

# **Registration Document**

**ProVen VCT plc**

**ProVen Growth & Income VCT plc**

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## Risk Factors

As a prospective Investor there are a number of risk factors which you should be aware of before investing in the New Ordinary Shares. Prospective Investors should read the whole of the Prospectus and not rely solely on the information in the sections entitled “Risk Factors”.

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

- Changes in legislation concerning VCTs in general, and Qualifying Investments and Qualifying Trades in particular, may restrict or adversely affect the ability of either Company to meet its objectives, and may reduce the returns to Investors.
- There can be no assurances that the Companies will meet their objectives. The Companies will face competition for investment opportunities and there can be no assurances that sufficient suitable investment opportunities will be identified.
- It is the intention of the Directors that each Company be managed so as to qualify as a VCT, but there can be no guarantee that such status will be maintained. If either Company fails to meet the qualifying requirements for VCTs, this could result in adverse tax consequences for Investors, including being required to repay the 30% income tax relief.
- In order to comply with VCT legislation, the Qualifying Companies must be unquoted and have gross assets of not more than £15 million immediately prior and £16 million immediately after the investment and generally be no more than 7 years old (10 years for a Knowledge Intensive Company (“KIC”)). Older companies may also be Qualifying Companies where previous Risk Finance State Aid was received by the Qualifying Company within 7 years (10 years for KICs) or where the company is entering a new market and a turnover test is satisfied. Further, each Qualifying Company must have less than 250 full time (or equivalent) employees at the time of investment (500 employees in the case of a Knowledge Intensive Company).
- The Companies may invest in businesses which are considerably smaller than the maximum size allowed by the VCT legislation. They may also have a short trading history. Investment in small unquoted companies involves substantially higher risk than investing in larger, longer established businesses such as those listed on the main market of the London Stock Exchange. In particular, small companies often have limited product lines, markets and/or financial resources and may be dependent for their management on a smaller number of key individuals.
- Qualifying Investments made by the Companies will be in companies whose shares are not readily marketable and, therefore, may be difficult to realise. There may also be constraints imposed on the realisation of investments in order to maintain the VCT tax status of either Company.

- The Companies are seeking up to £30 million each (with an over-allotment facility of a further £10 million each) through the Offer. To the extent that a smaller level of funds is raised, the portfolios of the Companies may be less diversified than if the Offer had been fully subscribed.
- Past performance of the funds managed by the Manager is not an indication of the future performance of the Companies.
- The Companies will only pay dividends on the Ordinary Shares to the extent that they have distributable reserves and cash available for that purpose. The Finance Act 2014 amended the VCT Rules in respect of VCT shares issued on or after 6 April 2014, such that VCT status will be withdrawn if, in respect of shares issued on or after 6 April 2014, a dividend is paid (or other forms of distribution or payments are made to investors) from capital within three years of the end of the accounting period in which shares were issued to investors. This may reduce the amount of distributable reserves available to the Companies to fund dividends and share buybacks.
- The Finance (No. 2) Act 2015 introduced a maximum age limit for companies receiving VCT investments (generally seven years from first commercial sale, or ten years for Knowledge Intensive Companies), and a maximum amount of Risk Finance State Aid which a company can receive over its lifetime (£12 million, or £20 million for Knowledge Intensive Companies). It also imposed further restrictions on the use of VCT funds received by investee companies.
- The Finance Act 2018 introduced a new “risk-to-capital” condition for Qualifying Investments, designed to focus investments towards potentially higher growth businesses, and away from lower risk investments, such as those with significant property assets. These changes may mean that there are fewer opportunities for investment, that each Company may not necessarily be able to provide further investment funds for companies already in its portfolio and that there is a greater element of risk given the focus on earlier stage businesses. This could affect the returns to the Companies and Shareholders.
- Where the European Commission believes that Risk Finance State Aid has been provided which is not in accordance with The Risk Finance Guidelines, they may require the UK Government to recover that Risk Finance State Aid. There is currently no mechanism in place for this, but recovery may be from the investee companies, the Companies or the Companies’ investors.

## Part 1

### The Manager and the Boards

#### The Manager

The Companies are managed by Beringea, which has over 25 years' experience of managing investments in unquoted companies and has managed the Companies since they were launched, in 2001 in the case of PGI VCT and in 2000 in the case of ProVen VCT. Further details of the investment management arrangements between Beringea and the Companies are set out in Part 6.

#### The Management Team

The investment management team comprises the following eleven executives, who have more than 85 years combined experience of making venture capital investments. They are:

##### *Malcolm Moss*

Malcolm is a Founding Partner of Beringea LLP. Over the last 29 years he has been responsible for the growth, development and management of Beringea in both the UK and the USA. In addition to sitting on the boards of ProVen VCT plc and ProVen Growth & Income VCT plc, he sits on the investment committees of Beringea Group's US funds.

##### *Stuart Veale*

Stuart is Managing Partner of Beringea and has over 30 years of private equity investment experience. Prior to joining Beringea, Stuart was a Senior Director with LDC (the private equity arm of the Lloyds Banking Group) and head of their Thames Valley office. He started his career in venture capital with 3i. Stuart has an MA, and an MBA from the London Business School.

##### *Karen McCormick*

Karen is Chief Investment Officer at Beringea and has been a member of the team for over 10 years. She is responsible for making new investments and working with portfolio companies through to exit, and has led more than a dozen investments. Karen was previously with the Boston Consulting Group and ran the Watches division of Swiss Army/Wenger. She also has experience with start-ups as both a founder and adviser. Karen has lived and worked in the US, Europe, and Asia, and has an MBA from INSEAD and a BSBA from Boston University.

##### *Maria Wagner*

Maria is an Investment Director, responsible for sourcing investments, executing deals and monitoring portfolio companies. She was previously Managing Director of Birchbox UK, a beauty ecommerce and subscription business. Prior to this, Maria was on the investment teams at Virgin Group and GMT Partners, where she made investments and monitored portfolio companies, mainly in the digital and media sectors. Maria began her career as an analyst at Goldman Sachs and an Engagement Manager at McKinsey & Company in New York. Maria has an MBA from Harvard Business School and a Bachelor's degree in Economics from MIT.

##### *Eyal Maling*

Eyal is responsible for sourcing investments, executing deals and monitoring portfolio companies. Prior to joining Beringea, Eyal was director of Corporate Development at Countrywide PLC, Vice President with Oaktree Capital's European private equity fund and a consultant with McKinsey & Company. Eyal began his career as a software engineer developing advanced telecommunication solutions. Eyal has an MBA from Harvard Business School and Bachelor's degree in Computer Science from the Interdisciplinary Centre, Herzliya.

*Marc Shirman*

Marc is responsible for sourcing investments, executing deals and monitoring portfolio companies. He established the regional office of Beringea in Manchester, where he is based. Before Beringea, Marc was Co-Head of Muzinich & Co's UK private capital fund.

He previously led the financial sponsors team at RBS leveraged finance in the North. Marc is a qualified accountant who began his career at KPMG in Edinburgh, and holds a Bachelor's degree in Finance and Accounting from The University of Pennsylvania and University of Leeds and an MBA from Manchester Business School.

*Robert Dagger*

Robert is responsible for sourcing and analysing new deals, due diligence on potential investments and monitoring portfolio companies. Prior to joining Beringea, Robert worked as a senior consultant in Deloitte's strategy practice, focusing primarily on projects for technology and media organisations. Robert is a CFA® charterholder and holds a BSc in Management from the London School of Economics.

*Harry Thomas*

Harry joined Beringea in 2013, since then he has been involved in both the raising and deployment of capital. He is now primarily responsible for fundraising and investor relations. He is also engaged in portfolio management and working on relevant investment opportunities. Prior to joining Beringea Harry worked for two start-ups and on a parliamentary campaign. He holds an M.A. in history from the University of St Andrews.

*Philip Edmondson-Jones*

Philip is responsible for sourcing and analysing new deals, due diligence on potential investments, managing deal execution processes, and monitoring/advising portfolio companies. He previously worked as an Associate Consultant at OC&C Strategy Consultants on projects spanning a wide range of sectors, for both corporate and private equity clients. He also has experience working at the Bank of England and Bank of America Merrill Lynch. Phil studied at St John's College, Cambridge, where he earned a First Class MA (Cantab) in Economics and Management Studies.

*Luke Edis*

Luke is responsible for sourcing and analysing new deals, due diligence on potential investments and monitoring portfolio companies.

He was previously Head of Business Development at Fundstack, a business providing CRM software to companies in the financial sector. Prior to this, he worked at Passion Capital and began his career as an investment Banking Associate at Silverpeak. Luke studied at Durham University and holds an MSc in Finance and a BSc in Physics.

*Emma Biasiolo*

Emma is responsible for sourcing new investment opportunities and supporting the investment team with analysis and research. Prior to joining Beringea, Emma spent two years at the UK government Start Up Loans scheme, part of the British Business Bank, within the business mentoring and marketing departments. Emma has worked in Zurich and Kenya and holds a degree in International Business and Management from Aston Business School.

### **The Boards**

The Directors of each Company have overall responsibility for their Company's affairs, including monitoring the performance of the Manager and ensuring that the VCT status of their Company is maintained.

The Directors, all of whom are non-executive, have experience of corporate governance of listed companies. A majority of the Directors of each Company are independent of the Manager.

### **PROVEN VCT DIRECTORS**

#### *Neal Ransome, Chairman*

Neal was formerly a corporate finance partner of PwC with extensive experience as a lead adviser on M&A activity in the pharmaceuticals and healthcare sectors. Neal is currently a non-executive director and chairman of the audit committee of Octopus AIM VCT Plc, a non-executive director of Polar Capital Global Healthcare Trust plc and a trustee and council member of the RSPB.

#### *Barry Dean FCA*

Barry has over 30 years' experience in the venture capital industry, including 14 years as Managing Director of Dresdner Kleinwort Benson Private Equity Limited, a longstanding "mid-market" private equity fund manager. He is currently a director of Downing One VCT plc and Elderstreet Draper Esprit VCT plc.

#### *Malcolm Moss*

Malcolm is a Founding Partner of Beringea LLP. Over the last 29 years he has been responsible for the growth, development and management of Beringea in both the UK and the USA. In addition to sitting on the boards of ProVen VCT plc and ProVen Growth & Income VCT plc, he sits on the investment committees of Beringea Group's US funds.

#### *Lorna Tilbian*

Lorna was formerly an Executive Director of Numis Corporation plc and a Director of WestLB Panmure Limited and S G Warburg Securities. She is a non-executive Director of Euromoney Institutional Investor plc, Finsbury Growth and Income Trust plc, Jupiter UK Growth Investment Trust, M&C Saatchi plc and Rightmove plc.

### **PGI VCT DIRECTORS**

#### *Marc Vlessing, Chairman*

Marc started his career as a corporate financier with County NatWest in 1984. In 1991, he set up his own management consultancy specialising in the media sector. In 1997 he became Chief Executive of one of London's largest groups of theatres, cinemas and TV companies (Crescent Entertainment). Subsequently, he became Chief Executive of First Call International. He is co-founder and CEO of Pocket Living, the first private developer in London to specialise in helping hard-working city makers, on low to moderate incomes, own their first home with backing from the Mayor of London and Related Companies in New York..

#### *Natasha Christie-Miller*

Natasha Christie-Miller leads the digital intelligence brands WGSN, Coloro, Glenigan, Groundsure, DeHavilland and content and events brands Retail Week and World Retail Congress at Ascential plc, the global information company. She started her career in sales and led the commercial teams on consumer brands such as Elle, Red and the EMAP parenting portfolio before taking on the role of Publishing Director of Drapers, the fashion

industry bible at EMAP B2B in 2005. She then became Managing Director for the retail portfolio in 2007. Natasha was appointed CEO of EMAP in 2010 and a divisional CEO at Ascential in 2015.

*Malcolm Moss*

Malcolm is a Founding Partner of Beringea LLP. Over the last 29 years he has been responsible for the growth, development and management of Beringea in both the UK and the USA. In addition to sitting on the boards of ProVen VCT plc and ProVen Growth & Income VCT plc, he sits on the investment committees of Beringea Group's US funds.

*James Stewart*

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

## **Practices, Operation and Corporate Governance of the Companies**

Each Board is responsible for the overall control and management of their respective Company with responsibility for its affairs, including determining its investment policy. However, investment proposals will be originated by Beringea and formally approved by Beringea's investment committee. The investment committee has full discretion to make investment decisions on behalf of each Company.

Each Board will meet regularly throughout the year (normally at least quarterly), and all necessary information will be supplied to the Directors on a timely basis to enable them to discharge their duties effectively. Additionally, special meetings will take place or other arrangements made when Board decisions are required in advance of regular meetings.

The provisions of the UK Corporate Governance Code have been complied with by each Company for their last respective financial year and up to the date of this document except as set out below:

- (i) the role of the chief executive (code provision A.2.1),
- (ii) executive directors' remuneration (code provisions D.1.1, D.1.2, D.2.2 and D.2.4); and
- (iii) as the Company had no staff, other than Directors, the procedures relating to whistleblowing (code provision C.3.5).

## **PROVEN VCT**

### **Audit Committee**

ProVen VCT has an Audit Committee, which in the last financial year comprised Barry Dean, as Chairman, Andrew Davison (who has since resigned) Neal Ransome and Lorna Tilbian. The committee is expected to meet not less than twice a year and has defined terms of reference and duties. ProVen VCT's auditors and other individuals may be invited to attend meetings of the audit committee. The committee has responsibility for, among other things, planning and reviewing ProVen VCT's annual and half year financial statements, making recommendations as to the appointment, re-appointment and removal of, and overseeing the relationship with, its auditors, keeping under review ProVen VCT's internal controls and risk management systems, and considering matters of corporate governance. The audit committee also oversees the ProVen VCT's compliance with legal requirements, accounting standards, financial and regulatory reporting requirements, the Listing Rules and the Disclosure Guidance and Transparency Rules and ensures that effective systems for internal financial control



and for reporting non-financial operating data are maintained. The ultimate responsibility for reviewing and approving the annual report and accounts and half year reports of ProVen VCT will remain with its Board.

### **Remuneration Committee**

ProVen VCT has a Remuneration Committee, which in the last financial year comprised all of its independent Directors, with Andrew Davison (who has since resigned and been replaced by Neal Ransome) as Chairman. It is expected to meet at least once a year. Professional advisers and other persons with relevant experience may be invited to attend meetings of this committee. The committee has responsibility for determining, within agreed terms of reference, ProVen VCT's policy on the remuneration of its Directors. Under such terms of reference the committee will have the power to review the remuneration payable to its Directors, the terms of service agreements of such Directors and the terms of their severance arrangements. The committee gives full consideration to the UK Corporate Governance Code.

### **Nomination Committee**

ProVen VCT has a Nomination Committee, which in the last financial year comprised all independent Directors and chaired by Andrew Davison (who has since resigned and been replaced by Neal Ransome). It is expected to meet at least once a year. The committee's primary function is to make recommendations to the Board on all new appointments and also to advise generally on issues relating to Board composition and balance.

### **The ProVen VCT Board's Current and Past Directorships**

In addition to the Company, the ProVen VCT Directors are currently, or have been within the last five years, members of the administrative, management or supervisory bodies or partners of the companies and partnerships mentioned below.

Neal Ransome

<i>Current Directorships/Partnerships</i>	<i>Past Directorships/Partnerships (five years)</i>
Octopus AIM VCT plc	Quercus (General Partner) Limited
Polar Capital Global Healthcare Trust plc	Parity Group plc
PCGH ZDP plc	

Barry Dean

<i>Current Directorships/Partnerships</i>	<i>Past Directorships/Partnerships (five years)</i>
Downing One VCT plc	Downing Absolute Income VCT 2 plc (dissolved)
Elderstreet Draper Esprit VCT plc	
St James Limited Partnership	
St James II Limited Partnership	

Malcolm Moss

<i>Current Directorships/Partnerships</i>	<i>Past Directorships/Partnerships (five years)</i>
ProVen Holdings Limited	Vigilant Applications Limited
Donatantonio Group Limited	F50080 plc
Cogora Group Limited	Angelina Ballerina Limited (dissolved)
ProVen Growth & Income VCT plc	Rapid Charge Grid Limited
GRF II Special Partner (GP) Limited	Cravenstreet Limited (dissolved)
ProVen Private Equity Limited	Watchfinder.co.uk Limited
Beringea Limited	Chargemaster Limited
ProVen Acquisition Limited	Think Limited
ProVen Holdings Limited	
Global Rights Development Limited	
Disposable Cubicle Curtains Limited	
ProVen Planned Exit VCT plc*	
Beringea LLP	
Beringea LLC	
Litchfield Media Limited	
ProVen Legacy plc	

Lorna Tilbian

<i>Current Directorships/Partnerships</i>	<i>Past Directorships/Partnerships (five years)</i>
Rightmove Plc	Numis Corporation plc
Euromoney Institutional Investor Plc	Numis Securities Limited
Jupiter UK Growth Investment Trust plc	Pitchcroft Limited (in members voluntary liquidation)
Finsbury Growth & Income Trust Plc	Pitchwell Limited (in members voluntary liquidation)
M&C Saatchi Plc	

\* in members voluntary liquidation prior to being dissolved

Save as set out above, there were no bankruptcies, receiverships or liquidations of any companies or partnerships where any of the ProVen VCT Directors were acting as (i) a member of the administrative, management or supervisory body or (ii) a senior manager, during the previous five years.

There have been no official public incriminations of and/or sanctions on any ProVen VCT Director by statutory or regulatory authorities (including designated professional bodies) and no ProVen VCT Director has ever been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of a company or from acting in the management or conduct of the affairs of any company during the previous five years. None of the ProVen VCT Directors have any convictions in relation to fraudulent offences during the previous five years.

## **PGI VCT**

### **Audit Committee**

PGI VCT has an Audit Committee, comprising James Stewart, as Chairman, Marc Vlessing and Natasha Christie-Miller. The committee is expected to meet not less than twice a year and has defined terms of reference and duties. PGI VCT's auditors and other individuals may be invited to attend meetings of the audit committee. The committee has responsibility for, among other things, planning and reviewing the PGI VCT's annual and half year financial statements, making recommendations as to the appointment, re-appointment and removal of, and overseeing the relationship with, its auditors, keeping under review the PGI VCT's internal controls and risk management systems, and considering matters of corporate governance. The audit committee also oversees the PGI VCT's compliance with legal requirements, accounting standards, financial and regulatory reporting requirements, the Listing Rules and the Disclosure guidance and Transparency Rules and ensures that effective systems for internal financial control and for reporting non-financial operating data are maintained. The ultimate responsibility for reviewing and approving the annual report and accounts and half year reports of PGI VCT will remain with its Board.

### **Remuneration Committee**

PGI VCT has a Remuneration Committee, comprising all of its independent Directors, with Marc Vlessing as Chairman. It is expected to meet at least once a year. Professional advisers and other persons with relevant experience may be invited to attend meetings of this committee. The committee has responsibility for determining, within agreed terms of reference, PGI VCT's policy on the remuneration of its Directors. Under such terms of reference the committee will have the power to review the remuneration payable to its Directors, the terms of service agreements of such Directors and the terms of their severance arrangements. The committee gives full consideration to the UK Corporate Governance Code.

### **Nomination Committee**

The Board of PGI VCT has appointed a Nomination Committee, comprising all independent Directors, with Marc Vlessing as Chairman. It is expected to meet at least once a year. The committee's primary function is to make recommendations to the Board on all new appointments and also to advise generally on issues relating to Board composition and balance.

### **The PGI VCT Board's Current and Past Directorships**

In addition to the Company, the Directors of PGI VCT are currently, or have been within the last five years, members of the administrative, management or supervisory bodies or partners of the companies and partnerships mentioned below.

Marc Vlessing

<i>Current Directorships/Partnerships</i>	<i>Past Directorships/Partnerships (five years)</i>
Pocket Living (Greenwich Peninsula) Limited Pocket Living Limited Pocket Money Limited Pocket Living (Holdings) Limited PL Marcon Place Limited Pocket Living (Sudbury Arms) Limited Pocket Living (Q1 2015) plc Pocket Living (2013) LLP Pocket Living (Holdings) II Limited Aldeburgh Cinema Trust Limited (The) Credon House Limited Pocket Living KX Limited Pocket Living Pledgeco Holdings Limited Pocket Living Kerswell Close Limited Pocket Living Osier Way Limited Pocket Living Mezzanine Limited Pocket Living 2017 Limited Pocket Living Gardner Close Limited Pocket Living Varcoe Road Limited Pocket Living Whiting Avenue Limited Pocket Living Mezzanine Holdings Limited Pocket Living 2017 Holdco Limited Pocket Living West Green Place Limited Pocket Living Pledgeco Limited Pocket Living Bollo Lane Limited Pocket Living Gainsford Road Limited Pocket Living Rosina St Limited Pocket Living Leigham Court Limited Pocket Living (Addiscombe Grove) Limited Pocket Living Sudbury Limited Pocket Living Mapleton Limited Pocket Living (Weedington Road) Limited Pocket Living Keston Depot Limited Pocket Living Ossory Road Limited Pocket Living Woodside Limited	Octopus Eclipse VCT 2 plc (dissolved) * The Aldeburgh Cinema (Property) Limited UB6 Sudbury Management Company Limited Pocket Living (Bath Road) Limited (dissolved) Bath Road TW4 Management Company Limited (dissolved) Fermoy Road Management Company Limited 19-24 Marcon Place Management Company Limited Vlessing & Taverne Limited Pocket Rosina Street Limited Western Road (Ealing) Residents Management Company Limited Aldeburgh Cinema Trust

Natasha Christie-Miller

<i>Current Directorships/Partnerships</i>	<i>Past Directorships/Partnerships (five years)</i>
Groundsure Limited De Havilland Information Services Ltd Glenigan Limited FIPP Limited Plexus Network Limited Professional Publishers Association Limited Ascential UK Holdings Limited	EMAP Publishing Limited MEED Media FZ LLC

Malcolm Moss

<i>Current Directorships/Partnerships</i>	<i>Past Directorships/Partnerships (five years)</i>
ProVen Holdings Limited	Vigilant Applications Limited
Donatantonio Group Limited	F50080 plc
Cogora Group Limited	Angelina Ballerina Limited (dissolved)
ProVen Growth & Income VCT plc	Rapid Charge Grid Limited
GRF II Special Partner (GP) Limited	Cravenstreet Limited (dissolved)
ProVen Private Equity Limited	Watchfinder.co.uk Limited
Beringea Limited	Chargemaster Limited
ProVen Acquisition Limited	Think Limited
ProVen Holdings Limited	
Global Rights Development Limited	
Disposable Cubicle Curtains Limited	
ProVen Planned Exit VCT plc*	
Beringea LLP	
Beringea LLC	
Litchfield Media Limited	
ProVen Legacy plc	

James Stewart

<i>Current Directorships/Partnerships</i>	<i>Past Directorships/Partnerships (five years)</i>
Auriol Road 37 Limited	

\* In voluntary liquidation prior to being dissolved

Save as disclosed above, there were no bankruptcies, receiverships or liquidations of any companies or partnerships where any of the Directors of PGI VCT were acting as (i) a member of the administrative, management or supervisory body, or (ii) a senior manager during the previous five years.

There have been no official public incriminations of and/or sanctions on any Director of PGI VCT by statutory or regulatory authorities (including designated professional bodies) and no Director of PGI VCT has ever been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of a company or from acting in the management or conduct of the affairs of any company during the previous five years. None of the Directors of PGI VCT have any convictions in relation to fraudulent offences during the previous five years.

### **Dividend Policy**

The Companies have set an objective of paying dividends each year which will equate to a yield of approximately 5% of net asset value. Dividend payments will, however, depend on the amount and timing of profits from the realisation of investments, which cannot be guaranteed. There is no certainty that any dividends will be paid. The Companies may pay a special dividend in addition to the target 5% yield in the event of there being a realisation, or series of realisations, from the portfolio which results in an exceptionally large gain. For the three financial years ended 29 February 2016, 28 February 2017 and 28 February 2018, ProVen VCT has paid tax free dividends of 6.5p, 5.0p and 9.5p respectively and PGI VCT has paid tax free dividends of 6p, 4.5p and 12.25p respectively. This is equivalent to an average dividend yield of 7% p.a. for ProVen VCT and 9% p.a. for PGI VCT on the relevant net asset value at the beginning of the relevant financial year (excluding the initial 30% income

tax relief). Dividend payments will, however, depend on the amount and timing of profits realised from the sale of investments, which cannot be guaranteed. There is no certainty that any dividends will be paid.

## Part 2

### The Manager

Beringea is each of the Company's investment manager and is a limited liability partnership incorporated and registered in England and Wales under number OC342919 pursuant to the Limited Liability Partnership Act 2000. Its telephone number is 020 7845 7820. The registered office and principal place of business of Beringea is 39 Earlham Street, London WC2H 9LT. Beringea is authorised and regulated by the Financial Conduct Authority (under number 496358). The principal legislation under which Beringea operates is the Limited Liability Partnerships Act 2000 and the applicable provisions of the 2006 Act (and regulations made thereunder). Beringea is owned by Beringea LLC which is a US limited liability company.

#### **Proven VCT Management Fees:**

Beringea is paid the following fees in respect of its appointment by ProVen VCT:

- Beringea is paid an annual management fee of 2.0% of the net assets of the Company which is paid quarterly in arrears.
- In line with normal VCT practice, the Manager is entitled to receive a performance fee from the Company.

The Manager is entitled to receive a performance incentive fee in relation to each ProVen Respective Offer if, at the end of a financial year, the relevant ProVen Respective Offer Performance Value exceeds the relevant ProVen Respective Offer Hurdle. In this event the performance incentive fee per ProVen Respective Offer Share will be equal to 20 per cent of the amount by which each such ProVen Respective Offer Performance Value exceeds the relevant ProVen Respective Offer Initial Net Asset Value per Share, less the aggregate amount of any performance incentive fee per ProVen Respective Offer Share already paid in respect of that ProVen Respective Offer in relation to previous financial years starting after 29 February 2012 (which shall not include ProVen Residual PIF).

The ProVen Respective Offer Performance Value in respect of the relevant financial year end is the sum of (i) the audited net asset value per ProVen Ordinary Share or Equivalent ProVen Ordinary Share for a ProVen Respective Offer at that date, (ii) ProVen Respective Offer Cumulative Dividends, (iii) all performance fees per ProVen Ordinary Share or Equivalent ProVen Ordinary Share paid by the shareholders of the ProVen Respective Offer in relation to financial years starting after 29 February 2012, and (iv) any ProVen Residual PIF Adjustment where relating to that ProVen Respective Offer (whether relating to that or any previous financial year).

If at the end of a financial year, the relevant ProVen Respective Offer Performance Value is less than or equal to the ProVen Respective Offer Hurdle, no performance fee will be payable on such ProVen Respective Offers in respect of that financial year.

The performance fee per ProVen Respective Offer Share payable for a financial year will be reduced, if necessary, to ensure that i) the cumulative performance fee per ProVen Respective Offer Share payable to the Manager in respect of a ProVen Respective Offer does not exceed 20 per cent. of the relevant ProVen Respective Offer Cumulative Dividends; and ii) the audited net asset value per ProVen Ordinary Share or Equivalent ProVen Ordinary Share at the relevant financial year end plus the relevant ProVen Respective Offer Cumulative

Dividends plus any ProVen Residual PIF Adjustment relating to that Respective Offer is at least equal to the relevant ProVen Respective Offer Hurdle.

The Manager also receives a performance fee linked to the profit achieved on the disposal of two of ProVen's investments, namely Espresso Group Limited and Think Limited (known as the "ProVen Residual PIF"). This performance fee will be equal to 20% of the aggregate profit realised on the sale of Espresso Group Limited and Think Limited, subject to a maximum fee of £673,000 (being 20% of the aggregate unrealised profit on these investments as at 31 August 2011). Espresso Group was sold on 1 November 2013 and Think Limited was sold on 1 November 2018. To date, the Manager has been paid a performance incentive fee of £642,000 in respect of these realisations. There is the potential of a further ProVen Residual PIF, up to a maximum amount of £31,000, dependent on the earn-out in relation to the disposal of Think Limited. All fees paid under the performance incentive arrangements will be inclusive of VAT, if applicable.

The NAV per Ordinary Share used in the Pricing Formula for each allotment of New Ordinary Shares will include a provision for any potential performance fees payable by the Company to the Investment Manager, calculated in accordance with the Company's accounting policies. However, as the performance fee will be calculated based on the audited results at the relevant financial year end, the actual performance fee paid may be greater than, or less than, the amount provided in the Company's previously announced NAVs. At the date of this Document, a performance fee of £5.8 million has been accrued in respect of the financial year to 28 February 2019. The actual performance fee, if any, will be calculated based on the audited results at 28 February 2019 and may be greater than, or less than, the amount provided for at the date of this Document.

#### **PGI VCT Management Fees**

Beringea is paid the following fees in respect of its appointment by PGI:

- Beringea is paid an annual management fee of 2.0% of the net assets of the Company which is paid quarterly in arrears.
- In line with normal VCT practice, the Manager is entitled to receive a performance fee from the Company.

The Manager is entitled to receive a performance incentive fee in relation to each PGI Respective Offer providing that, at the end of a financial year, the relevant PGI Respective Offer Performance Value exceeds the relevant PGI Respective Offer Hurdle. In this event the performance incentive fee per PGI Respective Offer Share will be equal to 20 per cent of the amount by which each such PGI Respective Offer Performance Value exceeds the relevant PGI Respective Offer Initial Net Asset Value per Share, less the aggregate amount of any performance incentive fee per PGI Respective Offer Share already paid in respect of that PGI Respective Offer in relation to previous financial years starting after 29 February 2012.

The PGI Respective Offer Performance Value in respect of the relevant financial year end is the sum of (i) the audited net asset value per PGI Ordinary Share for a PGI Respective Offer at that date, (ii) PGI Respective Offer Cumulative Dividends, and (iii) all performance fees per PGI Ordinary Share paid by the shareholders of the PGI Respective Offer in relation to financial years starting after 29 February 2012.



The PGI Respective Offer Hurdle is the greater of (i) 1.25 times the PGI Respective Offer Initial Net Asset Value per Share and (ii) the PGI Respective Offer Initial Net Asset Value per Share increased by the Bank of England base rate plus one per cent. per annum (compound) from:

- 31 August 2012, in respect of the Original PGI Offer; or
- The date of the first allotment of PGI Ordinary Shares under each PGI Subsequent Offer in respect of all PGI Subsequent Offers.

If at the end of a financial year, the relevant PGI Respective Offer Performance Value is less than or equal to the PGI Respective Offer Hurdle, no performance fee will be payable for such PGI Respective Offers in respect of that financial year.

The performance fee per PGI Respective Offer Share payable in relation to a PGI Respective Offer for a financial year will be reduced, if necessary, to ensure that i) the cumulative performance fee per PGI Respective Offer Share payable in respect of a PGI Respective Offer does not exceed 20 per cent. of the relevant PGI Respective Offer Cumulative Dividends; and ii) the cumulative performance fee per PGI Respective Offer Share payable in respect of a Respective Offer does not exceed 50 per cent. Of the amount by which the PGI Relevant Respective Offer Performance Value exceeds the relevant PGI Respective Offer Hurdle, and iii) the audited net asset value per PGI Ordinary Share at the relevant financial year end plus the relevant PGI Respective Offer Cumulative Dividends is at least equal to the relevant PGI Respective Offer Hurdle.

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

The NAV per PGI Ordinary Share used in the Pricing Formula for each allotment of New PGI Ordinary Shares will include a provision for any potential performance fees payable by the Company to the Manager, calculated in accordance with the Company's accounting policies. However, as the performance fee will be calculated based on the audited results at the relevant financial year end, the actual performance fee paid may be greater than, or less than, the amount provided in PGI's previously announced NAVs. At the date of this Document, a performance fee of £0.5 million has been accrued in respect of the financial year to 28 February 2019. The actual performance fee, if any, will be calculated based on the audited results at 28 February 2019 and may be greater than, or less than, the amount provided for at the date of this Document.

#### **Other fees and costs**

From 13 January 2015, Beringea has provided certain administration services, company secretarial and financial advisory services and services in connection with share repurchases to the Companies, for a current annual fee of £61,090 (plus VAT if applicable) in the case of ProVen VCT and £54,362 (plus VAT if applicable) in the case of PGI VCT. The fee is increased annually in line with the Retail Prices Index.

Beringea arranges for the safe custody of each Company's unquoted and quoted investments on behalf of the relevant Company in a manner satisfactory to the Board and in that capacity is responsible for ensuring safe custody and dealing with settlement arrangements.

The annual running costs (including irrecoverable VAT but excluding any performance fees payable and annual commission payable to the Manager and trail commission payable to intermediaries) of each Company for the year is subject to a cap of 3.25% of the Company's net assets. Any costs in excess of this are borne by Beringea LLP by way of a reduction in its fees. The annual running costs of each Company for the year to 28 February 2018 were 2.6% of the net asset value of each Company at the year end.

## Part 3

### Investment Policies

#### INVESTMENT POLICY OF THE COMPANIES

Each of the Company's has an identical investment policy as described below.

##### Investment objective

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

- a portfolio of carefully selected Qualifying Investments in small and medium sized unquoted companies with excellent growth prospects;
- a portfolio of non-Qualifying Investments permitted for liquidity management purposes;

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

The investment policy covers several areas as follows:

##### Qualifying investments

The Companies seek 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 Companies; and
- a clearly identified route for a profitable realisation within a three to four year period.

The Companies invest in companies at various stages of development, including those requiring capital for expansion, but not in start-ups or management buy-outs or businesses seeking to use funding to acquire other businesses. Investments are spread across a range of different sectors.

##### Other investments

Funds not invested in qualifying investments may be invested in non-qualifying investments permitted for liquidity management purposes, which include cash, alternative investment funds ("AIFs") and UCITS which may be redeemed on no more than 7 days' notice, or ordinary shares or securities in a company that are acquired on a regulated market.

##### Borrowings

It is not the Companies' intention to have any borrowings. Each Company does, however, have the ability to borrow a maximum amount equal to the nominal capital of that Company and its distributable and undistributable reserves.

##### Maximum exposures

No investment will constitute more than 15% of that Company's portfolio by value at the time of investment.

Any material changes in either Company's investment policy would require their Shareholders' approval in accordance with the Listing Rules.

## 1. ASSET ALLOCATION POLICY

Over the three years following the Offer, a proportion of the funds raised will be progressively invested in Qualifying Investments with the objective that ultimately at least 85% of each Company's assets will be invested in Qualifying Investments. Initially, whilst suitable Qualifying Investments are being identified, the funds will be invested in permitted non-Qualifying Investments. Progressively, this portfolio will be realised in order to fund investments in Qualifying Investments. The portion of each Company's portfolio not invested in Qualifying Investments will be used to meet the annual running costs of that Company, to fund any further investments in its investee companies and to provide liquidity. For accounting periods beginning on or after 6 April 2018 the Companies must have invested at least 30% of all new funds that they have raised and allotted in Qualifying Investments within 12 months of the end of the accounting period in which the Company issued the shares.

It is expected that after investing 85% of their assets in Qualifying Investments, the PGI VCT portfolio will have at least 51 investments (assuming full subscription) and the ProVen VCT portfolio will have at least 51 investments (assuming full subscription), to provide diversification and risk protection. Under current VCT legislation a Qualifying Company's gross assets may not exceed £15 million immediately before and £16 million immediately after the investment, and it must have fewer than 250 employees, prior to investment (500 in the case of a Knowledge Intensive Company). The Qualifying Company cannot receive more than £12m (£20m if the company is deemed to be a Knowledge Intensive Company) of Risk Finance State Aid (including from VCTs) over the company's lifetime. The Qualifying Company's first commercial sale must be no more than 7 years before the VCT's investment (10 years for a Knowledge Intensive Company), except where previous Risk Finance State Aid was received by the company within 7 years or where a turnover test is satisfied. Funds received from an investment by a VCT cannot be used to acquire another existing business or trade. No single investment will represent more than 15% of a Company's investments at the time the investment is made.

## 2. RISK MANAGEMENT POLICY

With many years' experience of managing the risks involved in investing in unquoted companies, Beringea has implemented a number of measures designed to manage risk to the extent possible, given the investment strategy. Key risk management features include:

- *Broad portfolio of companies* – The Companies will invest in a broad portfolio of different companies, thereby reducing the potential impact of poor performance by any individual investment;
- *Stage of investment* – The Companies will invest mainly in established companies normally to provide capital for expansion;
- *Rigorous investment process* – Beringea has established rigorous procedures for reviewing and approving potential investments, as described below, aimed at ensuring a high standard of investment decision-making;
- *Close monitoring of investments / Position on the board of the company* – Beringea will closely monitor the performance of all investments in order to identify any problems and to enable it to take swift corrective action, including in certain circumstances the replacement of under-performing managers. Generally, one of Beringea's investment managers will be appointed to the board of each investee company; and
- *Control over key decisions by investee companies* – Beringea will negotiate detailed legal agreements with each investee company, giving it significant influence over the development of the business.

### **3. CO-INVESTMENT POLICY**

In order to ensure that investment opportunities are apportioned fairly between the Companies, their allocation is governed by the terms of a co-investment agreement. This broadly provides that VCT Qualifying Investments which meet the Companies' investment strategies will be apportioned to the Companies in the proportion of the amount which needs to be invested for compliance with the VCT Rules. The allocation will be impacted by a number of factors, including the chronological order in which funds were raised and disposals achieved from the portfolio. The amount which is apportioned to each VCT will be subject to certain restrictions in order to ensure good portfolio diversification.

## Part 4

### Financial Information on the Companies

#### ProVen VCT

Audited statutory accounts of ProVen VCT for the years ended 29 February 2016, 28 February 2017 and 28 February 2018, in respect of which ProVen VCT's auditors, BDO LLP, registered auditor of 55 Baker Street, London W1U 7EU, members of the Institute of Chartered Accountants in England and Wales, made unqualified reports under section 495 of the 2006 Act, have been delivered to the Registrar of Companies and such reports did not contain any statements under section 498(2) or (3) of the 2006 Act. Copies of these audited statutory accounts and the interim accounts for the 6 month periods ended 31 August 2017 and 31 August 2018 are available at 39 Earlam Street, London WC2H 9LT.

The audited statutory accounts were prepared in accordance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice) and the interim accounts for the 6 month periods ended 31 August 2017 and 31 August 2018 also contain a description of ProVen VCT's financial condition, changes in financial condition and results of operations for each of the above periods. The interim reports for the 6 month periods ended 31 August 2017 and 31 August 2018 were also prepared in accordance with Financial Reporting Standard 102.

#### Historic Financial Information

Historical financial information relating to ProVen VCT on the matters referred to below is included in the published annual report and audited statutory accounts for the years ended 29 February 2016, 28 February 2017 and 28 February 2018 and the interim accounts for the 6 month periods ended 31 August 2017 and 31 August 2018 and is incorporated by reference into this document, as follows:

	Audited statutory accounts for year ended 29 February 2016	Audited statutory accounts for year ended 28 February 2017	Audited statutory accounts for year ended 28 February 2018	Unaudited interim accounts for 6 month period ended 31 August 2017	Unaudited interim accounts for 6 month period ended 31 August 2018
<i>Nature of Information</i>	<i>Page No.</i>	<i>Page No.</i>	<i>Page No.</i>	<i>Page No.</i>	<i>Page No.</i>
Company information	61	63	62	26	26
Fund Overview	5	3	3	3	3
Chairman's statement	6	4	4	4	4
Investment manager's review	8	7	7	7	7
Investment portfolio and review of investments	12	11	11	9	9

Investment activity	10	9	9	11	11
Directors' report	26	26	24	n/a	n/a
Directors' remuneration report	34	34	32	n/a	n/a
Statement of Corporate Governance	29	29	27	n/a	n/a
Independent Auditors' report	38	37	36	n/a	n/a
Income statement	42	41	41	12	12
Statement of changes in equity	43	42	42	14	14
Statement of financial position	44	44	44	13	13
Statement of Cash flows	45	45	45	15	15
Notes to accounts	46	46	46	16	16

	Audited statutory accounts for year ended 29 February 2016	Audited statutory accounts for year ended 28 February 2017	Audited statutory accounts for year ended 28 February 2018	Unaudited interim accounts for 6 month period ended 31 August 2017	Unaudited interim accounts for 6 month period ended 31 August 2018
Total net assets (£000)	86,532	104,739	101,531	99,646	110,310
Changes in net assets (£000)	23,476	18,207	(3,208)	(5,093)	8,779
Net asset value per share	100.7p	106.3p	99.7p	101.8p	108.9p
Dividends paid/proposed for the year/period	5.0p/6.5p	6.5p/5.0p	9.5p/9.5p	2.5p/7.0p	2.5p/25.25p

A description of the changes in the performance of ProVen VCT, both capital and revenue, and changes to ProVen VCT's portfolio of investments for the financial years ended 29 February 2016, 28 February 2017 and 28 February 2018 is set out in the sections headed "Chairman's Statement" and "Investment Manager's Review" in the audited statutory accounts of ProVen VCT for the years ended 29 February 2016, 28 February 2017 and 28 February 2018 and the unaudited interim accounts for the six months ended 31 August 2017 and 31 August 2018.

	Audited statutory accounts for year ended 29 February 2016	Audited statutory accounts for year ended 28 February 2017	Audited statutory accounts for year ended 28 February 2018	Unaudited interim accounts for 6 month period ended 31 August 2017	Unaudited interim accounts for 6 month period ended 31 August 2018
<i>Nature of Information</i>	<i>Page No.</i>	<i>Page No.</i>	<i>Page No.</i>	<i>Page No.</i>	<i>Page No.</i>
Chairman's statement	6	4	4	4	4
Investment manager's review	8	7	7	7	7
Investment portfolio and review of investments	12	11	11	9	9

### Significant Change since 31 August 2018

Save for the payment of a special interim dividend of 25.25p per Ordinary Share of ProVen VCT on 30 November 2018, there has been no significant change to ProVen VCT's trading or financial position since 31 August 2018, the latest date to which unaudited interim financial information has been published by ProVen VCT.



## Historic Financial Information Incorporated by Reference

The audited statutory accounts of ProVen VCT for the years ended 29 February 2016, 28 February 2017 and 28 February 2018 and the unaudited interim accounts for the six months ended 31 August 2017 and 31 August 2018 are being incorporated by reference, as set out above. Where these documents make reference to other documents, such other documents, together with those pages of the annual and interim accounts that are not referred to above, are not relevant to Investors and are not incorporated into and do not form part of this document.

## NAV per Share

As at 31 August 2018 (the latest date in respect of which ProVen VCT has published its NAV per Ordinary Share), the unaudited NAV per Ordinary Share was 108.9p, subsequent to which a dividend of 25.25p per Ordinary Share was paid on 30 November 2018 reducing the unaudited NAV per Ordinary Share to 83.65p.

## PGI VCT

Audited statutory accounts of PGI VCT for the years ended 29 February 2016, 28 February 2017 and 28 February 2018, in respect of which PGI VCT's auditors, BDO LLP, registered auditor of 55 Baker Street, London W1U 7EU, members of the Institute of Chartered Accountants in England and Wales, made unqualified reports under section 495 of the 2006 Act, have been delivered to the Registrar of Companies and such reports did not contain any statements under section 498(2) or (3) of the 2006 Act. Copies of these audited statutory accounts and the interim accounts for the 6 month periods ended 31 August 2017 and 31 August 2018 are available at 39 Earlham Street, London WC2H 9LT.

The audited statutory accounts were prepared in accordance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice) and the interim accounts for the 6 month periods ended 31 August 2017 and 31 August 2018 also contain a description of ProVen VCT's financial condition, changes in financial condition and results of operations for each of the above periods. The interim reports for the 6 month periods ended 31 August 2017 and 31 August 2018 were also prepared in accordance with Financial Reporting Standard 102.

## Historic Financial Information

Historical financial information relating to PGI VCT on the matters referred to below is included in the published annual report and audited statutory accounts for the years ended 29 February 2016, 28 February 2017 and 28 February 2018 and the interim accounts for the 6 month periods ended 31 August 2017 and 31 August 2018 and is incorporated by reference into this document, as follows:

	Audited statutory accounts for year ended 29 February 2016	Audited statutory accounts for year ended 28 February 2017	Audited statutory accounts for year ended 28 February 2018	Unaudited interim accounts for 6 month period ended 31 August 2017	Unaudited interim accounts for 6 month period ended 31 August 2018
<i>Nature of Information</i>	<i>Page No.</i>	<i>Page No.</i>	<i>Page No.</i>	<i>Page No.</i>	<i>Page No.</i>
Company information	62	63	60	25	25

Fund Overview	5	3	3	3	3
Chairman's statement	6	4	4	4	4
Investment manager's review	8	7	6	7	6
Investment portfolio and review of investments	13	11	10	9	8
Investment activity	11	9	8	11	10
Directors' report	27	26	23	n/a	n/a
Directors' remuneration report	35	34	31	n/a	n/a
Statement of Corporate Governance	30	29	26	n/a	n/a
Independent Auditors' report	39	37	34	n/a	n/a
Income statement	43	42	39	12	11
Statement of changes in equity	44	43	40	14	13
Statement of financial position	45	45	42	13	12
Statement of Cash flows	46	46	43	15	14
Notes to accounts	47	47	44	16	15

	Audited statutory accounts for year ended 29 February 2016	Audited statutory accounts for year ended 28 February 2017	Audited statutory accounts for year ended 28 February 2018	Unaudited interim accounts for 6 month period ended 31 August 2017	Unaudited interim accounts for 6 month period ended 31 August 2018
Total net assets (£000)	71,871	112,344	103,890	109,608	106,643
Changes in net assets (£000)	6,628	40,473	(8,454)	(2,736)	2,753
Net asset value per share	80.0p	82.7p	72.1p	80.0p	74.3p
Dividends paid/ proposed for the year/ period	4.5p/6.0p	6.0p/4.5p	12.75p/12.25p	2.5p/10.25p	2.0p/4.5p

A description of the changes in the performance of PGI VCT, both capital and revenue, and changes to PGI VCT's portfolio of investments for the financial years ended 29 February 2016, 28 February 2017 and 28 February 2018 is set out in the sections headed "Chairman's Statement" and "Investment Manager's Review" in the audited statutory accounts of PGI VCT for the years ended 29 February 2016, 28 February 2017 and 28 February 2018 and the unaudited interim accounts for the six months ended 31 August 2017 and 31 August 2018.

	Audited statutory accounts for year ended 29 February 2016	Audited statutory accounts for year ended 28 February 2017	Audited statutory accounts for year ended 28 February 2018	Unaudited interim accounts for 6 month period ended 31 August 2017	Unaudited interim accounts for 6 month period ended 31 August 2018
<i>Nature of Information</i>	<i>Page No.</i>	<i>Page No.</i>	<i>Page No.</i>	<i>Page No.</i>	<i>Page No.</i>
Chairman's statement	6	4	4	4	4
Investment manager's review	8	7	6	7	6
Investment portfolio and review of investments	13	11	10	9	8

#### Significant Change since 31 August 2018

Save for the payment of a special interim dividend of 4.5p per Ordinary Share of PGI VCT on 30 November 2018, there has been no significant change to PGI VCT's trading or financial position since 31 August 2018, the latest date to which unaudited interim financial information has been published by PGI VCT.

**Historic Financial Information Incorporated by Reference**

The audited statutory accounts of PGI VCT for the years ended 29 February 2016, 28 February 2017 and 28 February 2018 and the unaudited interim accounts for the six months ended 31 August 2017 and 31 August 2018 are being incorporated by reference, as set out above. Where these documents make reference to other documents, such other documents, together with those pages of the annual and interim accounts that are not referred to above, are not relevant to Investors and are not incorporated into and do not form part of this document.

**NAV per Share**

As at 31 August 2018 (the latest date in respect of which PGI VCT has published its NAV per Ordinary Share), the unaudited NAV per Ordinary Share was 74.3p, subsequent to which a dividend of 4.5p per Ordinary Share was paid on 30 November 2018 reducing the unaudited NAV per Ordinary Share to 69.8p.

## Part 5

### Portfolio Information on the Companies

#### ProVen VCT

As at the date of this document, ProVen VCT had holdings in 43 companies. At 31 August 2018, the latest date for which unaudited valuations have been announced, this portfolio comprised 42 venture capital investments with a cost of £62.2 million and an unaudited valuation of £70.0 million and cash of £42.0 million.

The list of active current investments (unaudited) in the ProVen VCT portfolio set out in the table below constitutes a comprehensive and meaningful analysis of ProVen VCT's portfolio as at the date of this document, representing 50 per cent by value of ProVen VCT's venture capital investments. The (unaudited) valuations are as at 31 August 2018, the latest date for which valuations have been announced, for investments in the portfolio at that date. Additions to the ProVen VCT portfolio after 31 August 2018 are valued at cost. All venture capital investments are registered in England and Wales except for Access Systems Inc., InContext Solutions, Inc., Thread, Inc. and Whistle Sports, Inc. which are Delaware registered corporations in the United States of America, Smart Information Systems GmbH, which is registered in Austria and Mycs GmbH, which is registered in Germany.

Name	Cost (£'000)	Valuation (£'000)	% of portfolio by value	Holding (Debt/Shares)
Infinity Reliance Limited (t/a My 1st Years)	4,731	6,658	7.2%	Shares
Poq Studio Limited	3,152	5,402	5.9%	Shares
Monica Vinader Limited	534	4,766	5.2%	Shares
Litchfield Media Limited	3,580	4,202	4.6%	Debt and Shares
Smart Information Systems GmbH (t/a Smart Assistant)	3,487	4,072	4.4%	Shares
Rapid Charge Grid Limited	4,200	3,860	4.2%	Debt and Shares
Mycs GmbH	3,551	3,551	3.9%	Shares
Access Systems Inc. (t/a AccessPay)	3,500	3,500	3.8%	Shares
InContext Solutions, Inc.	2,804	3,297	3.6%	Shares
Festicket Ltd	3,248	3,248	3.5%	Shares
Whistle Sports, Inc.	2,090	2,729	2.9%	Shares
Thread, Inc.	2,646	2,723	2.9%	Shares
Other venture capital investments	31,814	23,454	25.5%	Debt and Shares

Cash at bank and in hand		20,636	22.4%	
	<b>69,337</b>	<b>92,098</b>	<b>100%</b>	

Further details of all of PGI VCT's venture capital investments which represent 2.4% or more of PGI VCT's NAV are as follows:

**Infinity Reliance Limited (t/a My 1<sup>st</sup> Years)**

My 1st Years is an e-commerce site for personalised items for babies and children, with products from their Royal Range having been worn by Prince George.

**Poq Studio Limited**

POQ is a platform provider for mobile e-commerce apps used by major fashion retailers.

**Monica Vinader Limited**

Monica Vinader is a British company that creates ready-to-wear contemporary designer jewellery. The business, which is managed by sisters Monica and Gabriela Vinader, began trading in 2007 and has quickly become a well-known, international luxury jewellery brand.

**Litchfield Media Limited**

Litchfield Media is a company that seeks to take advantage of investment opportunities across a range of sectors.

**Smart Information Systems GmbH (t/a Smart Assistant)**

Smart Assistant is a provider of interactive guided selling software that assists the online buying process.

**Rapid Charge Grid Limited**

Rapid Charge Grid Limited is an owner of electric vehicle charging points.

**Mycs GmbH**

Mycs GmbH is an online furniture retailer that specialises in creating fully-customisable furniture. Founded in Berlin, the retailer has developed technology that provides shoppers with the tools to customise the design, size, material and colour of its entire product range of wardrobes, sofas, shelving, tables and chairs.

**Access Systems Inc. (t/a AccessPay)**

AccessPay is a BACS approved software provider aiming to simplify the payment processing system by offering a range of payment and cash management products such as Direct Debit, SEPA, Faster Payments and SWIFT.

**InContext Solutions Inc.**

InContext Solutions is the global leader in enterprise mixed reality solutions for total retail optimisation.

**Festicket Ltd**

Festicket is a website that packages together festival tickets with travel, accommodation and add-ons to create complete festival trips that can be booked in one click.

**Whistle Sports, Inc.**

Founded in 2008, Whistle Sports is a sports media company. The Company focuses on creating, curating and distributing sports video content across social media networks including YouTube and Facebook.

**Thread, Inc.**

Thread is a menswear e-commerce site which recommends styles and items based on an individual's tastes and preferences.

Since 31 August 2018 ProVen VCT has made the following equity investment additions and disposals:

*Additions*

Access Systems Inc. (£3,500,000)

Festicket Ltd (£3,248,000)

Smart Information Systems GmbH (t/a Smart Assistant) (£2,177,000) (Headquarters located in Austria)

Written Byte Ltd (t/a DeepCrawl) (£1,400,000)

InContext Solutions, Inc. (£442,000) (Headquarters located in the USA)

MPB Group Limited (£184,000)

*Disposals*

Think Limited (Proceeds of £7,769,000)

Chess Technologies Limited (Proceeds of £3,609,000)

*Cash dividends paid*

Special interim dividend paid on 30 November 2018 (£21,743,000)

## PGI VCT

As at the date of this document, PGI VCT had holdings in 43 companies. At 31 August 2018, the latest date for which unaudited valuations have been announced, this portfolio comprised 41 venture capital investments with a cost of £58.0 million and an unaudited valuation of £ 63.3 million and cash of £42.2 million.

The list of active current investments (unaudited) in the PGI VCT portfolio set out in the table below constitutes a comprehensive and meaningful analysis of PGI VCT's portfolio as at the date of this document, representing 50 per cent by value of PGI VCT's venture capital investments. The (unaudited) valuations are as at 31 August 2018, the latest date for which valuations have been announced, for investments in the portfolio at that date. Additions to the PGI VCT portfolio after 31 August 2018 are valued at cost. All venture capital investments are registered in England and Wales except for Access Systems Inc., InContext Solutions, Inc., Thread, Inc. and Whistle Sports, Inc. which are Delaware registered corporations in the United States of America and Smart Information Systems GmbH, which is registered in Austria.

Name	Cost (£'000)	Valuation (£'000)	% of portfolio by value	Holding (Debt/Shares)
Smart Information Systems GmbH (t/a Smart Assistant)	3,653	4,868	4.9%	Shares
Dryden Holdings Limited	5,000	4,761	4.8%	Debt and Shares
Poq Studio Limited	2,848	4,598	4.6%	Shares
Infinity Reliance Limited (t/a My 1st Years)	2,769	4,419	4.4%	Shares
Sealskinz Holdings Limited	3,116	2,990	3.0%	Debt and Shares
Blis Media Limited	1,083	2,923	2.9%	Shares
InContext Solutions, Inc.	2,409	2,901	2.9%	Shares

D30 Holdings Ltd	3,550	2,678	2.7%	Shares
Response Tap Limited	1,440	2,430	2.4%	Shares
Whistle Sports, Inc.	1,696	2,215	2.2%	Shares
Disposable Cubicle Curtains Limited	2,999	2,169	2.2%	Debts and Shares
Written Byte Ltd (t/a DeepCrawl)	1,612	2,014	2.0%	Shares
Thread, Inc.	1,864	1,918	1.9%	Shares
Monica Vinader Limited	204	1,819	1.8%	Shares
Rapid Charge Grid Limited	1,888	1,735	1.7%	Debt and Shares
ContactEngine Limited	687	1,677	1.7%	Shares
Litchfield Media Limited	1,420	1,667	1.7%	Debt and Shares
Access Systems Inc. (t/a AccessPay)	1,500	1,500	1.5%	Shares
Been There Done That Global Limited	1,448	1,448	1.4%	Shares
Other venture capital investments	19,816	12,044	11.9%	Debt and Shares
Cash at bank and in hand		37,535	37.4%	
	<b>60,956</b>	<b>100,311</b>	<b>100%</b>	

Further details of all of PGI VCT's venture capital investments which represent 1.4% or more of PGI VCT's NAV are as follows:

**Smart Information Systems GmbH (t/a Smart Assistant)**

Smart Assistant is a provider of interactive guided selling software that assists the online buying process.

**Dryden Holdings Limited**

Dryden Holdings is a company that seeks to take advantage of investment opportunities across a range of sectors.

**Poq Studio Limited**

POQ is a platform provider for mobile e-commerce apps used by major fashion retailers.

**Infinity Reliance Limited (t/a My 1<sup>st</sup> Years)**

My 1st Years is an e-commerce site for personalised items for babies and children, with products from their Royal Range having been worn by Prince George.

**Sealskinz Holdings Limited**

Sealskinz develops and manufactures endurance accessories. From the company's inception it has worked in partnership with athletes including mountaineers, explorers, cyclists, skiers, runners, sailors and horse riders to ensure its products deliver the very best in comfort and performance.



**Blis Media Limited**

Blis is the pioneer behind an advanced mobile location data technology for advertisers. Using its unique, patented technology, Blis provides the most accurate location data, combined with rich contextualized, high quality consumer behavioural insights.

**InContext Solutions Inc.**

InContext Solutions is a leader in enterprise mixed reality solutions for total retail optimisation.

**D3O Holdings Limited**

D3O is an impact protection solutions company that licenses a range of patented smart materials. The market-changing D3O® technology is used to produce a shock absorbing material which can be found in a range of products across the motorcycle, sport, footwear, electronics, military and workwear sectors.

**Response Tap Limited**

Response Tap provides call-based marketing automation, helping brands understand the impact their marketing activities are having on inbound calls.

**Whistle Sports, Inc.**

Founded in 2008, Whistle Sports is a global sports media company. The Company focuses on creating, curating and distributing sports video content across social media networks including YouTube and Facebook.

**Disposable Cubicle Curtains Limited ("DCCL")**

DCCL manufactures and distributes an evolving range of patented, disposable curtains and blinds which actively destroy deadly and harmful pathogens.

**Written Byte Limited (t/a DeepCrawl)**

DeepCrawl is a marketing analytics and insights company whose web crawler and associated software provides brands with a comprehensive overview of their websites' technical health.

**Thread, Inc.**

Thread is a menswear e-commerce site which recommends styles and items based on an individual's tastes and preferences.

**Monica Vinader Limited**

Monica Vinader is a British company that creates ready-to-wear contemporary designer jewellery. The business, which is managed by sisters Monica and Gabriela Vinader, began trading in 2007 and has quickly become a well-known, international jewellery brand.

**Rapid Charge Grid Limited**

Rapid Charge Grid Limited is an owner of electric vehicle charging points.

**ContactEngine Limited**

ContactEngine produces software that automates conversations between corporates and their customers. It improves key interactions, ensuring that crucial moments such as sales, deliveries and appointments are executed with precision and minimum effort.

**Litchfield Media Limited**

Litchfield Media is a company that seeks to take advantage of investment opportunities across a range of sectors.

**Access Systems Inc. (t/a AccessPay)**

AccessPay is a BACS approved software provider aiming to simplify the payment processing system by offering a range of payment and cash management products such as Direct Debit, SEPA, Faster Payments and SWIFT.

**Been There Done That Global Limited**

Been There Done That is a network of around 200 advertising professionals. Bringing together expert planning and creative directors, the network offers clients immediate access to strategic insights on complex briefs.

Since 31 August 2018 PGI VCT has made the following equity investment additions and disposals:

*Additions*

Access Systems Inc. (£1,500,000) (Headquarters located in the USA)

Festicket Ltd (£1,392,000)

Smart Information Systems GmbH (t/a Smart Assistant) (£933,000) (Headquarters located in Austria)

Written Byte Ltd (t/a DeepCrawl) (£600,000)

MPB Group Limited (£66,000)

InContext Solutions, Inc. (£46,000) (Headquarters located in the USA)

*Disposals*

Chess Technologies Limited (Proceeds of £5,413,000)

*Cash dividends paid*

Special interim dividend paid on 30 November 2018 (£5,492,000)

## Part 6

### Material Contracts

The following is a summary of all contracts (not being contracts entered into in the ordinary course of business) to which the Companies are a party for the two years preceding publication of this document which are or may be material and all other contracts (not being contracts entered into in the ordinary course of business) entered into by the Companies which contain a provision or provisions under which the Companies have an obligation or entitlement which is material to it as at the date of this document:

#### ProVen VCT

##### 1. *Investment Management Agreement*

An investment management agreement (the "ProVen IMA") dated 9 February 2000 between ProVen VCT and the Manager, as amended by deeds of variation dated 31 May 2006, 14 November 2006, 19 November 2008, 19 November 2009, 8 December 2011, 8 November 2012, 27 June 2013, 22 October 2013, 3 December 2015 and 11 January 2019 under which the Manager has agreed to provide investment management services to the Company in respect of its investments. The ProVen IMA is terminable by either party at any time by one year's prior written notice. The ProVen IMA is subject to earlier termination in the event of, inter alia, a party committing a material breach of the ProVen IMA and or becoming insolvent, and by ProVen VCT if the Manager is guilty of fraud, wilful deceit or gross negligence or ceases to carry on business or materially fulfil its obligations under the ProVen IMA or the Directors resolve that it is desirable to terminate the ProVen IMA to preserve the status of ProVen VCT as a venture capital trust.

The Manager will receive a fee equal to 2 per cent per annum of the net assets of the Company (exclusive of VAT).

The Manager is also entitled to receive the performance fee set out on pages 14 and 15 and is to be compensated in the event that the ProVen IMA is terminated early by the Company in certain circumstances.

The annual running costs of ProVen VCT (including irrecoverable VAT but excluding any performance related fees and annual commission payable to the Manager and trail commissions payable to intermediaries) are capped at 3.25 per cent. of its net assets, any excess will either be paid by the Manager or refunded by way of a reduction to its fees.

A deed of variation to the ProVen IMA was entered into on 7 June 2017 pursuant to which the previous performance fee arrangements were terminated and the revised performance fee arrangements set out on pages 14 and 15 were established.

A deed of variation to the ProVen IMA dated 11 January 2019 provides that if the ProVen IMA is terminated by ProVen VCT, other than in accordance with the terms of the ProVen IMA, the Manager shall be entitled to compensation relating to the fees that it would have been entitled to under the ProVen IMA in connection with the Offer, provided such compensation shall not exceed £1,900,000.

For the three financial periods ended 29 February 2016, 28 February 2017 and 28 February 2018, ProVen VCT paid £1.3m, £2.0m and £2.0m respectively (including VAT) to the Manager for its investment services to ProVen VCT under the ProVen IMA.

##### 2. *Administration Agreement*

An administration agreement dated 13 January 2015 entered into between the Company and Beringea (the "ProVen Administration Agreement") whereby Beringea provides certain administration, company secretarial and financial advisory services and services in connection with share repurchases to ProVen VCT, for an annual fee of £55,681 (plus VAT if applicable and which increases in line with the Retail Prices Index). Beringea's appointment shall continue for a period of two years from the date of the ProVen Administration Agreement and thereafter either party shall be able to terminate the ProVen Administration Agreement at any time by one year's prior written notice, subject to earlier termination by either party in the event of, inter alia, the other becoming insolvent or committing a material breach of the ProVen Administration Agreement and, by ProVen VCT if, inter alia, it ceases to be a VCT for tax

purposes, or if Beringea is materially unable to carry out its obligations under the ProVen Administration Agreement. The ProVen Administration Agreement contains provisions whereby ProVen VCT indemnifies Beringea against certain liabilities arising in respect of their appointment.

For the financial periods ending 29 February 2016, 28 February 2017 and 28 February 2018, ProVen VCT paid £56,000, £57,000 and £59,000 respectively (including VAT) to Beringea for its services pursuant to the ProVen Administration Agreement.

3. *Directors' Letters of Appointment*

Letters of appointment between ProVen VCT and each of its Directors, dated 25 August 2017 in the case of Neal Ransome, 10 May 2006 in the case of Barry Dean, 31 December 2007 in the case of Malcolm Moss and 24 September 2013 in the case of Lorna Tilbian, under which each Director is required to devote such time to the affairs of ProVen VCT as the Board reasonably requires consistent with his role as a non-executive Director. The letters are terminable on 3 months notice either side. Other than these letters, none of the Directors has a service contract with the Company. Neal Ransome, Lorna Tilbian, Barry Dean and Malcolm Moss are entitled to receive £37,500, £30,000, £30,000 and £15,000 respectively. Andrew Davison, who resigned as a director at ProVen VCT's annual general meeting on 11 July 2018, was entitled to receive £13,636 up to the date of his resignation during the financial year ending 28 February 2019. The total amount expected to payable to the Directors for the year ending 28 February 2019 will be £123,409. No amount has been set aside or accrued by the Company to provide pension, retirement or similar benefits to any of the Directors. No benefits are provided for on termination.

4. *Co-investment Agreement*

A co-investment agreement (the "Co-investment Agreement") dated 17 October 2011, as amended by a deed of variation dated 22 June 2012, between ProVen VCT, PGI VCT, ProVen Health VCT plc and ProVen Planned Exit VCT plc. In order to ensure that investment opportunities are apportioned fairly between the Companies, their allocation is governed by the terms of a co-investment agreement. This broadly provides that VCT Qualifying Investments which meet the Companies' investment strategies will be apportioned to the Companies in the proportion of the amount which needs to be invested for compliance with the VCT Rules. The allocation will be impacted by a number of factors, including the chronological order in which funds were raised and disposals achieved from the portfolio. The amount which is apportioned to each VCT will be subject to certain restrictions in order to ensure good portfolio diversification.

5. *2013 Offer Agreements*

(i) 2013 HK Offer Agreement

An offer agreement (the "2013 HK Offer Agreement") dated 22 October 2013 between ProVen VCT (1), the Directors (2), Howard Kennedy (3), Beringea (4) and Beringea LLC (5) whereby Howard Kennedy agreed to act as sponsor to the 2013 Offer. Under the 2013 HK Offer Agreement, which may be terminated by Howard Kennedy in certain circumstances of breach, the Company, the Directors and the Company gave certain limited warranties to Howard Kennedy. The Company has also agreed to indemnify Howard Kennedy in respect of its role as sponsor and in respect of certain losses arising under the 2013 HK Offer Agreement. The Manager's ultimate parent, Beringea LLC, guaranteed the Manager's liability under the 2013 HK Offer Agreement.

(ii) 2013 Beringea Offer Agreement

An offer agreement (the "2013 Beringea Offer Agreement") dated 22 October 2013 between ProVen VCT (1), the Directors (2), Beringea (3) and Beringea LLC (4) whereby Beringea agreed to use its reasonable endeavours to procure subscribers for ordinary shares under the 2013 Offer. The Manager was entitled to receive 2.5% (in the case of advised investors) and 5.5% (in the case of applications received directly or through execution only brokers) of the gross proceeds of the 2013 Offer, out of which it agreed to pay the costs of the 2013 Offer, including professional fees, marketing expenses and commission to authorised

financial advisors. The Manager's ultimate parent, Beringea LLC, guaranteed the Manager's liability under the 2013 Beringea Offer Agreement.

6. *2015 Offer Agreement*

An offer agreement dated 3 December 2015 between ProVen VCT (1), the Directors (2), Howard Kennedy (3), and Beringea (4) whereby Howard Kennedy agreed to act as sponsor to an offer for subscription launched on 2 December 2015 (the "2015 Offer") and Beringea agreed to use its reasonable endeavours to procure subscribers for ordinary shares under the Offer (the "2015 Offer Agreement"). Under the 2015 Offer Agreement, which could be terminated by Howard Kennedy in certain circumstances of breach, the Directors and the Manager gave certain limited warranties to Howard Kennedy and ProVen VCT agreed to indemnify Howard Kennedy in respect of its role as sponsor and under the agreement, both the warranties and the indemnity being customary for this type of agreement. As is customary for an agreement of this nature, the agreement could be terminated if any statement in the Prospectus for the 2015 Offer was untrue, any material omission from the Prospectus arose or any breach of warranty occurred. The Manager was entitled to receive 3.0% (in the case of Advised Investors) and 5.5% (in the case of applications received directly or through Execution Only Brokers) of the gross proceeds of the 2015 Offer, out of which it agreed to pay all the costs of the Offer, including professional fees, marketing expenses and initial commission to Execution Only Brokers. Any trail commission payable to Execution Only Brokers were to be paid by the Company. The Manager's ultimate parent, Beringea LLC, guaranteed the Manager's liability under the 2015 Offer Agreement.

7. *2019 Offer Agreement*

An offer agreement dated 11 January 2019 between ProVen VCT (1), the Directors (2), Howard Kennedy (3), and Beringea (4) whereby Howard Kennedy agreed to act as sponsor to the Offer and Beringea agreed to use its reasonable endeavours to procure subscribers for ordinary shares under the Offer (the "Offer Agreement"). Under the agreement, which may be terminated by Howard Kennedy in certain circumstances of breach, the Directors and the Manager gave certain limited warranties to Howard Kennedy and ProVen VCT agreed to indemnify Howard Kennedy in respect of its role as sponsor and under the agreement, both the warranties and the indemnity being customary for this type of agreement. As is customary for an agreement of this nature, the agreement may be terminated if any statement in the Prospectus is untrue, any material omission from the Prospectus arises or any breach of warranty occurs. The Manager is entitled to receive 3.0% (in the case of Advised Investors) and 5.5% (in the case of applications received directly or through Execution Only Brokers) of the gross proceeds of the Offer, out of which it has agreed to pay all the costs of the Offer, including professional fees, marketing expenses and initial commission to Execution Only Brokers. Any trail commission payable to Execution Only Brokers will be paid by ProVen VCT. The Manager's ultimate parent, Beringea LLC, has guaranteed the Manager's liability under the Offer Agreement.

**PGI VCT**

1. *Investment Management Agreement*

An investment management agreement (the "PGI IMA") dated 22 November 2005 between PGI VCT and the Manager, as amended by deeds of variation dated 5 September 2007, 19 November 2008, 19 November 2009, 10 December 2010, 23 January 2013, 24 October 2014, 21 September 2016 and a side letter dated 23 September 2014 whereby the Manager agreed to provide investment management services to PGI VCT in respect of its portfolios of qualifying investments. Beringea provides custodian services relating to the PGI VCT's investments. Under the PGI VCT IMA the Manager is entitled to receive an annual management fee equal to 2% of PGI VCT's net assets which is payable quarterly in arrears. The PGI VCT IMA is for a minimum period of three years commencing on 22 November 2005, and is terminable by either party at any time thereafter by one year's prior written notice. The PGI VCT IMA is subject to earlier termination in the event of, inter alia, a party committing a material breach of the PGI VCT IMA and/or becoming insolvent, and PGI VCT if the Manager is guilty of fraud, wilful deceit or gross negligence

or ceases to carry on business or materially fulfil its obligations under the PGI VCT IMA or the Directors resolve that it is desirable to terminate the PGI VCT IMA to preserve the status of PGI VCT as a venture capital trust.

The Manager is also entitled to receive the performance fee set out on pages 15 and 16 and is to be compensated in the event that the PGI IMA is terminated early by the Company in certain circumstances.

A deed of variation to the PGI IMA dated 21 September 2016 provides that if the ProVen Growth & Income VCT IMA is terminated by the Company, other than in accordance with the terms of the ProVen Growth & Income VCT IMA, the Manager shall be entitled to compensation relating to the fees that it would have been entitled to under the PGI IMA in connection with the Offer, provided such compensation shall not exceed £1,080,000.

A deed of variation to the PGI IMA was entered into on 7 June 2017 pursuant to which the previous performance fee arrangements were terminated and the revised performance fee arrangements set out on pages 15 and 16 were established.

A deed of variation to the PGI VCT IMA dated 11 January 2019 provides that if the PGI VCT IMA is terminated by PGI VCT, other than in accordance with the terms of the PGI VCT IMA, the Manager shall be entitled to compensation relating to the fees that it would have been entitled to under the PGI VCT IMA in connection with the Offer, provided such compensation shall not exceed £2,500,000.

The annual running costs (excluding any performance fees payable) of PGI VCT are capped at 3.6% of its net assets, any excess will either be paid by the Manager or refunded by way of a reduction to its fees.

For the financial periods ending 29 February 2016, 28 February 2017 and 28 February 2018, PGI VCT paid £1.5m, £1.5m and £2.1m respectively (including VAT) to Beringea for its investment services to the Company under the PGI VCT IMA.

## *2. Administration Agreement*

On 24 October 2014 an administration agreement (the “PGI VCT Administration Agreement”) was entered into between PGI VCT and Beringea whereby Beringea provides certain administration, company secretarial and financial advisory services and services in connection with share repurchases to PGI VCT, for an annual fee of £49,550 (plus VAT if applicable and which increases in line with the Retail Prices Index). Beringea’s appointment shall continue for a period of two years from the date of the PGI VCT Administration Agreement and thereafter either party shall be able to terminate the PGI VCT Administration Agreement at any time by one year’s prior written notice, subject to earlier termination by either party in the event of, inter alia, the other becoming insolvent or committing a material breach of the PGI VCT Administration Agreement and, by PGI VCT if, inter alia, it ceases to be a VCT for tax purposes, or if Beringea is materially unable to carry out its obligations under the PGI VCT Administration Agreement. The PGI VCT Administration Agreement contains provisions whereby PGI VCT indemnifies Beringea against certain liabilities arising in respect of their appointment.

For the financial periods ending 29 February 2016, 28 February 2017 and 28 February 2018, PGI VCT paid £33,400, £51,000 and £52,000 respectively (including VAT) to Beringea for its services pursuant to the PGI Administration Agreement.

## *3. Directors’ Letters of Appointment*

Letters of appointment between PGI VCT and each of its Directors, dated 16 February 2001 in the case of James Stewart and Marc Vlessing, 1 October 2008 in the case of Malcolm Moss, and 24 August 2011 in the case of Natasha Christie-Miller, under which each Director is required to devote such time to the affairs of PGI VCT as the Board reasonably requires consistent with his or her role as a non-executive Director. The letters are terminable on 3 months notice either side. Other than these letters of appointment, none of the Directors have a service contract with the Company. The total amount expected to be payable to the Directors of PGI VCT for the year ending 28 February 2019 is £112,500. In the previous financial year James Stewart received £30,000, Marc Vlessing received £37,500, Natasha Christie-Miller received £30,000 and Beringea, on behalf of Malcolm Moss, received £15,000. No amount has been set

aside or accrued by PGI VCT to provide pension, retirement or similar benefits to any of the Directors. No benefits are provided for on termination.

4. *Co-Investment Agreement*

A co-investment agreement (the "Co-investment Agreement") dated 17 October 2011, as amended by a deed of variation dated 22 June 2012, between ProVen VCT, PGI VCT, ProVen Health VCT plc and ProVen Planned Exit VCT plc. In order to ensure that investment opportunities are apportioned fairly between the Companies, their allocation is governed by the terms of a co-investment agreement. This broadly provides that VCT Qualifying Investments which meet the Companies' investment strategies will be apportioned to the Companies in the proportion of the amount which needs to be invested for compliance with the VCT Rules. The allocation will be impacted by a number of factors, including the chronological order in which funds were raised and disposals achieved from the portfolio. The amount which is apportioned to each VCT will be subject to certain restrictions in order to ensure good portfolio diversification.

5. *2014 Offer Agreement*

An offer agreement dated 24 October 2014 between PGI VCT (1), the Directors (2), Howard Kennedy (3), Beringea LLP (4) and Beringea LLC (5) whereby Howard Kennedy agreed to act as sponsor to PGI VCT's offer for subscription that was launched on 24 October 2014 (the "2014 Offer"). Under the agreement, which could have been terminated by Howard Kennedy in certain circumstances of breach, the Directors and the Manager gave certain limited warranties to Howard Kennedy and PGI VCT agreed to indemnify Howard Kennedy in respect of its role as sponsor and under the agreement, both the warranties and the indemnity being customary for this type of agreement. Further, as is customary for an agreement of this nature, the agreement may have been terminated if any statement in the prospectus relating to the 2014 Offer was untrue, any material omission from the prospectus arose or any breach of warranty occurred.

6. *2016 Offer Agreement*

An offer agreement dated 21 September 2016 (the "2016 Offer Agreement") between PGI VCT (1), the Directors (2), Howard Kennedy (3), Beringea (4) and Beringea LLC (5) whereby Howard Kennedy agreed to act as sponsor to an offer for subscription launched by PGI VCT on 21 September 2016 (the "2016 Offer") and Beringea agreed to use its reasonable endeavours to procure subscribers for ordinary shares under the 2016 Offer (the "2016 Offer Agreement"). Under the 2016 Offer Agreement, which could be terminated by Howard Kennedy in certain circumstances of breach, the Directors and the Manager gave certain limited warranties to Howard Kennedy and PGI VCT agreed to indemnify Howard Kennedy in respect of its role as sponsor and under the 2016 Offer Agreement, both the warranties and the indemnity being customary for this type of agreement. As is customary for an agreement of this nature, the 2016 Offer Agreement could be terminated if any statement in the Prospectus was untrue, any material omission from the Prospectus arose or any breach of warranty occurred. The Manager was entitled to receive 3.0% (in the case of Advised Investors) and 5.5% (in the case of applications received directly or through Execution Only Brokers) of the gross proceeds of the 2016 Offer, out of which it agreed to pay all the costs of the Offer, including professional fees, marketing expenses and initial commission to Execution Only Brokers. Any trail commission payable to Execution Only Brokers was to be paid by PGI VCT. The Manager's ultimate parent, Beringea LLC, guaranteed the Manager's liability under the 2016 Offer Agreement.

7. *2019 Offer Agreement*

An offer agreement dated 11 January 2019 between PGI VCT (1), the Directors (2), Howard Kennedy (3), and Beringea (4) whereby Howard Kennedy agreed to act as sponsor to the Offer and Beringea agreed to use its reasonable endeavours to procure subscribers for ordinary shares under the Offer (the "Offer Agreement"). Under the agreement, which may be terminated by Howard Kennedy in certain circumstances of breach, the Directors and the Manager gave certain limited warranties to Howard Kennedy and PGI VCT agreed to indemnify Howard Kennedy in respect of its role as sponsor and under the agreement, both the warranties and the indemnity being customary for this type of agreement. As is customary for an agreement of this nature, the agreement may be terminated if any statement in the Prospectus is untrue, any material omission from the Prospectus arises or any breach of warranty occurs. The Manager is entitled to receive 3.0% (in the case of Advised Investors) and 5.5% (in the case of applications received directly or through Execution Only Brokers) of the gross proceeds of the Offer, out of which it has agreed to pay all the

costs of the Offer, including professional fees, marketing expenses and initial commission to Execution Only Brokers. Any trail commission payable to Execution Only Brokers will be paid by PGI VCT. The Manager's ultimate parent, Beringea LLC, has guaranteed the Manager's liability under the Offer Agreement.



## Part 7

### Other Information Relating to the Companies

#### Other Information for ProVen VCT

##### 1. Incorporation and Administration

- 1.1 ProVen VCT was incorporated in England as a public company with limited liability on 18 January 2000 with the name of ProVen VCT plc and with registered number 03911323.
- 1.2 The principal activity of the Company is to operate as a VCT. The Company is domiciled in England. The principal legislation under which the Company operates is the 2006 Act and regulations made thereunder. The Company is not regulated to conduct investment business under the Financial Services and Markets Act 2000, but manages its affairs to comply with VCT legislation. Since incorporation, the Company has not had any employees or subsidiaries.
- 1.3 The Company gave notice to the Registrar of Companies of its intention to carry on business as an investment company under section 266 of the 1985 Act. This status was revoked on 15 July 2004. The Company will carry on its business in accordance with its Articles. On 9 February 2000, the Registrar of Companies issued the Company with a certificate under section 117 of the 1985 Act entitling the Company to commence business and borrow. ProVen VCT's registered office and principal place of business is 39 Earlam Street, London WC2H 9LT. Its telephone number is 020 7845 7820.
- 1.4 The ISIN number for the shares in the Company is GB00B8GH9P84.
- 1.5 Pursuant to an investment management agreement between the Company and Beringea dated 9 February 2000, as amended, Beringea arranges for the safe custody of the Company's unquoted and quoted investments on behalf of the Company in a manner satisfactory to the Board and in that capacity is responsible for ensuring safe custody and dealing with settlement arrangements.

##### 2. Share Capital

- 2.1 The issued fully paid share capital of the Company as at the date of this document and as it is expected to be after the Offer has closed (assuming the Offer is fully subscribed, issue costs of 3% of gross funds raised and a NAV of 83.65p (being the NAV at 31 August 2018 of 108.9p adjusted for the dividend of 25.25p paid on 30 November 2018) for the purpose of the Pricing Formula) is set out below, together with the issued fully paid share capital of the Company as expected after the Offer, assuming a 15% increase and decrease in the current NAV (NAVs of 96.2p and 71.1p, respectively):

<i>Date of this document</i>	<i>Issued</i>	
	Number	Amount
Ordinary Shares	105,403,213	£10,540,321

##### *After the Offer (NAV of 83.65p)*

	<i>Issued</i>	
	Number	Amount
Ordinary Shares	152,051,475	£15,205,148

##### *After the Offer (NAV of 96.2p)*

	<i>Issued</i>	
	Number	Amount

Ordinary Shares	146,001,422	£14,600,142
<i>After the Offer (NAV of 71.1p)</i>	<i>Issued</i>	
	Number	Amount
Ordinary Shares	160,236,841	£16,023,684

2.2 ProVen VCT was incorporated with an authorised share capital of £1,050,000 divided into 50,000 redeemable preference shares of £1 each and 20,000,000 original Ordinary Shares. The 50,000 redeemable preference shares were redesignated as, and sub-divided into, 1,000,000 original Ordinary Shares on 29 March 2000. The authorised share capital of ProVen VCT was increased on 8 February 2000 to £1,250,000 by the creation of 4,000,000 additional original Ordinary Shares, on 21 March 2005 to £1,750,000 by the creation of 10,000,000 additional original Ordinary Shares, on 20 December 2006 to £8,000,000 by the creation of 25,000,000 C Shares and on 9 December 2008 to £8,200,000 by the creation of 20,000,000 D Shares, by ordinary resolution in each case.

2.3 Following Shareholder approval at an annual general meeting and general meeting held on 24 October 2012, the conversion of the C Shares and D Shares to Ordinary Shares took place on 30 October 2012. Immediately prior to the conversions, the original Ordinary Shares were consolidated such that holders of original Ordinary Shares received one new Ordinary Share for every two original Ordinary Shares. Under the conversions, holders of C Shares received approximately 0.9213 new Ordinary Shares for each C Share held previously and holders of D Shares received approximately 0.8720 new Ordinary Shares for each D Share held previously.

2.4 The Company is currently authorised to purchase in the market and cancel up to 14.9 per cent of its Ordinary Share capital.

2.5 As at the date of the Prospectus, the holdings of Ordinary Shares by the Directors are as follows:

N Ransome	20,411
B Dean	29,252
M. Moss	65,725
L Tilbian	nil

### 3. Resolutions passed by the Company

3.1 The following resolutions of the Company were passed at its annual general meeting held on 11 July 2018:

#### *Ordinary Resolution*

- (1) THAT, in addition to existing authorities, the directors of the Company be and hereby are generally and unconditionally authorised in accordance with Section 551 of the Companies Act 2006 ("CA 2006") to exercise all the powers of the Company to allot and issue shares in the capital of the Company and to grant rights to subscribe for or to convert any security into shares in the Company up to an aggregate nominal amount of £7,640,594 (representing approximately 75% of the Ordinary Share capital in issue, provided that the authority conferred by this resolution shall expire on the conclusion of the next Annual General Meeting of the Company held after the passing of this resolution (unless renewed, varied or revoked by the Company in a general meeting) but so that this authority shall allow the Company to make before the expiry of this authority offers or agreements which would or might require shares to be allotted or rights to be granted after such expiry;

#### *Special Resolution*

- (2) THAT, the directors of the Company be and hereby are empowered pursuant to Sections 570(1) of the CA 2006 to allot or make offers to or agreements to allot equity securities (which expression shall have the meaning ascribed to it in Section 560(1) of the CA 2006) for cash pursuant to the authority given pursuant to

resolution (1) above, as if Section 561(1) of the CA 2006 (pre-emption rights) did not apply to such allotment, provided that the power provided by this resolution shall expire on the conclusion of the next annual general meeting of the Company held after the passing of this resolution (unless renewed, varied or revoked by the Company in general meeting) but so that this authority shall allow the Company to make before the expiry of this authority offers or agreements which would or might require equity securities to be allotted after such expiry.

#### **4. Articles of Association**

Article 2 of the Articles provides that the Company's principal objects are to carry on the business of an investment company and a VCT. The following is a summary of certain other provisions of the Articles. Copies of the Articles are available for inspection at the address set out in paragraph 5.20 of this Part 7 below.

##### **4.1 Voting Rights**

Subject to any disenfranchisement and to any special terms as to voting on which any shares may be issued, on a show of hands every member present in person shall have one vote and, on a poll, every member present in person or by proxy shall have one vote for each share of which he is a holder.

##### **4.2 Issue of shares**

Subject to the provisions of the Acts and the Articles relating to authority, pre-emption rights and otherwise and any resolutions passed by the Company, all unissued shares are at the disposal of the Directors and they may allot, grant options over or otherwise dispose of them to such persons, at such times and on such terms as they think proper, provided that no such share is issued at a discount.

##### **4.3 Transfer of shares**

4.3.1 The instrument of transfer of any shares must be in usual form or in such other form as the Directors may approve and must be signed by or on behalf of the transferor (and in the case of a transfer of a partly paid share by the transferee).

4.3.2 The Directors may, in their absolute discretion refuse to register any share transfer unless it is in respect of a fully paid share, it is in respect of a share on which the Company does not have a lien, it is in respect of only one class of shares, it is in favour of not more than four joint holders as transferees and the instrument of transfer has been left at the Company's registered office, or at such other place as the Directors may from time to time determine, to be registered, accompanied by the certificate for the shares and such evidence as the Directors may reasonably require to prove the title of the transferor, and the due execution by him of the transfer.

##### **4.4 Variation of Rights**

Subject to the provisions of the Acts, whenever the capital of the Company is divided into different classes of shares, the rights attached to any class may (unless otherwise provided by the terms of issue of that class) be varied or abrogated either with the consent in writing of the holders of three-fourths of the issued shares of the class or with the sanction of a special resolution passed at a separate meeting of such holders.

##### **4.5 Alteration of Capital**

- 4.5.1 The Company may by ordinary resolution increase its share capital or consolidate all or any of its share capital into shares of a larger amount.
- 4.5.2 The Company may by special resolution sub-divide its shares into shares of a smaller amount, and may by such resolution determine that, as between the holders of the shares resulting from such sub-division, one or more such shares shall have some preferred or other advantage or be subject to such restrictions as compared with the other or others as the Company has power to attach to shares.
- 4.5.3 The Company may by special resolution reduce its share capital, any capital redemption reserve fund and any share premium account in any manner authorised by law and by ordinary resolution cancel any shares not taken or agreed to be taken by any person and diminish the amount of its share capital by the nominal value of the shares so cancelled.

#### 4.6 Dividends and distributions

The Articles provide that the Ordinary Shares entitle their holders to receive such dividends as the Directors may resolve to pay out of the net assets of the Company pro rata to their respective holding of Ordinary Shares.

The Company may in general meeting by ordinary resolution declare dividends in accordance with the respective rights of the members, provided that no dividend shall be payable in excess of the amount recommended by the Directors. Subject to the above, the Directors may pay such interim dividends as appear to them to be justified. No dividend or other monies payable in respect of a share shall bear interest as against the Company. There are no fixed dates on which entitlement to a dividend arises. All dividends unclaimed for a period of twelve years after being declared or becoming due for payment shall be forfeited and shall revert to the Company.

#### 4.7 Directors

- 4.7.1 Unless otherwise determined by the Company in general meeting, the Directors shall not be fewer than 2 and not be more than 10 in number.
- 4.7.2 The business of the Company shall be managed by its Directors who may exercise all such powers and do all such acts and things as may be done or exercised by the Company.
- 4.7.3 A Director who is in any way, directly or indirectly, interested in any transaction or arrangement with the Company shall, at a meeting of the Directors, declare, in accordance with the 2006 Act, the nature of his interest.
- 4.7.4 Provided that he has declared his interest in accordance with paragraph 4.7.3 above, a Director may be a party to or otherwise interested in any transaction or arrangement with the Company or in which the Company is otherwise interested. No Director so interested shall be accountable to the Company, by reason of his being a Director, for any benefit, which he derives from such office, interest, any such transaction or arrangement.
- 4.7.5 A Director shall not vote at a meeting of the Directors in respect of a matter in which he has any material interest otherwise than by virtue of his interest in shares, debentures or other securities of, or otherwise in or through, the Company, unless his interest arises only because the case falls within one or more of the specified paragraphs.

- 4.7.6 Where proposals are under consideration concerning the appointment of two or more Directors to offices or employment with the Company or any company in which the Company is interested the proposals may be divided and considered in relation to each Director separately and (if not otherwise precluded from voting) each of the Directors concerned shall be entitled to vote and be counted in the quorum in respect of each resolution except that concerning his own appointment.
- 4.7.7 The Directors are to be paid out of the funds of the Company by way of fees for their services an aggregate sum not exceeding £150,000 per annum, together with such additional fees as the Company may determine in general meeting. Such fees are to be divided among them in such proportion and manner as the Directors may determine. The Directors shall also be paid by the Company all travelling, hotel and other expenses they may incur in attending meetings of the Directors or general meetings or otherwise in connection with the discharge of their duties.
- 4.7.8 At the annual general meeting of the Company next following his appointment a Director shall retire from office. A Director shall also retire from office at or before the third annual general meeting following the annual general meeting at which he last retired and was re-elected. A retiring Director shall be eligible for re-election. The Company may, in general meeting, appoint any person to be a Director either to fill a casual vacancy or as an additional Director.

#### 4.8 Borrowing Powers

The Directors may exercise all the powers of the Company to borrow money and to mortgage or charge its undertaking, property and uncalled capital. The Directors shall restrict the borrowings of the Company and, by the exercise of the Company's voting and other rights or powers of control over its subsidiary undertakings (if any), secure that they restrict their borrowings, so that the aggregate amount at any time outstanding in respect of money borrowed by the group, shall not, without the previous sanction of an ordinary resolution of the Company, exceed the "Adjusted Capital and Reserves" amount (as such term is defined in the Articles), which is effectively the aggregate of the nominal capital of the Company issued and paid up and the amount standing to the credit of the consolidated reserves of the Company, less specified adjustments, exclusions and deductions.

#### 4.9 General Meetings

An annual general meeting shall be held at such time and place as may be determined by the Directors and within a period of six months beginning on the day following the Company's accounting reference date. The Directors may, whenever they see fit, and shall on requisition in accordance with the 2006 Act, proceed with proper expedition to convene a general meeting.

An annual general meeting shall be called by at least 21 clear days' notice in writing and any other general meeting shall be called by at least 14 clear days' notice. Notice may be via electronic communication. Notice shall be given to all members, other than those who are not entitled under the Articles to receive notice. A general meeting may be called by shorter notice if it is agreed: (i) in the case of an annual general meeting, by all members entitled to attend and vote; and (ii) in the case of a general meeting other than an annual general meeting, by a majority in the number of the members having a right to attend and vote, being a majority holding at least 95% in nominal value of the shares giving that right.

Every notice calling a general meeting shall specify the place, day and hour of the meeting. Every notice must include a prominent statement that a member entitled to attend and vote is entitled to appoint a

proxy or proxies to attend, speak and vote instead of him and that a proxy need not be a member of the Company.

In the case of any general meeting at which businesses other than routine business is to be transacted, the notice shall specify the general nature of such business. The notice shall say whether any resolution is to be proposed as an ordinary resolution or special resolution. In the case of an annual general meeting, the notice shall also specify the meeting as such.

#### 4.10 Uncertificated Shares

The Articles are consistent with CREST membership and allow for the holding and transfer of shares in uncertificated form pursuant to the Regulations.

## Other Information for PGI VCT

### 1. Incorporation and Administration

- 1.1 PGI VCT was incorporated in England and Wales as a public company with limited liability on 14 December 2000 with the name of Wisemanor plc and with registered number 04125326 and changed its name to Proven Media VCT plc on 2 February 2001 and to Proven Growth & Income VCT plc on 5 July 2005.
- 1.2 The principal activity of PGI VCT is to operate as a VCT. PGI VCT is domiciled in England. The principal legislation under which PGI VCT operates is the 2006 Act and regulations made thereunder. PGI VCT is not regulated to conduct investment business under the Financial Services and Markets Act 2000, but manages its affairs to comply with VCT legislation. Since incorporation, PGI VCT has not had any employees or subsidiaries.
- 1.3 PGI VCT gave notice to the Registrar of Companies of its intention to carry on business as an investment company under section 266 of the Companies Act 1985. This status was revoked by the Company on 15 July 2004. PGI VCT will carry on its business in accordance with its Memorandum and Articles. The Registrar of Companies issued PGI VCT with a certificate under section 117 of the 1985 Act entitling PGI VCT to commence business and borrow, on 7 February 2001. PGI VCT's registered office and principal place of business is 39 Earlam Street, London WC2H 9LT. Its telephone number is 020 7845 7820.
- 1.4 The ISIN number for the shares in PGI VCT is GB00B5B7YS03
- 1.5 Pursuant to the PGI VCT IMA, as amended, Beringea is the sole custodian of PGI VCT's unquoted and quoted investments that are not held directly by PGI VCT in a manner satisfactory to the Board and in that capacity is responsible for ensuring safe custody and dealing with settlement arrangements.

### 2. Share Capital

- 2.1 The issued fully paid share capital of PGI VCT as at the date of this document and as it is expected to be after the Offer has closed (assuming the Offer is fully subscribed, issue costs of 3% of gross funds raised and a NAV of 69.8p (being the NAV at 31 August 2018 of 74.3p adjusted for the dividend of 4.5p paid on 30 November 2018] for the purpose of the Pricing Formula) is set out below, together with the issued fully paid share capital of the Company as expected after the Offer, assuming a 15% increase and decrease in the current NAV (NAVs of 80.3p and 59.3p, respectively):

<i>Date of this document</i>		<i>Issued</i>
	Number	Amount
Ordinary Shares	144,524,381	£2,339,416
<i>After the Offer (NAV of 69.8p)</i>		<i>Issued</i>
	Number	Amount
Ordinary Shares	200,373,029	£3,243,438
<i>After the Offer (NAV of 80.3p)</i>		<i>Issued</i>
	Number	Amount
Ordinary Shares	193,121,031	£3,126,050
<i>After the Offer (NAV of 59.3p)</i>		<i>Issued</i>
	Number	Amount
Ordinary Shares	210,184,555	£3,402,257

2.2 PGI VCT was incorporated with an authorised share capital of £50,000 divided into 50,000 shares of £1 each. The authorised share capital of PGI VCT was increased by ordinary resolution on 6 February 2001 to £350,000, divided into 50,000 redeemable preference shares of £1 each and 30,000,000 ordinary shares. The 50,000 redeemable preference shares were redesignated as, and sub-divided into, 1,000,000 ordinary shares on 22 March 2001. The authorised share capital of PGI VCT was increased, on 20 December 2005 to £1,600,000 by the creation of 25,000,000 C Shares and on 9 December 2008 from £1,600,000 to £1,800,000 by the creation of 20,000,000 D Shares, by ordinary resolution in each case. On 26 October 2009 the C Shares were converted into new Ordinary Shares of 1.6187p each and, following that conversion, each ordinary share was consolidated into approximately 0.617769 Ordinary Shares of 1.6187p each. On 29 October 2012 8,217,514 D Shares were converted into 9,389,949 Ordinary Shares.

2.3 PGI VCT is currently authorised to purchase in the market and cancel up to 14.9% of its Ordinary Share capital.

2.4 As at the date of the Prospectus, the holdings of Ordinary Shares in PGI VCT by the Directors of PGI VCT are as follows:-

J. Stewart	35,375
M.Vlessing	231,065
M. Moss	76,812
N. Christie-Miller	24,419

### 3. Resolutions passed by PGI VCT

3.1 The following resolutions of PGI VCT were passed at an annual general meeting held on 11 July 2018:

#### *Ordinary Resolution*

- (3) THAT, in addition to existing authorities, the directors of the Company be and hereby are generally and unconditionally authorised in accordance with Section 551 of the Companies Act 2006 ("CA 2006") to exercise all the powers of the Company to allot and issue shares in the capital of the Company and to grant rights to subscribe for or to convert any security into shares in the Company up to an aggregate nominal

amount of £1,748,283 representing approximately 75% of the share capital in issue at the date of the AGM notice, provided that the authority conferred by this resolution shall expire on the conclusion of the next Annual General Meeting of the Company held after the passing of this resolution (unless renewed, varied or revoked by the Company in a general meeting) but so that this authority shall allow the Company to make before the expiry of this authority offers or agreements which would or might require shares to be allotted or rights to be granted after such expiry.

#### *Special Resolution*

- (2) THAT, the directors of the Company be and hereby are empowered pursuant to Sections 570(1) of the CA 2006 to allot or make offers or agreements to allot equity securities (which expression shall have the meaning ascribed to it in Section 560(1) of the CA 2006) for cash pursuant to the authority given pursuant to resolution above, as if Section 561(1) of the CA 2006 (pre-emption rights) did not apply to such allotment, provided that the power provided by this resolution shall expire on the conclusion of the next annual general meeting of the Company held after the passing of this resolution (unless renewed, varied or revoked by the Company in general meeting) but so that this authority shall allow the Company to make before the expiry of this authority offers or agreements which would or might require equity securities to be allotted after such expiry.

#### **4. Articles of Association**

Article 2 of the Articles provides that PGI VCT's principal objects are to carry on the business of an investment company and a VCT. The following is a summary of certain other provisions of the Articles of PGI VCT. Copies of the Articles of PGI VCT are available for inspection at the address set out in paragraph 5.20 of this Part 7 below.

##### **4.1 Voting Rights**

Subject to any disenfranchisement and to any special terms as to voting on which any shares may be issued, on a show of hands every member present in person shall have one vote and, on a poll, every member present in person or by proxy shall have one vote for each share of which he is a holder.

##### **4.2 Issue of shares**

Subject to the provisions of the Acts and the Articles relating to authority, pre-emption rights and otherwise and any resolutions passed by PGI VCT, all unissued shares are at the disposal of the Directors and they may allot, grant options over or otherwise dispose of them to such persons, at such times and on such terms as they think proper, provided that no such share is issued at a discount.

##### **4.3 Transfer of shares**

4.3.1 The instrument of transfer of any shares must be in usual form or in such other form as the Directors may approve and must be signed by or on behalf of the transferor (and in the case of a transfer of a partly paid share by the transferee).

4.3.2 The Directors may, in their absolute discretion refuse to register any share transfer unless it is in respect of a fully paid share, it is in respect of a share on which PGI VCT does not have a lien, it is in respect of only one class of shares, it is in favour of not more than four joint holders as transferees and the instrument of transfer has been left at PGI VCT's registered office, or at such other place as the Directors may from time to time determine, to be registered, accompanied by



the certificate for the shares and such evidence as the Directors may reasonably require to prove the title of the transferor, and the due execution by him of the transfer.

#### 4.4 Variation of Rights

Subject to the provisions of the Acts, whenever the capital of PGI VCT is divided into different classes of shares, the rights attached to any class may (unless otherwise provided by the terms of issue of that class) be varied or abrogated either with the consent in writing of the holders of three-fourths of the issued shares of the class or with the sanction of a special resolution passed at a separate meeting of such holders.

#### 4.5 Alteration of Capital

4.5.1 PGI VCT may by ordinary resolution increase its share capital or consolidate all or any of its share capital into shares of a larger amount.

4.5.2 PGI VCT may by special resolution sub-divide its shares into shares of a smaller amount, and may by such resolution determine that, as between the holders of the shares resulting from such sub-division, one or more such shares shall have some preferred or other advantage or be subject to such restrictions as compared with the other or others as PGI VCT has power to attach to shares.

4.5.3 PGI VCT may by special resolution reduce its share capital, any capital redemption reserve fund and any share premium account in any manner authorised by law and by ordinary resolution cancel any shares not taken or agreed to be taken by any person and diminish the amount of its share capital by the nominal value of the shares so cancelled.

#### 4.6 Dividends and distributions

The Articles provide that the Ordinary Shares entitle their holders to receive such dividends as the Directors may resolve to pay out of the net assets of PGI VCT pro rata to their respective holding of Ordinary Shares.

PGI VCT may in general meeting by ordinary resolution declare dividends in accordance with the respective rights of the members, provided that no dividend shall be payable in excess of the amount recommended by the Directors. Subject to the above, the Directors may pay such interim dividends as appear to them to be justified. No dividend or other monies payable in respect of a share shall bear interest as against PGI VCT. There are no fixed dates on which entitlement to a dividend arises. All dividends unclaimed for a period of twelve years after being declared or becoming due for payment shall be forfeited and shall revert to PGI VCT.

#### 4.7 Directors

4.7.1 Unless otherwise determined by PGI VCT in general meeting, the Directors shall not be fewer than 2 and not be more than 10 in number.

4.7.2 The business of PGI VCT shall be managed by its Directors who may exercise all such powers and do all such acts and things as may be done or exercised by PGI VCT.

4.7.3 A Director who is in any way, directly or indirectly, interested in any transaction or arrangement with PGI VCT shall, at a meeting of the Directors, declare, in accordance with the 2006 Act, the nature of his interest.

- 4.7.4 Provided that he has declared his interest in accordance with paragraph 4.7.3 above, a Director may be a party to or otherwise interested in any transaction or arrangement with PGI VCT or in which PGI VCT is otherwise interested. No Director so interested shall be accountable to PGI VCT, by reason of his being a Director, for any benefit, which he derives from such office, interest, any such transaction or arrangement.
- 4.7.5 A Director shall not vote at a meeting of the Directors in respect of a matter in which he has any material interest otherwise than by virtue of his interest in shares, debentures or other securities of, or otherwise in or through, PGI VCT, unless his interest arises only because the case falls within one or more of the specified paragraphs.
- 4.7.6 Where proposals are under consideration concerning the appointment of two or more Directors to offices or employment with the Company or any company in which PGI VCT is interested the proposals may be divided and considered in relation to each Director separately and (if not otherwise precluded from voting) each of the Directors concerned shall be entitled to vote and be counted in the quorum in respect of each resolution except that concerning his own appointment.
- 4.7.7 The Directors are to be paid out of the funds of PGI VCT by way of fees for their services an aggregate sum not exceeding £150,000 per annum, together with such additional fees as PGI VCT may determine in general meeting. Such fees are to be divided among them in such proportion and manner as the Directors may determine. The Directors shall also be paid by PGI VCT all travelling, hotel and other expenses they may incur in attending meetings of the Directors or general meetings or otherwise in connection with the discharge of their duties.
- 4.7.8 At the annual general meeting of PGI VCT next following his appointment a Director shall retire from office. A Director shall also retire from office at or before the third annual general meeting following the annual general meeting at which he last retired and was re-elected. A retiring Director shall be eligible for re-election. PGI VCT may, in general meeting, appoint any person to be a Director either to fill a casual vacancy or as an additional Director.

#### 4.8 Borrowing Powers

The Directors may exercise all the powers of PGI VCT to borrow money and to mortgage or charge its undertaking, property and uncalled capital. The Directors shall restrict the borrowings of the Company and, by the exercise of the Company's voting and other rights or powers of control over its subsidiary undertakings (if any), secure that they restrict their borrowings, so that the aggregate amount at any time outstanding in respect of money borrowed by the group, shall not, without the previous sanction of an ordinary resolution of the Company, exceed the "Adjusted Capital and Reserves" amount (as such term is defined in the Articles), which is effectively the aggregate of the nominal capital of the Company issued and paid up and the amount standing to the credit of the consolidated reserves of the Company, less specified adjustments, exclusions and deductions.

#### 4.9 General Meetings

An annual general meeting shall be held once a year, within 15 months of the previous annual general meeting. The Directors may, whenever they see fit, and shall on requisition in accordance with the 2006 Act, proceed with proper expedition to convene a general meeting.

An annual general meeting shall be called by at least 21 clear days' notice in writing and any other general meeting shall be called by at least 14 clear days' notice. Notice may be via electronic communication.

Notice shall be given to all members, other than those who are not entitled under the Articles to receive notice. A general meeting may be called by shorter notice if it is agreed: (i) in the case of an annual general meeting, by all members entitled to attend and vote; and (ii) in the case of a general meeting other than an annual general meeting, by a majority in the number of the members having a right to attend and vote, being a majority holding at least 95% in nominal value of the shares giving that right.

Every notice calling a general meeting shall specify the place, day and hour of the meeting. Every notice must include a prominent statement that a member entitled to attend and vote is entitled to appoint a proxy or proxies to attend, speak and vote instead of him and that a proxy need not be a member of PGI VCT.

In the case of any general meeting at which businesses other than routine business is to be transacted, the notice shall specify the general nature of such business. The notice shall say whether any resolution is to be proposed as an ordinary resolution or special resolution. In the case of an annual general meeting, the notice shall also specify the meeting as such.

#### 4.10 Uncertificated Shares

The Articles are consistent with CREST membership and allow for the holding and transfer of shares in uncertificated form pursuant to the Regulations.

## Other Information for both of the Companies

### 1. Additional Information

- 1.1 The Directors, whose names appear on pages 6 and 7 of this document, and the Companies, each accept responsibility for the information contained in this document. The Directors and the Companies declare that, having taken all reasonable care to ensure that such is the case, the information contained in this document is, to the best of the knowledge of the Directors and the Companies, in accordance with the facts and does not omit anything likely to affect the import of such information.
- 1.2 Beringea LLP was incorporated in England and Wales on 27 January 2009 as a limited liability partnership under the Act. The registered number of Beringea is OC342919 and its registered office is 39 Earlham Street, London WC2H 9LT (telephone number 020 7845 7820). Beringea is authorised by the Financial Conduct Authority to conduct venture capital business. Beringea is authorised and regulated by the Financial Conduct Authority as an Authorised UK AIFM as required under the EU AIFM Directive that came into force in July 2013.
- 1.3 BDO LLP, a member of the Institute of Chartered Accountants in England & Wales, registered auditor of 55 Baker Street, London W1U 7EU were the registered auditors of both of the Companies in respect of their respective report and accounts for the years ended 29 February 2016, 28 February 2017 and 28 February 2018.
- 1.4 Each Board is responsible for the determination and calculation of their respective Company's net asset value and each Board intends to announce their respective company's net asset value at least quarterly, through a regulatory information service. The Boards believe that, by announcing their respective Company's financial results on a regular basis, it should help to provide a fairer market price for the Companies' Shares.
- 1.5 There have not, since the date of their incorporation, been any governmental, legal or arbitration

proceedings (including any such proceedings which are pending or threatened of which either Company is aware) which may have, or which have had in the recent past, significant effects on the Companies' financial position or profitability.

- 1.6 Each Company's annual report and accounts will be made up to 28 February and sent to Shareholders, normally in June. Each Company's next accounting period will end on 28 February 2019. Shareholders also receive unaudited half-year accounts for the period to the end of August in each year which will normally be sent to Shareholders in October.
- 1.7 For both Companies, Valuation of listed investments and investments traded on AIM or other public stock markets will be stated at closing bid prices. Where quoted investments are subject to restrictions, an appropriate discount to the latest market price may be applied with regard to International Private Equity and Venture Capital ("IPEVC") valuation guidelines. Investments not listed on a public stock market will be stated at Directors' valuation. The Directors will value these investments in accordance with the IPEVC valuation guidelines.

Investments will usually be valued by the Boards on 28 February, 31 May, 31 August and 30 November of each year and these net asset values will be communicated to Shareholders through a Regulatory News Service. The Companies will also announce when there has been a major change to their respective net asset value, for instance as a result of a disposal of an investment or if a Company undertakes a fundraising and needs to announce an interim valuation. The calculation of net asset value of a Company's investments will only be suspended in circumstances where the underlying data necessary to value the investments of that Company cannot readily, or without undue expenditure, be obtained. Details of any suspension would be announced through a Regulatory News Service.

- 1.8 A detailed description of the investment policies which will be pursued by the Companies are set out in Part 3. The Companies must, at all times, invest and manage their assets in a way which is consistent with their objectives of spreading investment risk and in accordance with their published investment policies. These investment policies are in line with Chapter 15 of the Listing Rules and Part 6 ITA and the Companies will not deviate from them. The Companies are subject to various rules and regulations in order to continue to qualify as VCTs, as set out in Part 3 of the Securities Note. Any material breach of their investment policies or such rules and regulations will be notified to Shareholders through a Regulatory News Service. Neither Company, nor any of their respective subsidiaries, must conduct any trading activity which is significant in the context of their group as a whole. No more than 10%, in aggregate, of the value of the total assets of a Company at the time an investment is made may be invested in other listed closed-ended investment funds, except where those funds have themselves published investment policies which permit them to invest more than 15% of their total assets in other listed closed-ended investment funds.
- 1.9 Where information set out in this document has been sourced from a third party the source has been identified at the relevant place in the document and the Companies confirm that this information has been accurately reproduced and, as far as either Company is aware and able to ascertain from information published by the relevant third parties, no facts have been omitted which would render the reproduced information inaccurate or misleading.
- 1.10 A typical Investor for whom an investment in the Companies is designed will be a UK taxpayer who is aged 18 years or over who is professionally advised and already has a portfolio of non-VCT Qualifying investments such as unit trusts/OEICs, investment trusts and direct shareholdings in listed companies and may include retail, institutional and sophisticated investors and high net-worth individuals. The individual should be comfortable with the risk factors described in the Prospectus and be willing to retain the investment for at least five years.

1.11 Neither Company has any current borrowings nor any borrowing requirements and the Directors have no current intention of making any borrowings.

1.12 ProVen VCT entered into deeds of variation to an investment management agreement with Beringea on 3 December 2015 and 11 January 2019; a director's letter of appointment with Neal Ransome on 25 August 2017; an offer agreement dated 22 October 2013 with the Directors, the Sponsor, Beringea and Beringea LLC, an offer agreement dated 3 December 2015 with the Directors, the Sponsor, Beringea and Beringea LLC and an offer agreement dated 11 January 2019 with the Directors, the Sponsor, Beringea and Beringea LLC.

Further details of these agreements and the fees paid to Beringea thereunder are set out in Part 6 of this document. Beringea is a related party as it is the Company's investment manager.

For each of the financial periods ended 29 February 2016, 28 February 2017 and 28 February 2018 and for the current financial year to date, apart from the agreements referred to in this paragraph, the Company has not been a party to any related party transactions for the purposes of Regulation (EC) No. 1606 / 2002.

1.13 ProVen Growth and Income VCT entered into deeds of variation to an investment management agreement with Beringea 21 September 2016 and 11 January 2019, the offer agreement referred to at paragraph 6 of Part 6 of this document dated 21 September 2016 and the offer agreement referred to at paragraph 7 of Part 6 of this document dated 11 January 2019.

Further details of these agreements and the fees paid to Beringea thereunder are set out in Part 6 of this document. Beringea is a related party as it is the Company's investment manager.

For each of the financial periods ended 29 February 2016, 28 February 2017 and 28 February 2018 and for the current financial year to date, apart from the agreements referred to in this paragraph, the Company has not been a party to any related party transactions for the purposes of Regulation (EC) No. 1606 / 2002.

1.14 Save as set out in paragraph 1.15 below, there are no potential conflicts of interest between the duties of the administrative, management or supervisory bodies or senior management of the Companies and their private interests or other duties.

1.15 Malcolm Moss is a partner of the Manager, which is a party to the material contracts referred to in respect of each Company in paragraphs 3, 4, 5, 6 and 7 of Part 6. Save as disclosed in this paragraph, there are no material potential conflicts of interest which any of the service providers to the Companies have as between their duty to either Company and duties owed by them to third parties and their other interests. In order to address these conflicts, Malcolm Moss does not participate in any discussions relating to such matters or exercise any voting rights on such matters.

1.15 Howard Kennedy Corporate Services LLP, the Sponsor, of 1 London Bridge, London SE1 9BG and Beringea, of 39 Earlham Street, London WC2H 9LT, have each given and not withdrawn their written consent to the issue of this document with the references to them in the form and context in which they appear.

1.16 Other than the Directors, neither Company has any Shareholders required to notify the Companies of their shareholding and no Shareholders have different voting rights. Neither Company is directly controlled by any other party and, as at 10 January 2019 being the latest practicable date prior to the publication of this document) there are no arrangements in place that may, at a subsequent date, result in a change of control of either Company.

1.17 None of the Companies' capital is under option, nor are there any conditional or unconditional agreements for any part of either Company's capital to be put under option.

- 1.18 Shareholders will be informed by means of the half year and/or annual report or through a public announcement if the investment restrictions which apply to the Companies as VCTs (as detailed in this document) are breached.
- 1.19 No person receiving a copy of this document in any territory other than the UK may treat the same as constituting an offer or invitation to subscribe for or purchase Ordinary Shares unless, in such territory, such offer or invitation could lawfully be made.
- 1.20 Copies of this document, the Securities Note and the Summary have been submitted to the National Storage Mechanism and are available to the public for viewing online at the following web-site address: <http://www.hemscott.com/nsm.do>. and may be obtained, free of charge, whilst the Offer remains open, from the Company's registered office or from Beringea, 39 Earlham Street, London WC2H 9LT (telephone 020 7845 7820, email [provenvcts@beringea.co.uk](mailto:provenvcts@beringea.co.uk)), or can be downloaded at [www.provenvcts.co.uk](http://www.provenvcts.co.uk).
- 1.21 Copies of the following documents are available for inspection at the offices of Howard Kennedy LLP at Number 1 London Bridge, London SE1 9BG and at the registered office of the Companies at 39 Earlham Street, London WC2H 9LT during normal business hours on any weekday (public holidays excepted) from the date of this document until the closing date of the Offer:
- (a) each Company's Memorandum of Association and Articles;
  - (b) the material contracts referred to in Part 6;
  - (c) the consent letters referred to at paragraph 1.15 above;
  - (d) the audited accounts of both Companies for the periods ended 29 February 2016, 28 February 2017 and 28 February 2018;
  - (e) the interim accounts of both Companies for the 6 month periods ended 31 August 2017 and 31 August 2018; and
  - (f) the Prospectus.

**Dated: 11 January 2019**

## Definitions

The following definitions are used throughout this document and, except where the context requires otherwise, have the following meanings.

<b>2013 Offer</b>	ProVen VCT's offer for subscription in respect of the 2013/2014 and 2014/2015 tax years as described in the Prospectus issued by ProVen VCT dated 22 October 2013
<b>2014 Offer</b>	PGI VCT's offer for subscription in respect of the 2014/2015 tax year as described in the prospectus issued by ProVen VCT dated 24 October 2014
<b>2015 Offer</b>	ProVen VCT's offer for subscription in respect of the 2015/2016 tax year as described in the prospectus issued by ProVen VCT dated 2 December 2015
<b>2016 Offer</b>	PGI VCT's offer for subscription in respect of the 2016/2017 tax year as described in the prospectus issued by ProVen VCT dated 21 September 2016
<b>2006 Act</b>	Companies Act 2006, as amended and to the extent in force from time to time
<b>Adviser Charges</b>	the amount an Investor agrees to pay a Financial Adviser in respect of the Offer
<b>Beringea Group</b>	Beringea LLC and its subsidiaries (which subsidiaries include Beringea)
<b>Company</b>	Proven VCT plc or PGI VCT, as the context permits , and together, the "Companies"
<b>C Shares</b>	the C shares of ProVen VCT which were converted into Ordinary Shares on 30 October 2012
<b>D Shares</b>	the D shares of ProVen VCT which were converted into Ordinary Shares on 30 October 2012
<b>Directors or Board</b>	the directors of each Company from time to time (as the context permits)
<b>Equivalent ProVen Ordinary Share</b>	ProVen Ordinary Shares resulting from the conversion or consolidation of ProVen Original Shares on 30 October 2012
<b>Execution Only Broker</b>	an intermediary, authorised by the Financial Conduct Authority, which does not provide advice to its clients

<b>HMRC</b>	Her Majesty's Revenue and Customs
<b>Investor</b>	an individual aged 18 or over who is resident in the United Kingdom who subscribes for New Ordinary Shares under the Offer
<b>ITA</b>	Income Tax Act 2007 (as amended)
<b>Knowledge Intensive Company</b>	a company satisfying the conditions in Section 331(A) of Part 6 ITA
<b>London Stock Exchange</b>	London Stock Exchange plc
<b>Manager or Beringea</b>	Beringea LLP
<b>Money Laundering Regulations</b>	the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017
<b>NAV</b>	the net asset value of the Ordinary Shares
<b>New Ordinary Shares</b>	new Ordinary Shares to be issued under the Offer
<b>Offer</b>	the offer for subscription of New Ordinary Shares described in the Prospectus
<b>Official List</b>	the Official List of the UK Listing Authority
<b>Ordinary Shares</b>	PGI Ordinary Shares and ProVen Ordinary Shares, including New Ordinary Shares where the context permits
<b>PGI Buyback Adjustment</b>	an adjustment to reflect PGI Ordinary Shares repurchased by PGI VCT for cancellation after 21 August 2014, made firstly against the PGI Original Offer and thereafter against successive PGI Subsequent Offers in the order in which they were raised provided that a PGI Subsequent Offer will only be used for the PGI Buyback Adjustment if all the share capital allotted under a PGI Subsequent Offer was allotted more than five years before the date the PGI Ordinary Shares were repurchased and where there are outstanding PGI Ordinary Shares in respect of that Subsequent Offer.
<b>PGI DRIS Adjustment</b>	an adjustment to reflect PGI Ordinary Shares allotted by PGI VCT in respect of its dividend re-investment scheme after 21 August 2014, made firstly against any open PGI Subsequent Offer at the time of the associated dividend payment or secondly against the most recently raised PGI Subsequent Offer.
<b>PGI Respective Offer Hurdle</b>	the greater of:



	<p>(i) 1.25 times the PGI Respective Offer Initial Net Asset Value per Share; and</p> <p>(ii) the PGI Respective Offer Initial Net Asset Value per Share increased by the Bank of England base rate plus one per cent, per annum (compound) from:</p> <ul style="list-style-type: none"> <li>31 August 2012 in respect of the PGI Original Offer; or</li> <li>the date of the first allotment of PGI Ordinary Shares under each PGI Subsequent Offer in respect of all PGI Subsequent Offers.</li> </ul>
<b>PGI Respective Offer Initial Net Asset Value per Share</b>	<p>the net asset value per PGI Ordinary Share of the Company as at:</p> <p>(i) 31 August 2012, in respect of the PGI Original Offer, being 78.5p; or</p> <p>(ii) the date of the first allotment of PGI Ordinary Shares under each PGI Subsequent Offer, in respect of all PGI Subsequent Offers.</p>
<b>PGI Respective Offer Performance Value</b>	<p>in respect of each PGI Respective Offer, at the relevant financial year end, the sum of:</p> <p>(i) the audited net asset value per PGI Ordinary Share for a PGI Respective Offer at that date;</p> <p>(ii) PGI Respective Offer Cumulative Dividends; or</p> <p>(iii) all performance fees per PGI Ordinary Share paid by the shareholders of the PGI Respective Offer in relation to financial years starting after 29 February 2012.</p>
<b>PGI Respective Offer Shares</b>	<p>at the relevant financial year end, the number of issued and outstanding PGI Ordinary Shares attributable to each PGI Respective Offer being:</p> <p>(i) in respect of the PGI Original Offer, the number of PGI Ordinary Shares in issue as at 21 August 2014, being 62,063,191, less any relevant PGI Buyback Adjustment plus any relevant PGI DRIS Adjustment; and</p> <p>(ii) in respect of PGI Subsequent Offers, the aggregate number of PGI Ordinary Shares allotted under the PGI Subsequent Offer, less any relevant PGI Buyback Adjustment plus any relevant PGI DRIS Adjustment.</p>
<b>PGI VCT</b>	ProVen Growth & Income VCT plc
<b>Pricing Formula</b>	the formula used to calculate the number of New Ordinary Shares to be issued to an Investor, as set out on page 28 of the Securities Note

<b>ProVen Buyback Adjustment</b>	an adjustment to reflect ProVen Original Shares or ProVen Ordinary Shares repurchased by ProVen VCT for cancellation after 29 February 2012, made firstly against the ProVen Original Offer where there are outstanding Equivalent ProVen Ordinary Shares in respect of the ProVen Original Offer and thereafter against successive ProVen Subsequent Offers in the order in which they were raised provided that a ProVen Subsequent Offer will only be used for the ProVen Buyback Adjustment if all the share capital allotted under a ProVen Subsequent Offer was allotted more than five years before the date the ProVen Original Shares or ProVen Ordinary Shares were repurchased and where there are outstanding Equivalent ProVen Ordinary Shares or ProVen Ordinary Shares in respect of that Subsequent Offer.
<b>ProVen DRIS Adjustment</b>	an adjustment to reflect ProVen Ordinary Shares allotted by the ProVen VCT in respect of its dividend re-investment scheme after 29 February 2012, made firstly against any open ProVen Subsequent Offer at the time of the associated dividend payment or secondly against the most recently raised ProVen Subsequent Offer.
<b>ProVen Ordinary Shares</b>	means ordinary shares of 10p each in the capital of the ProVen VCT
<b>ProVen Original Offer</b>	the Equivalent ProVen Ordinary Shares in issue as at 29 February 2012
<b>ProVen Original Shares</b>	means 5p ordinary shares, 25p 'C' shares and 1p 'D' shares in the capital of ProVen VCT in issue prior to 30 October 2012
<b>ProVen Respective Offer Cumulative Dividends</b>	<p>the cumulative dividends per ProVen Ordinary Share paid by the Company from:</p> <ul style="list-style-type: none"> <li>(i) 29 February 2012, in respect of the ProVen Original Offer; or</li> <li>(ii) the date of the first allotment of ProVen Original Shares or ProVen Ordinary Shares under a ProVen Subsequent Offer, in respect of all ProVen Subsequent Offers.</li> </ul>
<b>ProVen Respective Offer Hurdle</b>	<p>in respect of the ProVen Original Offer the greater of:</p> <ul style="list-style-type: none"> <li>i) 117.2p; or</li> <li>ii) the ProVen Respective Offer Initial Net Asset Value per Share increased by the Bank of England base rate plus one per cent, per annum (compound) from 31 August 2011</li> </ul> <p>in respect of each ProVen Subsequent Offer the greater of:</p> <ul style="list-style-type: none"> <li>(i) 1.25 times the ProVen Respective Offer Initial Net Asset Value per Share; and</li> </ul>

	(ii) the ProVen Respective Offer Initial Net Asset Value per Share increased by the Bank of England base rate plus one per cent, per annum (compound) from the date of the first allotment of ProVen Original Shares or ProVen Ordinary Shares under that Subsequent Offer.
<b>ProVen Respective Offer Initial Net Asset Value per Share</b>	<p>the net asset value per ProVen Ordinary Share or Equivalent ProVen Ordinary Share of the Company as at:</p> <ul style="list-style-type: none"> <li>i) 29 February 2012, in respect of the ProVen Original Offer, being 92.9p; or</li> <li>ii) the date of the first allotment of ProVen Original Shares or ProVen Ordinary Shares under each ProVen Subsequent Offer, in respect of all ProVen Subsequent Offers.</li> </ul>
<b>ProVen Respective Offer Performance Value</b>	<p>in respect of each ProVen Respective Offer, at the relevant financial year end, the sum of:</p> <ul style="list-style-type: none"> <li>(i) the audited net asset value per ProVen Ordinary Share or ProVen Equivalent Ordinary Share for a ProVen Respective Offer at that date;</li> <li>(ii) ProVen Respective Offer Cumulative Dividends;</li> <li>(iii) all performance fees per ProVen Ordinary Share or Equivalent ProVen Ordinary Share paid by the shareholders of the ProVen Respective Offer in relation to financial years starting after 29 February 2012;</li> <li>(iv) any ProVen Residual PIF Adjustment where relating to that ProVen Respective Offer (whether relating to that or any previous financial year)</li> </ul>
<b>ProVen Respective Offer Shares</b>	<p>at the relevant financial year end, the number of issued and outstanding ProVen Ordinary Shares or Equivalent ProVen Ordinary Shares attributable to each ProVen Respective Offer being:</p> <ul style="list-style-type: none"> <li>i) in respect of the ProVen Original Offer, the number of Equivalent ProVen Ordinary Shares in issue as at 29 February 2012, less any relevant ProVen Buyback Adjustment plus any relevant ProVen DRIS Adjustment; and</li> <li>ii) In respect of ProVen Subsequent Offers, the aggregate number of ProVen Ordinary Shares or Equivalent ProVen Ordinary Shares allotted under the ProVen Subsequent Offer, less any relevant ProVen Buyback Adjustment plus any relevant ProVen DRIS Adjustment.</li> </ul>
<b>ProVen Subsequent Offer</b>	an issue of ProVen Original Shares or ProVen Ordinary Shares by ProVen VCT as part of an offer for subscription or top up offer after 29 February 2012, but excluding ProVen Ordinary Shares issued under the terms of ProVen VCT's dividend reinvestment scheme.

<b>ProVen VCT</b>	Proven VCT plc
<b>ProVen VCTs</b>	PGI VCT, ProVen VCT and ProVen Planned Exit VCT
<b>Prospectus</b>	together, this document, the Securities Note and the Summary
<b>Qualifying Company</b>	a company satisfying the conditions as described in Part 3 of the Securities Note
<b>Qualifying Investment</b>	an investment satisfying the conditions as described in Part 3 of the Securities Note
<b>Qualifying Trade</b>	a trade complying with the requirements of Chapter 4 of Part 6 ITA
<b>Registration Document</b>	this document
<b>Risk Finance State Aid</b>	State aid received by a company as defined in Section 280B (4) of ITA
<b>Securities Note</b>	the securities note that, together with this document and the Summary, constitutes the Prospectus
<b>Shares</b>	shares in the capital of the Company
<b>Shareholder</b>	a holder of Shares
<b>Sponsor</b>	Howard Kennedy Corporate Services LLP
<b>Summary</b>	the summary that, together with this document and the Securities Note, constitutes the Prospectus
<b>The Risk Finance Guidelines</b>	guidelines on state aid to promote risk finance investments 2014/C 19/04
<b>UK Listing Authority</b>	the Financial Conduct Authority acting in its capacity as the competent authority for the purposes of Part VI of the Financial Services and Markets Act 2000
<b>Venture Capital Trust or VCT</b>	a venture capital trust as defined by section 259 ITA