's offers for subscription in the 2011/12 and 2012/13 tax years to raise up to £15 million by way of an issue of new Ordinary Shares
"Ordinary Shares"	ordinary shares of 10p each in the capital of the Company
"Pro Forma Number of Ordinary Shares"	the pro forma number of Ordinary Shares in issue on 31 August 2011, assuming that (i) the actual number of C Shares in issue at the date of the C Share Conversion had converted into Ordinary Shares on 31 August 2011 (using the relative net asset value per share of Ordinary Shares and C Shares on that date); and (ii) the number of Ordinary Shares in issue on 31 August 2011 included the new Ordinary Shares issued under the Ordinary Share Offer
"Proposals"	the proposed (i) adoption of an amended investment policy of the Company to allow the Company to invest part of the non-qualifying portion of its portfolio in debt and debt-related securities of growth companies; and (ii) the Amended Performance Fee Arrangements
"Prospectus Rules"	the prospectus rules made by the Financial Conduct Authority under Part VI of FSMA as amended from time to time

"Residual PIF Adjustment"	the performance incentive fee relating to the sale of Espresso Group Limited and Think Limited, as set out in paragraph 1 of Part 2 of this document, divided by the number of Ordinary Shares in issue on 31 August 2011, assuming that the number of Ordinary Shares in issue on 31 August 2011 included the Ordinary Shares subsequently issued under the Ordinary Share Offer
"Resolutions"	Resolution 1 and Resolution 2
"Resolution 1"	the ordinary resolution to be proposed at the General Meeting to approve the adoption of an amended investment policy of the Company to allow the Company to invest part of the non-qualifying portion of its portfolio in debt and debt-related securities of growth companies
"Resolution 2"	the ordinary resolution, on which only Independent Shareholders may vote, to approve the Amended Performance Fee Arrangements
"Second D Share Linked Offer"	the Company's linked offer for subscription with ProVen Growth and Income VCT plc to raise, in aggregate, up to £20 million by way of an issue of D Shares as set out in the prospectus published on 19 November 2009
"Shareholders"	holders of Ordinary Shares
"UK" or "United Kingdom"	the United Kingdom of Great Britain and Northern Ireland
"United States"	the United States of America, its territories and possession; any state of the United States of America and the District of Columbia
"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)
"VCT Rules"	the legislation, rules and HMRC interpretation and practice regulatory the establishment and operation of venture capital trusts

PROVEN VCT PLC

(Incorporated in England and Wales with registered number 03911323)

NOTICE OF GENERAL MEETING

NOTICE IS HEREBY GIVEN that a general meeting of ProVen VCT plc (the "Company") will be held at 11.30 a.m. on 30 July 2013 in The Forest Room at The Hospital Club, 24 Endell Street, Covent Garden, London WC2H 9HQ for the purpose of considering and, if thought fit, passing the following resolutions:

Ordinary Resolutions

1. THAT the proposed investment policy set out in the circular to shareholders of the Company dated 27 June 2013 (the "Circular") be and is hereby adopted as the investment policy of the Company to the exclusion of all previous investment policies of the Company.

2. THAT the amendments to the investment management fee arrangements of the Company as set out in the Circular be and are hereby approved.

27 June 2013

By order of the Board
Grant Whitehouse
Secretary

Registered office:
39 Earlham Street
London
WC2H 9LT

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 or her 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 11.30 a.m. on 26 July 2013. Amended instructions must also be received by Beringea LLP, 39 Earlham Street, London WC2H 9LT 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 of General Meeting 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 Ordinary 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 to proxy@beringea.co.uk so as to be received by Beringea not 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 Rules 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 Company's issued capital consisted of 47,756,789 Ordinary Shares carrying one vote each at general meetings of the Company. At 26 June 2013, the Company held no shares in treasury. Therefore, the total voting rights in the Company exercisable at the General Meeting as at 26 June 2013 comprised 47,756,789 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 of General Meeting) can be accessed at www.provenvcts.com.

(xiii) In accordance with section 311A of the Companies Act 2006, the contents of this Notice of General 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.com.

(xiv) You may not use any electronic address provided either in this Notice of General Meeting or any related documents (including the Form of Proxy) to communicate with the Company for any purposes other than those expressly stated.