

Circular to Shareholders of

pembroke

VCT plc



Pembroke VCT plc is part of



Oakley Capital Group

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of the proposals referred to in this document or as to the action you should take you are recommended to seek your own financial advice immediately from a stockbroker, solicitor, accountant or other independent adviser authorised under the Financial Services and Markets Act 2000 ("FSMA").

If you have sold or otherwise transferred all of your Shares, please send this Circular along with the attached Proxy Form at once to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee. However, the distribution of this Circular and any accompanying documents into certain jurisdictions other than the United Kingdom (including but not limited to the United States) is or may be restricted by law and therefore persons into whose possession this Circular and any accompanying documents come should inform themselves about and observe any such restrictions. Failure to comply with any such restrictions may constitute a violation of the securities' laws of any such jurisdiction. If you sell or have sold or otherwise transferred only part of your holding of Shares in the Company, you should retain this Circular and the accompanying documents.

This Circular does not constitute or form part of any offer or invitation to purchase, otherwise acquire, subscribe for, sell, otherwise dispose of or issue any security. This Circular does not constitute a prospectus or prospectus equivalent document. The Company has published a prospectus dated 29 October 2015 relating to the proposed B Ordinary Share Issue which has been prepared in accordance with the Prospectus Rules of the Financial Conduct Authority made under section 73A of the FSMA. Any decision to subscribe for B Ordinary Shares should be only be made in reliance on that document.

Circular to Shareholders of Pembroke VCT plc

Registered in England and Wales under number 08307631

Notice of General Meeting

of the Company to be held at 3 Cadogan Gate, London SW1X 0AS at 10am on 3 December 2015 seeking Shareholders' approval to the recommended proposals for:

- a) the issue of further B Ordinary Shares and further Ordinary Shares other than *pro rata*
- b) the adoption of a dividend investment scheme and authority for the issue of further Shares under that scheme
- c) a revision to the Articles of Association of the Company
- d) cancellation of the share premium account of the Company

Your attention is drawn to the letter from the Chairman of the Company set out on pages 6 to 8 of this document which contains a recommendation to vote in favour of the Resolutions to be proposed at the General Meeting.

Whether or not you intend to attend the General Meeting, please complete and submit a Proxy Form in accordance with the instructions printed on the attached form. The Proxy Form must be received by 10am on 1 December 2015. The completion and depositing of a Proxy Form will not preclude you from attending and voting in person at the meeting should you wish to do so.

The right to vote at the General Meeting is determined by reference to the register of members 48 hours before the time of the meeting. Accordingly, to be entitled to vote, Shareholders must be entered in the register of members by 10am on 1 December 2015.

In the case of a member which is a company, it may by resolution of its directors or other governing body authorise a person or persons to act as its representative or representatives at the General Meeting.

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	Date/time
Latest time and date for receipt of the Proxy Form for use at the General Meeting	10am on 1 December 2015
General Meeting	10am on 3 December 2015
Offer for Subscription of further B Ordinary Shares opens	29 October 2015

The first allotment of B Ordinary Shares under the Offer is expected to take place on or before 5 April 2016, and admission to listing on the UKLA's Official List and to trading on the premium segment of the London Stock Exchange's main market is expected to take place within 10 Business Days of any allotment. Thereafter, it is expected B Ordinary Shares will be issued and admitted to listing and trading at regular intervals at the Board's discretion.

Note: The dates set out in the expected timetable above may be adjusted by the Company, in which event details of the new dates will be notified through a Regulatory Information Service. The Board reserves the right to issue B Ordinary Shares under the Offer at any time following the receipt of valid applications.

Risk Factors

The Directors consider the following to be all the material risks for Shareholders in the Company in relation to the Proposals, but the risks listed do not necessarily comprise all those associated with an investment in the Company or associated with the Proposals.

Risks relating to the Proposals

The Company has incurred certain costs and expenses already in relation to the Proposals and will incur further costs and expenses in furtherance of the Offer if the Resolutions are passed at the General Meeting. Although Oakley Capital Limited as one of the promoters has agreed to reimburse the Company for the costs and expenses it will incur, if the Offer subsequently does not go ahead, and the Promoter is unable to reimburse the Company for these costs and expenses for any reason, the liability for these will be borne by the Company and by implication the existing Shareholders. The Offer is conditional upon all of the Resolutions being passed at the General Meeting.

If the Offer proceeds, to the extent that Shareholders do not participate in the Offer at least *pro rata* to other shares issued, the Offer will have a dilutive effect on their voting rights in relation to general meetings of the Company (on an aggregate share basis), and (in relation to Shareholders who only hold B Ordinary Shares) in relation to class meetings.

(Registered in England and Wales No 08307631, an investment company under section 833 of the Companies Act 2006)

Directors

Jonathan Djanogly (Chairman)
Laurence Blackall
Peter Dubens

Registered office

3 Cadogan Gate
London
SW1X 0AS

29 October 2015

Dear Shareholder

Proposals for a further B Ordinary Share Offer (“Offer”)

Pembroke VCT plc (the “Company”) is a venture capital trust (VCT) launched in 2013 which has raised just under £24 million pursuant to Ordinary Share offers launched in 2013 and 2014 and an initial B Ordinary Share offer launched in October 2014 (which closed in July 2015 having raised some £5.8 million). The Offer is seeking to raise £15 million with an over-allotment facility of a further £10 million, which will be invested in accordance with the Company’s investment policy.

The Board believes that these Proposals will provide an opportunity for existing Shareholders to increase their investment in the Company and for new investors to make an investment in the Company in a tax advantageous manner through an issue of further B Ordinary Shares. Funds raised will be invested in new businesses as well as follow-on investments in existing portfolio companies. Investors should enjoy the benefit of investing in an existing portfolio. For all Shareholders, funds raised will reduce the overall running costs attributable to each Share.

Terms of the B Ordinary Share Issue

In order to be fair to both existing B Ordinary Shareholders and investors under the Offer, the Offer Price will be adjusted by reference to any movement in the underlying NAV per B Ordinary Share published during the course of the Offer.

Current investment status of the Company’s share class portfolios

As at the date of this document, the Company has made 23 investments with, in total, £19.0 million being invested at 30 September 2015 split between £15.7 million in the Ordinary Share Pool and £3.3 million in the B Ordinary Share Pool.

Dividend Investment Scheme

The Company intends to adopt a Dividend Investment Scheme, which will allow existing and new Shareholders to elect to apply any cash dividends they may receive in respect of their Ordinary Shares and B Ordinary Shares in subscribing for further Shares of the relevant class.

The price at which Shares will be issued under the Dividend Investment Scheme will effectively be the last published NAV per share of the relevant share class as close as reasonably practical to the dividend payment date. The Company bears all of the costs of operating the Dividend Investment Scheme. Dividend investment enables Shareholders to increase their total holding in the Company without incurring dealing costs or issue costs. Subject to the limits on investments in VCTs, Shares issued under the Dividend Investment Scheme should qualify for the VCT tax reliefs that are applicable to subscriptions for new VCT shares.

Shares subscribed for under the Dividend Investment Scheme will form part of the relevant Shareholder’s annual limit for investing in VCTs. Shareholders wishing to invest their dividends should tick the box in the application form which is attached to the Prospectus. In the case of existing Shareholders who do not wish to apply for B Ordinary Shares but wish to participate in the Dividend Investment Scheme, please telephone The City Partnership (UK) Limited on 0131 243 7210. The terms and conditions of the Dividend Investment Scheme are set out in Part 2 of this Circular.

Duration of the Company and Amendment to the Articles

The Articles currently require that the Company shall prior to the annual general meeting of the Company to be held in 2023 draw up proposals for the voluntary liquidation, unitisation or other reorganisation of the Company for submission to the members of the Company at that annual general meeting. The Directors are permitted by the Articles, however, to delay putting such proposals to the Shareholders until the next annual general meeting, for a maximum of three years.

Although such a duration provision is typical in articles of association of VCTs, in view of the nature of the Company, its investment policy and investments, and the new VCT rules coming into force this November, the Directors have been considering in the context of the current fundraising and the investment activities of the Company whether it is in the best interest of Shareholders for such duration provisions to be retained. The Company seeks capital appreciation in the investments of the Company without regard to a fixed timescale for the realisation of investments and the winding-up of the Company. The Directors have, therefore, concluded that the removal of this duration provision from the Articles would provide them with more flexibility as to how the Company invests its funds, and how it would operate its share buy back policy to return capital to those Shareholders who may wish to realise their investment in the Company. Accordingly, a resolution to remove this provision is proposed to be put to Shareholders.

Cancellation of the Share Premium Account

The Company intends, subject to regulatory and Court approval, to cancel the share premium account of the Company that currently exists in relation to the Ordinary Shares and the B Ordinary Shares, as well as the share premium account that will be created on the issue of the B Ordinary Shares pursuant to the Offer. This cancellation will increase the reserves of the Company which may be treated as distributable, which can be used, among other things, to fund the Company's payment of dividends and the buy back of Shares. Accordingly, resolution 5 set out in the notice of General Meeting deals with this proposed cancellation.

The Proposals and the General Meeting

In order to proceed, the Proposals will need Shareholder approval:

1. to approve the issue of further B Ordinary Shares under the Offer and the issue of further Ordinary Shares and B Ordinary Shares;
2. to adopt the Dividend Investment Scheme and to authorise the issue of further Ordinary Shares and further B Ordinary Shares pursuant to that scheme;
3. to disapply pre-emption rights in relation to the issue of B Ordinary Shares under the Offer, and of further Ordinary Shares and further B Ordinary Shares, under the authority referred to in paragraph 1 above;
4. to amend the Articles by the deletion of the provision dealing with the duration of the Company (as described above); and
5. to cancel the share premium account of the Company.

The Company therefore intends to convene a General Meeting on 3 December 2015 at 10am at 3 Cadogan Gate, London SW1X 0AS, notice of which is set out on pages 18 to 20 of this document, to put to Shareholders resolutions to approve the above matters.

If you have any questions in relation to the General Meeting please do not hesitate to contact Stewart Porter at the Manager (stewart.porter@oakleycapital.com) but note that he is not able to give investment advice and if you have any doubt as to whether or not you should invest in B Ordinary Shares or how you should vote on the Proposals you should seek your own financial advice from a person experienced and authorised to give such advice.

Overseas Shareholders

Shareholders with a registered address in one of the Restricted Jurisdictions are not being sent this Circular. The distribution of this Circular and making Ordinary Shares and B Ordinary Shares available to persons who have registered addresses in, or who are resident or ordinarily resident in, or citizens of, or which are corporations, partnerships or other entities created or organised under the laws of, countries other than the United Kingdom or to persons who are nominees of or custodians, trustees or guardians for citizens, residents or nationals of, countries other than the United Kingdom may be affected by the laws or regulatory requirements of the relevant jurisdictions. No action has been or will be taken by the Company, the receiving agent to the Offer or any other person, to permit a public offering or distribution of this Circular (or any other offering or publicity materials or application form(s) relating to the issue of Ordinary Shares and B Ordinary Shares) in any jurisdiction where action for that purpose may be required, other than in the United Kingdom.

Resolutions

Pages 18 to 20 of this Circular contain a notice convening a General Meeting of the Company to be held at 10am on 3 December 2015 at 3 Cadogan Gate, London SW1X 0AS where the resolutions below will be proposed. The Offer is conditional upon all of the Resolutions being passed at the General Meeting. Resolutions 1 and 2 will be proposed as ordinary resolutions, which means that in order for such resolutions to be passed, more than 50% of the votes cast on each resolution must be in favour. Resolutions 3, 4 and 5 will be proposed as special resolutions, which means that for these resolutions to be passed, 75% or more of the votes cast on each resolution must be in favour.

Resolutions 1 and 3 – In accordance with the CA 2006, authority is sought to allot further B Ordinary Shares (under the Offer and subsequent allotments) and further Ordinary Shares (for subsequent allotments) and disapply pre-emption rights in respect of any such allotment. Resolution 1 will be proposed as an ordinary resolution and Resolution 3 will be proposed as a special resolution. The shareholder authorities which are sought under the terms of Resolutions 1 and 3 are explained below.

The Directors are seeking the authority of Shareholders to allot (i) up to a nominal amount of £240,000 of B Ordinary Shares pursuant to the B Ordinary Share Issue, (ii) a further amount of Ordinary Shares up to an aggregate nominal amount representing 10% of the issued Ordinary Share capital of the Company from time to time (for use, for example, by way of a top-up offer), and (iii) a further amount of B Ordinary Shares up to an aggregate nominal amount representing 10% of the issued B Ordinary Share capital of the Company from time to time (again for use, for example, by way of a top-up offer) in each case for cash and without first offering such shares to Shareholders *pro rata* to their existing holdings of Ordinary Shares or B Ordinary Shares. The maximum allotments referred to represent, in aggregate, approximately 119% of the issued share capital of the Company as at the date of this Circular.

If granted, this authority will expire on 2 March 2017. The Company currently holds no Shares in treasury. Apart from the issue of B Ordinary Shares under the Offer, the Directors do not currently intend to use the general authorities to allot additional Ordinary Shares or B Ordinary Shares, but consider it desirable to have the flexibility to do so in the future.

Resolution 2 – This resolution seeks the approval of Shareholders in accordance with the Articles to authorise the Directors to offer holders of Shares in the Company the right to receive Shares (instead of cash) in respect of any dividend declared under the terms of the Dividend Investment Scheme. The authority conferred by this resolution will expire on the day before the next annual general meeting following the date of the passing of this resolution. This resolution will be proposed as an ordinary resolution.

Resolution 4 – This resolution seeks the approval of Shareholders as required by the CA 2006 to amend the Articles for the reasons set out under the heading “Duration of the Company and Amendment to the Articles” on page 6 of this Circular. This resolution will be proposed as a special resolution.

Resolution 5 – This resolution seeks the approval of Shareholders as required by the CA 2006 to authorise the cancellation of the share premium account of the Company. This share premium account will arise on the issue of B Ordinary Shares pursuant to the Offer, and exists in relation to B Ordinary Shares (and some of the Ordinary Shares) currently in issue. All of the share premium account at the date of the order made confirming such cancellation by the court will be cancelled, and will be used to establish a new reserve which may be treated as distributable and which can be used, *inter alia*, to fund the Company's buyback of Shares and the payment of future dividends. This resolution will be proposed as a special resolution.

Action to be taken by Shareholders

If you wish to appoint a proxy to attend, speak and vote on your behalf on the Resolutions but do not intend to attend the General Meeting, it is important that you complete the Proxy Form and return it to The City Partnership (UK) Limited, Thistle House, 21-23 Thistle Street, Edinburgh EH2 1DF by no later than 48 hours prior to the time of the General Meeting i.e. by 10am on 1 December 2015. Completion and return of the Proxy Form will not preclude you from attending the meeting and voting in person should you so wish.

Recommendations

The Board considers that all of the Resolutions contained in this Circular are in the best interests of the Company and the Shareholders as a whole and recommends that Shareholders vote in favour of the Resolutions.

All of the Directors intend to vote in favour of the Resolutions to be proposed at the General Meeting in respect of their own aggregate beneficial shareholdings of 625,000 Ordinary Shares and 525,000 B Ordinary Shares, representing approximately 3.45% of the issued Ordinary Shares and approximately 9% of the issued B Ordinary Shares.

Yours sincerely,

Jonathan Djanogly
Chairman

1. Expectations as to the issue of B Ordinary Shares

It is proposed to raise, in aggregate, up to £15 million, with an over-allotment facility of a further £10 million to be used at the discretion of the Board, by means of the B Ordinary Share Issue. It is expected that the Offer will open on 29 October 2015 and it is expected will remain open until 12.00 pm on 5 April 2016 in relation to the 2015/16 tax year, and until 5.00 pm on 29 April 2016 in relation to the 2016/17 tax year, unless extended. The Offer may close in advance of these dates in the event that the maximum subscription is reached. The closing date of the Offer, and the deadline for receipt of applications for the final allotment with respect to the 2016/17 Offer, may be extended by the Directors at their absolute discretion to a date no later than 14 October 2016.

The Offer is not underwritten. The maximum net proceeds of the Offer, assuming full subscription and a promoter fee of 2% will be approximately £14,700,000. The Company will pay Oakley Capital Limited as one of the promoters of the Offer a promoter's fee of 2% or 5% on the value of accepted applications for B Ordinary Shares under the Offer.

The B Ordinary Shares will upon issue rank equally with all other B Ordinary Shares in issue at that date in respect of rights to dividends. The B Ordinary Shares will be issued in registered form, and will be transferable. Application will be made for the B Ordinary Shares to be admitted to the CREST system and new B Ordinary Shares may be held in certificated form or in dematerialised, uncertificated form. Fractions of shares will not be issued.

2. Directors' interests in the Company's Shares

The interests of the Directors and their immediate families in the share capital of the Company, all of which are beneficial, both prior to and as they are expected to be following the Offer, and of persons connected to the Directors and their immediate families (the existence of which is known to, or could with reasonable diligence, be ascertained by that Director) will be as set out below together with the percentages which such interests represent of the Shares in issue assuming that the Offer is fully subscribed (with the over-allotment facility being utilised in full) and a promoter fee of 2% on all such subscriptions at an offer price of 105p per B Ordinary Share:

Position as at the date of this Circular				
Director	Number of Ordinary Shares	Percentage of Ordinary Shares in issue	Number of B Ordinary Shares	Percentage of B Ordinary Shares in issue
Peter Dubens	400,000	2.20	400,000	6.85
Laurence Blackall	200,000	1.10	100,000	1.71
Jonathan Djanogly	25,000	0.14	25,000	0.43

Position as at the close of the Offer				
Director	Number of Ordinary Shares	Percentage of Ordinary Shares in issue	Number of B Ordinary Shares	Percentage of B Ordinary Shares in issue
Peter Dubens	400,000	2.20	400,000	1.35
Laurence Blackall	200,000	1.10	100,000	0.34
Jonathan Djanogly	25,000	0.14	25,000	0.08

3. Major Shareholders

As at 28 October 2015, being the last practicable date prior to publication of this document, the Company was aware of the following:

Roy Nominees Limited holds 4,109,000 Ordinary Shares and 670,000 B Ordinary Shares being (being 22.4% and 11.5% respectively of the issued share capital of the relevant share class).

The Directors are not aware of any person or persons who, following the Offer, will or could, directly or indirectly, jointly or severally, exercise control over the Company. There are no different voting rights for any Shareholder.

4. No significant change

Since 30 September 2015 (being the end of the last financial period of the Company for which unaudited financial information has been published), there has been no significant change in the financial or trading position of the Company.

5. Material Contracts

The following constitutes a summary of the principal contents of each material contract entered into by the Company, otherwise than in the ordinary course of business, in the period commencing on the incorporation of the Company and ending on the date of this document. There are no other contracts, not being contracts entered into in the ordinary course of business, entered into by the Company which contain any provision under which the Company have an obligation or entitlement which is material to the Company as at the date of this document:

5.1 Launch Offer Agreement

Under the Launch Offer Agreement dated 15 February 2013 and made between the Company (1), the Directors (2), the Sponsor (3), the Original Manager (4) and Palmer (5), the Sponsor agreed to act as sponsor to the Launch Offer and Palmer undertook as agent of the Company to use its reasonable endeavours to procure subscribers under the Launch Offer. The Company was entitled to any interest earned on subscription monies prior to the allotment of Shares. Under the Launch Offer Agreement, the Company agreed to pay Palmer a commission of 2% of the aggregate value of accepted applications for Ordinary Shares received pursuant to the Launch Offer.

Palmer agreed to pay all costs and expenses of or incidental to the Launch Offer and the admission of the Ordinary Shares to listing and to trading. The total initial costs payable by the Company in relation to the Launch Offer were, under the Launch Offer Agreement, thereby limited to 2% of the gross proceeds of the Launch Offer.

Under the Launch Offer Agreement, the Original Manager, Palmer, the Company and the Directors gave certain warranties and indemnities. Warranty claims had to be made by no later than 60 days after the date of the publication of the audited accounts of the Company for the accounting year ending 31 March 2014. The warranties and indemnities were in usual form for a contract of this type and the warranties were subject to limits of £100,000 for Palmer and £2,000,000 for the Original Manager, and one year's director fees for each Director. The Company also agreed to indemnify the Sponsor in respect of its role as Sponsor and under the Launch Offer Agreement. The Launch Offer Agreement could be terminated, *inter alia*, if any statement in the prospectus relating to the Launch Offer was untrue, any material omission from that prospectus arose or any breach of warranty occurred.

5.2 Investment Management Agreement

An agreement (the "IMA") dated 15 February 2013 and made between the Company and the Original Manager whereby the Original Manager agreed to provide discretionary investment management and advisory services to the Company in respect of its portfolio of Qualifying Investments and Non-Qualifying Investments. In July 2014 the IMA was novated to the Manager and varied on 3 October 2014.

The Manager has agreed with the Company that it will indemnify the Company if the total Annual Running Costs of the Company are more than 2% of Net Asset Value. Otherwise the Manager will receive an annual management fee only if, and to the extent that, the Annual Running Costs (disregarding any annual management fee payable) amount to less than 2% of the Company's NAV (including both Ordinary Share and B Ordinary Share pools). In such a case the management fee (exclusive of VAT) will be payable quarterly in advance. The Manager is also entitled to reimbursement of expenses incurred in performing its obligations.

The Manager will also receive a performance fee (exclusive of VAT) of 20% of any amounts distributed to Shareholders in excess of £1 per Share (the "Performance Fee"). As amended by the Investment Management Agreement Amendment Agreement in paragraph 5.3 below, the Performance Fee is calculated separately on the Ordinary Shares and the B Ordinary Shares and the Performance Fee on the Ordinary Shares is conditional on Ordinary Shareholders having received a return of 8% per annum per Share (calculated on a daily basis and not compounded) on the amount subscribed per Ordinary Share as from 20 January 2014 in respect of the Ordinary Shares issued pursuant to the Launch Offer and from 31 March 2014 in respect of Ordinary Shares issued under the Top Up Offer. A 3% hurdle rate applies in relation to the Performance Fee in respect of amounts paid to B Ordinary Shareholders as referred to in paragraph 5.3 below. Where, at the time of a distribution there have been previous distributions to the relevant class of Shareholders,

the return will be calculated from the day after the previous distribution date on the total amount subscribed per relevant Share by Shareholders but reduced by the aggregate amount of such previous distributions made on a per Share basis. For the purposes of calculating performance related incentive fees, account will be taken of all forms of distributions that may be made by the Company and as well as dividends, will include share buybacks, proceeds on a sale or liquidation of the Company and any other proceeds or value received or deemed to be received by Shareholders (excluding any income tax relief on subscription). The Manager is entitled to receive and retain entirely for its own use and benefit all other transaction fees, directors' fees, monitoring fees, consultancy fees, corporate finance fees, introductory fees, syndication fees, exit fees, commissions and refunds of commission received by the Manager in connection with the management of the investment portfolio of the Company.

The appointment will continue until terminated on 12 months' notice in writing given by either party at any time after the tenth anniversary of the commencement date. The IMA is subject to earlier termination by either party in certain circumstances.

When conflicts occur between the Manager and the Company because of other activities and relationships of the Manager, the Manager will ensure that the Company receives fair treatment. Such conflicts will be disclosed to the Company.

The Manager may make investments on behalf of the Company in collective investment vehicles of which it is manager or in companies where the Manager has been involved in the provision of services to those companies and may receive commissions, benefits, charges or advantage from so acting.

Any fees arising in connection with investments made by the Company in Oakley Funds will be discharged by the Manager. There will be no duplication of fees in such situations.

5.3 *Investment Management Agreement Amendment Agreement*

The Manager and the Company entered into an amendment agreement to the IMA on 3 October 2014 providing the following (the "Investment Management Agreement Amendment Agreement"):

- (a) the Performance Fee (as described in paragraph 5.2 above) would be applied on the B Ordinary Shares on the same basis as on the Ordinary Shares but with a hurdle rate of 3% per annum; and
- (b) the Manager agreed formally to act as Alternative Investment Fund Manager to the Company.

5.4 *Directors' Letters of Appointment*

Each of the Directors has entered into an agreement with the Company dated 15 February 2013 whereby he is required to devote such time to the affairs of the Company as the Board reasonably requires consistent with his role as a non-executive director. The Chairman of the Company is entitled to receive an annual fee of £20,000 and each other Director an annual fee of £15,000. Each party can terminate the relevant agreement by giving to the other at least three months' notice in writing. In respect of the financial period ending on 31 March 2015, Jonathan Djanogly received £20,000 and Laurence Blackall received £15,000 and Peter Dubens received £nil.

5.5 *Administration Agreement*

An agreement dated 15 February 2013 (as varied) and made between the Company and the Administrator whereby the Administrator provides certain administration, accounting and company secretarial services to the Company in respect of the period from admission of the Ordinary Shares until the termination of the Administration Agreement. The Administrator is paid an annual fee of between £40,000 and £50,000 (plus VAT at the relevant rate) payable quarterly in advance, and increasing annually in line with RPI.

The Administration Agreement is terminable by either party giving six months' written notice, but subject to early termination in certain circumstances.

5.6 *Offer Agreement – Initial B Ordinary Share Offer*

Under an Offer Agreement dated 3 October 2014 and made between the Company (1), the Directors (2), the Sponsor (3), the Manager (4) and Palmer (5), the Sponsor agreed to act as sponsor to the Initial B Share Offer and Palmer undertook as agent of the Company to use its reasonable endeavours to procure subscribers under the Initial B Ordinary Share Offer. The Company is entitled to any interest earned on subscription monies prior to the allotment of Shares. Under the Initial B Ordinary Share Offer Agreement the Company paid Palmer a commission of 2% of the aggregate value of accepted applications for Shares received pursuant to the Initial B Ordinary Share Offer.

Palmer paid all costs and expenses of or incidental to the Initial B Ordinary Share Offer and related admission and the Company paid the promoter fee to Palmer. Total initial costs payable by the Company under the Offer Agreement were limited to 2% of the gross proceeds of the Initial B Ordinary Share Offer.

Under this Offer Agreement, which could be terminated by the parties in certain circumstances, the Manager, Palmer, the Company and the Directors gave certain warranties and indemnities. Warranty claims had to be made by no later than 60 days after the date of the publication of the audited accounts of the Company for the accounting year ending 31 March 2015. The warranties and indemnities were in usual form for a contract of this type and the warranties were subject to limits of £100,000 for Palmer and £2,000,000 for the Manager, and one year's director fees for each Director. The warranties (but not the indemnities) given by the Company were subject to a limit of £2,000,000. The Company also agreed to indemnify the Sponsor in respect of its role as Sponsor and under the Offer Agreement. The Offer Agreement could be terminated, *inter alia*, if any statement in the relevant prospectus was untrue, any material omission from that prospectus arose or any breach of warranty occurred.

5.7 Offer Agreement – Current B Share Offer

Under an Offer Agreement dated 29 October 2015 and made between the Company (1), the Directors (2), the Sponsor (3), the Manager (4), Oakley Capital (5) and Kin Capital (6), the Sponsor has agreed to act as sponsor to the Offer and Oakley Capital and Kin Capital have undertaken as agents of the Company to use their respective reasonable endeavours to procure subscribers under the Offer. The Company will be entitled to any interest earned on subscription monies prior to the allotment of Shares. Under the Offer Agreement, the Company will pay Oakley Capital a commission of either 2% or 5% of the aggregate value of accepted applications for B Ordinary Shares received pursuant to the Offer.

Oakley Capital will pay all costs and expenses of or incidental to the Offer and the related admission. Total initial costs payable by the Company under the Offer Agreement are limited to £1,262,000.

Under the Offer Agreement, which may be terminated by the parties in certain circumstances, the Manager, Oakley Capital, Kin Capital, the Company and the Directors have given certain warranties and indemnities. Warranty claims must be made by no later than 60 days after the date of the publication of the audited accounts of the Company for the accounting year ending 31 March 2017. The warranties and indemnities are in usual form for a contract of this type and the warranties are subject to limits of £2,000,000 (or 70% of the total sum raised under the Offer, whichever is the higher) for the Manager, £100,000 for Oakley Capital, £100,000 for Kin Capital, and £10,000 in relation to Jonathan Djanogly and £7,500 for each of the other two Directors. The Company also agreed to indemnify the Sponsor in respect of its role as Sponsor and under the Offer Agreement. The Offer Agreement may be terminated, *inter alia*, if any statement in the Prospectus is untrue, any material omission from the Prospectus arises or any breach of warranty occurs.

6. Documents available for inspection

Copies of the following documents will be available for inspection during usual business hours on weekdays (Saturdays and public holidays excepted) from the date of this document until the conclusion of the General Meeting at the registered office of the Company:

- the Articles and the Revised Articles;
- the material contracts referred to in paragraph 5 above;
- the annual report and accounts for the company for the financial periods ending on 31 March 2014 and 31 March 2015 and the interim accounts for the six-month periods ended 30 September 2014 and 30 September 2015.

29 October 2015

Terms and Conditions of the Dividend Investment Scheme (“DIS”) Part 2

Please read these Terms and Conditions carefully and keep them in case you need to refer to them in the future.

This information should not be regarded as a recommendation to buy or hold Shares in the Company. The value of Shares and the income from them can fall as well as rise and you may not recover the amount of money you invest.

If you are in any doubt about what you should do, you should consult an independent financial adviser. If you have any questions about the Dividend Investment Scheme, you can write to: DIS Administration, The City Partnership (UK) Limited, Thistle House, 21-23 Thistle Street, Edinburgh EH2 1DF.

1. In these DIS Terms and Conditions, capitalised terms shall have, unless the context otherwise permits, the meanings set out in the “Definitions” section of the Circular.
2. The monies subscribed through the DIS (being dividends paid on Shares held by, or on behalf of, a Shareholder who applies to participate in the DIS (the “Applicant”)) shall be invested in new Shares in the relevant share class. The Scheme Administrator shall not have the discretion to vary such investments and Applicants may not instruct the Scheme Administrator to make any other investments. Applicants who are Shareholders may only join the DIS in respect of the Shares of the Company if dividends on all the Shares in the relevant share class registered in their name are mandated to the DIS. The number of Shares in the relevant share class held by any such Applicant which are mandated to the DIS shall be altered immediately following any change to the number of Shares in respect of which such Shareholder is the registered holder as entered in the share register of the Company from time to time. Applicants who are not Shareholders may join the DIS in respect of the number of Shares of the Company specified as “Nominee Shareholdings” and notified to the Scheme Administrator by the Applicant and the Shareholder in whose name the Shares are held. Any new Shares in the relevant share class, which will be issued to the Applicant (and not the Shareholder in whose name the Shares mandated to the DIS are held), will not be mandated to the DIS unless a separate DIS application form is completed in respect of them.
3. On or as soon as practicable after an Investment Day, the funds subscribed through the DIS on behalf of each Applicant shall be applied on behalf of that Applicant in the subscription for the maximum number of new Shares as can be acquired with those funds:
 - i) The number of new Shares issued to an Applicant pursuant to condition 2 above shall be calculated by dividing the aggregate value of the dividends paid on the Shares in the relevant share class to which that Applicant is entitled by the greatest of (i) the net asset value per share in the relevant share class of the Company (as determined by the Manager), (ii) the nominal value per Share in the relevant share class and (iii) the mid-price value per Share in the relevant share class, each as at the close of business on the Business Day preceding the date of issue of such Shares;
 - ii) Any balance of cash remaining in the Offer Account after the subscription shall continue to be held in that account on behalf of the Applicant to whom it relates and added to the cash available in respect of that Applicant for the subscription of Shares in the relevant share class on the next Investment Day. No interest shall accrue or be payable in favour of any Applicant on any such cash balances; and
 - iii) The DIS involves the investment of the whole dividend in the relevant share class paid on each holding in the relevant share class each time a dividend in the relevant share class is paid by the Company. Shareholders will remain in the DIS, so that all future dividends will be invested in the same way, until they give notice to the Scheme Administrator that they wish to terminate their participation in the DIS, either in relation to a particular dividend, or all future dividends.
4. The Registrar shall immediately after the subscription of Shares in accordance with condition 3 hereof take all necessary steps to ensure that the Applicants are entered into the share register of the Company as the registered holders of the Shares issued to them in accordance with condition 3 above, and that share certificates in respect of such Shares are issued and delivered to the Applicants at their own risk, as soon as is reasonably practicable (unless such Shares are to be uncertificated). Shareholders (or such other person as aforesaid) will receive with their share certificates (if any) a statement detailing:
 - i) the dividend available for investment;
 - ii) the price per Share subscribed and the date of issue;
 - iii) the number of Shares issued and the total cost; and
 - iv) the cash to be carried forward for investment on the next Investment Day.
5. Application to join the DIS can be made at any time. However, to be Invested, applications to join the DIS need to have been received by the Scheme Administrator at least 15 days prior to a dividend being paid.
6. All costs and expenses incurred by the Scheme Administrator in administering the DIS will be borne by the Company.

Terms and Conditions of the Dividend Investment Scheme (“DIS”) Part 2

7. Each Applicant warrants to the Scheme Administrator that:
 - i) during the continuance of his or her participation in the DIS he or she will remain the sole beneficial owner of the Shares mandated to the DIS free from encumbrances or security interests;
 - ii) all information set out in the DIS application form is correct and to the extent any of the information changes he or she will notify the changes to the Scheme Administrator; and
 - iii) during the continuance of his or her participation in the DIS he or she will comply with the provisions of condition 8 below.
8. The right to participate in the DIS will not be available to any person who is a citizen, resident or national of, or has a registered address in, any jurisdiction outside the United Kingdom. It is the responsibility of any Applicant wishing to participate in the DIS to be satisfied as to the full observance of the laws of the relevant jurisdiction(s) in connection therewith, including obtaining any governmental or other consents which may be required and observing any other formalities needing to be observed in any such jurisdiction(s). No such person receiving a copy of the DIS documents may treat them as offering such a right unless an offer could properly be made without such compliance.
9. The Applicant acknowledges that neither the Scheme Administrator, the Company nor the Manager are providing a discretionary management service. The Scheme Administrator, the Company and/or the Manager shall not be responsible for any loss or damage suffered by any Applicant as a result of their participation in the DIS unless due to the negligence or default of the Scheme Administrator, the Company or the Manager (respectively), or its or their servants or agents.
10. The Applicant may at any time by notice to the Scheme Administrator terminate his or her participation in the DIS and withdraw any monies held in the offer account on his or her behalf in relation thereto. If an Applicant shall at any time cease to hold any Shares in the Company, he or she shall be deemed to have served such a notice in respect of his or her participation in the DIS. If such notice is served or deemed to have been served, the Scheme Administrator shall pay all of the monies held in the Offer Account on the Applicant's behalf to the Applicant at the address set out in the DIS application form, subject to any deductions which the Scheme Administrator may be entitled or bound to make hereunder.
11. If an Applicant withdraws from the DIS and a cash balance remains of less than £1 that balance will not be repaid, but will be donated to a recognised registered charity.
12. The Company and the Scheme Administrator shall be entitled, at any time and from time to time, to suspend the operation of the DIS and/or to terminate the DIS without notice to the Applicants and/or to refuse to invest dividends due on Shares held by a nominee. In the event of termination, the Scheme Administrator shall, subject to condition 11 above, pay to each Applicant all of the monies held in the Offer Account on his or her behalf.
13. All notices and instructions to be given to the Scheme Administrator shall be in writing and delivered or posted to The City Partnership (UK) Limited, Thistle House, 21-23 Thistle Street, Edinburgh EH2 1DF.
14. The Scheme Administrator shall be entitled to amend the DIS Terms and Conditions on giving one month's notice in writing to all participating Applicants. If such amendments have arisen as a result of any change in statutory or other regulatory requirements, notice of such amendment will not be given to Applicants unless in the Scheme Administrator's opinion the change materially affects the interests of Applicants. Amendments to the DIS Terms and Conditions which are of a formal, minor or technical nature or made to correct a manifest error and which do not adversely affect the interests of Applicants may be effected without notice.
15. By completing and delivering the DIS application form, the Applicant:
 - i) agrees to provide the Company with any information which it may request in connection with such application and to comply with legislation relating to venture capital trusts or other relevant legislation (as the same may be amended from time to time); and
 - ii) declares that a loan has not been made to the Applicant or any associate of the Applicant which would not have been made, or would not have been made on the same terms, but for the Applicant offering to subscribe for, or acquiring, Shares and that the Shares are being acquired for *bona fide* commercial purposes and not as part of a scheme or arrangement the main purpose of which, or one of the main purposes of which, is the avoidance of tax.
16. Currently, subscriptions by individuals aged 18 or over for eligible shares in venture capital trusts only attract tax reliefs if in any tax year such subscriptions to all venture capital trusts by such individuals do not exceed £200,000 (including subscriptions pursuant to dividend investment schemes). To qualify for relief, subscriptions must be made in the name of an individual and not through a nominee, although shares may subsequently be transferred into the name of a nominee. Applicants are responsible for ascertaining their own tax status and liabilities and neither the Scheme Administrator nor the Company can accept any liability in the event they do not receive any venture capital trust tax reliefs.

Terms and Conditions of the Dividend Investment Scheme (“DIS”) Part 2

17. Since dividends on Shares acquired in excess of £200,000 per Applicant in any tax year will not be exempt from income tax in the same way as Shares acquired within this limit, the Applicant will generally be liable to tax on such dividends. Nevertheless the whole of such dividends shall be invested unless the Scheme Administrator is notified to the contrary in writing at least 15 days before an investment day.
18. The Company shall not be required to issue Shares hereunder if the Directors so decide.
19. These DIS Terms and Conditions shall be governed by, and construed in accordance with, English Law and each Applicant submits to the jurisdiction of the English courts and agrees that nothing shall limit the right of the Company to bring any action, suit or proceeding arising out of or in connection with the DIS in any other manner permitted by law or in any court of competent jurisdiction.
20. The Company shall not be required to admit new members to the DIS in circumstances where the proposed level of dividends to be paid by the Company would require the issue of Shares in breach of the Prospectus Rules.
21. All documents will be despatched at the Shareholders’ own risk.

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

Additional Notes

The Scheme Administrator and its agents (including any broker) may effect transactions notwithstanding that they have a direct or indirect material interest or a relationship of any description with another party which may involve a conflict with its duty to DIS participants under the DIS.

The Scheme Administrator is authorised to disclose any information regarding Shareholders or their participation in the DIS to any relevant authority, or as required by such authority, whether by compulsion of law or not. The Scheme Administrator shall not be liable for any disclosure made in good faith provided that the Scheme Administrator believes that such disclosure has been made in accordance with the foregoing requirements.

Each of the provisions of the DIS shall be severable and distinct from one another and if one or more of such provisions is invalid or unenforceable the remaining provisions shall not in any way be affected.

The Scheme Administrator has procedures to help resolve all complaints from customers effectively. If an Applicant has any complaints about the service provided to him or her or wishes to receive a copy of the Scheme Administrator’s complaints procedure, please write to the Scheme Administrator at the address stated on page 13 of this Circular.

This service is a Company sponsored scheme which means that the Scheme Administrator charges the Company a fee which is representative to the costs of operating it. This arrangement means that DIS participants are not charged an annual fee. If an Applicant would like more detail on this arrangement please write to the Scheme Administrator at the address stated on page 13 of this Circular.

The Scheme Administrator will take reasonable care in operating the DIS, and will be responsible to an Applicant for any losses or expenses (including loss of shares) suffered or incurred by him or her as a direct result of breach by the Scheme Administrator of these DIS Terms and Conditions, negligence, wilful default or fraud. The Scheme Administrator does not accept liability for any indirect or consequential loss suffered by an Applicant or for any loss which does not arise as a result of its breach of these DIS Terms and Conditions, negligence, wilful default or fraud.

The Scheme Administrator shall not be responsible for delays or failure to perform any of its obligations due to acts beyond its control. Such acts shall include, but not be limited to, acts of God, strikes, lockout, riots, acts of war, terrorist acts, epidemics, governmental regulations superimposed after the fact, communication line failures, power failure, earthquakes or other disasters.

Any personal data obtained from an Applicant in providing this service will be held by the Scheme Administrator in accordance with the relevant legislation. The Scheme Administrator will only hold, use or otherwise process such personal data of an Applicant as is necessary to provide him or her with the service. The Applicant’s details will only be disclosed in accordance with the principles set out in the Data Protection Act 1998:

- i) to any person if that person has legal or regulatory powers over the Scheme Administrator; and
- ii) to any other person or body in order to facilitate the operation of the DIS.

An Applicant has a right to request to view the personal data that the Scheme Administrator holds on him or her. The Scheme Administrator may charge an Applicant a small fee for providing him or her access to this information.

All communications between the Scheme Administrator and an Applicant will be conducted in the English language.

These DIS Terms and Conditions are governed by and shall be construed in accordance with the laws of England and Wales.

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

“Administrator”	The City Partnership (UK) Limited
“Annual Running Costs”	annual costs and expenses incurred by or on behalf of the Company
“Articles” or “Articles of Association”	the articles of association of the Company (as amended from time to time)
“Board” or “Directors”	the board of directors of the Company
“B Ordinary Share Issue”	the issue of the B Ordinary Shares as contemplated in this document
“B Ordinary Share Pool”	the pool of assets and liabilities allocated to the B Ordinary Shares in accordance with the Articles
“B Ordinary Shareholders”	holders of B Shares in the Company
“B Ordinary Shares”	the B ordinary shares of 1p each in the capital of the Company
“Business Days”	means a day on which banks in London are generally open for business and excepting Saturdays, Sundays and UK public holidays
“CA 2006”	the Companies Act 2006
“Company”	Pembroke VCT plc
“Dividend Investment Scheme” or “DIS”	the dividend investment scheme proposed to be established with the DIS Terms and Conditions
“DIS Terms and Conditions”	the terms and conditions relating to the Dividend Investment Scheme set out in Part 2 of this document
“FCA”	the Financial Conduct Authority
“General Meeting”	the general meeting of the Shareholders of the Company convened in accordance with the notice set out at pages 18 to 20 of this document
“IMA” or “Investment Management Agreement”	the agreement (as varied and novated) made between the Company and Oakley Capital Management Limited dated 15 February 2013
“Initial B Ordinary Share Offer”	the offer for subscription of B Ordinary Shares issued by the Company on 3 October 2014
“Investment Day”	a day on which any interim or final dividend on any Shares is credited to the account of the Scheme Administrator on behalf of applicants for the DIS or, if such day is not a dealing day on the London Stock Exchange, the next dealing day thereafter
“Kin Capital”	Kin Capital Limited, an authorised representative of London & Eastern Plc which is authorised and regulated by the FCA
“Launch Offer”	the offer for subscription of Ordinary Shares further to a prospectus issued by the Company on 15 February 2013 and which closed on 31 January 2014
“Manager”	Oakley Investment Managers LLP
“NAV” or “Net Asset Value”	net asset value

“Non-Qualifying Investments”	the assets of the Company that are not Qualifying Investments
“Oakley Capital”	Oakley Capital Limited, which is authorised and regulated by the FCA
“Oakley Funds”	any funds managed by the Oakley Group from time to time
“Oakley Group”	together Oakley Capital, Oakley Capital Management Limited, Oakley Investment Managers LLP and their associated group of businesses from time to time
“Offer”	the offer of further B Ordinary Shares as described in this document
“Ordinary Share Pool”	the pool of assets and liabilities allocated to the Ordinary Shares in accordance with the Articles
“Ordinary Shares”	the ordinary shares of 1p each in the capital of the Company
“Original Manager”	Oakley Capital Management Limited
“Palmer”	Palmer Capital LLP
“Performance Fee”	the performance fee as described in the summary of the IMA and Investment Management Agreement Amendment Agreement in paragraphs 5.2 and 5.3 of Part 2 (Additional Information) of this document
“Proposals”	the proposals as described in this document
“Prospectus”	the prospectus issued by the Company in relation to the Offer dated 29 October 2015
“Prospectus Rules”	the prospectus rules of the FCA
“Qualifying Company”	a company satisfying the requirements of Chapter 4 of Part 6 of the Income Tax Act 2007 (as amended)
“Qualifying Investments”	shares in, or securities of, a Qualifying Company held by a Venture Capital Trust
“Restricted Jurisdictions”	means the USA, Canada, Australia, Japan, New Zealand and South Africa and any other jurisdiction where it might be reasonably likely to be illegal to mail this document
“Revised Articles”	the articles of association of the Company as proposed to be amended by resolution 4 at the General Meeting
“Scheme Administrator”	The City Partnership (UK) Limited, or such other person or persons who may from time to time be appointed by the Company to administer the Dividend Investment Scheme on its behalf
“Shareholders”	holders of shares in the Company of whichever class
“Shares”	Shares in the Company of whichever class
“Sponsor”	Howard Kennedy Corporate Services LLP as the sponsor to the Offer
“Top Up Offer”	the top up offer made by the Company in 2014 following close of the Launch Offer, and which closed on 31 March 2014

Notice is hereby given that a general meeting of Pembroke VCT plc (the “Company”) will be held at 3 Cadogan Gate, London SW1X 0AS on 3 December 2015 at 10am for the purposes of considering and, if thought fit, passing the following resolutions, as to Resolutions 1 and 2 which will be proposed as ordinary resolutions and Resolutions 3 to 5 (inclusive) as special resolutions of the Company:

Ordinary Resolutions

1. THAT, in substitution to any existing authorities, in accordance with section 551 of the Companies Act 2006 (the “Act”), the Directors be generally and unconditionally authorised to exercise all the powers of the Company to allot and grant rights to subscribe for or to convert any security into:
 - a. B Ordinary Shares in the capital of the Company up to an aggregate nominal amount of £240,000 in connection with an offer for subscription described in the circular to shareholders of the Company dated 29 October 2015 (the “Circular”);
 - b. Ordinary Shares in the capital of the Company for cash up to an aggregate nominal amount representing 10% of the issued Ordinary Share capital from time to time;
 - c. B Ordinary Shares in the capital of the Company for cash and otherwise than pursuant to sub-paragraph a. above, up to an aggregate nominal amount representing 10% of the issued B Ordinary Share capital from time to time;

and that in connection with the use of the authority, the Directors may pay commission(s) including in the form of fully or partly paid shares in accordance with article 9 of the Articles; and provided that this authority shall, unless renewed, extended, varied or revoked by the Company, expire on 2 March 2017 save that the Company may, before such expiry, make offers or agreements which would or might require Ordinary Shares or B Ordinary Shares to be allotted and the Directors may allot Ordinary Shares or B Ordinary Shares in pursuance of such offer or agreement notwithstanding that the authority conferred by this resolution has expired.

2. THAT, pursuant to article 147 of the Company’s Articles of Association, that the Company adopt a dividend investment scheme on the terms and conditions set out in the Circular and that the Directors be authorised to offer holders of Shares in the Company the right to receive Shares, credited as fully paid, instead of cash in respect of the whole (or some part as may be determined by the Directors from time to time) of any dividend declared in the period commencing on the date of this Resolution 2 and ending on the day before the next annual general meeting following the date of the passing of this resolution pursuant to the Company’s dividend investment scheme.

Special Resolutions

3. THAT, in accordance with section 570(1) of the Act, the Directors be and are hereby given power to allot or make offers or agreements to allot equity securities (as defined in section 560 of the Act) for cash pursuant to the authorities conferred by resolutions 1 and 2 above as if section 561 of the Act did not apply to any such allotment, and so that:
 - a. reference to the allotment in this resolution shall be construed with section 560 of the Act, and
 - b. the power conferred by this resolution shall enable the Company to make any offer or agreement before the expiry of the said power which would or might require equity securities to be allotted after the expiry of the said power and the Directors may allot equity securities in pursuance of such offer or agreement notwithstanding the expiry of such power.
4. THAT, the Articles of Association of the Company be amended by the deletion of article 177.
5. THAT, subject to the approval of the High Court of Justice, the amount standing to the credit of the share premium account of the Company, at the date the court order is made confirming such cancellation, be and is hereby cancelled.

For the purposes of these resolutions and this notice, words and expressions defined in the Circular shall have the same meanings in these resolutions, save where the context requires otherwise.

By Order of the Board of Pembroke VCT plc.
The City Partnership (UK) Limited
Company Secretary
29 October 2015

Appointment of proxies

1. As a member of the Company, you are entitled to appoint a proxy to exercise all or any of your rights to attend, speak and vote at the Meeting and attached is a Proxy Form which accompanies this Notice of Meeting. You can only appoint a proxy using the procedures set out in these notes and the notes to the Proxy Form.
2. A proxy does not need to be a member of the Company but must attend the Meeting to represent you. Details of how to appoint the Chairman of the Meeting or another person as your proxy using the Proxy Form are set out in the notes to the Proxy Form. If you wish your proxy to speak on your behalf at the Meeting you will need to appoint your own choice of proxy (not the Chairman) and give your instructions directly to them.
3. You may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different Shares. You may not appoint more than one proxy to exercise rights attached to any one Share. To appoint more than one proxy, please complete a Proxy Form for each proxy specifying which of your Shares the proxy will be acting in respect of.
4. If you do not give your proxy an indication of how to vote on any resolution, your proxy will vote or abstain from voting at his or her discretion. Your proxy will vote (or abstain from voting) as he or she thinks fit in relation to any other matter which is put before the Meeting.

Appointment of proxy using hard copy Proxy Form

5. The notes to the Proxy Form explain how to direct your proxy how to vote on each resolution or withhold their vote.

To appoint a proxy using the Proxy Form, the form must be:

- completed and signed;
- sent or delivered to The City Partnership (UK) Limited, Thistle House, 21-23 Thistle Street, Edinburgh EH2 1DF; and
- received by The City Partnership (UK) Limited no later than 48 hours prior to the time of the General Meeting i.e. by 10am on 1 December 2015.

In the case of a member which is a company, the Proxy Form must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company.

Any power of attorney or any other authority under which the Proxy Form is signed (or a duly certified copy of such power or authority) must be included with the Proxy Form.

Electronic appointment of proxies

6. As an alternative to completing the hard-copy Proxy Form, you can appoint a proxy electronically by emailing a scanned copy of the signed Proxy Form to proxies@city.uk.com. For an electronic proxy appointment to be valid, your appointment must be received by The City Partnership (UK) Limited no later than 48 hours prior to the time of the General Meeting i.e. by 10am on 1 December 2015.

This e-mail address should not be used for any other purposes unless expressly stated.

Appointment of proxy by joint members

7. In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company's register of members in respect of the joint holding (the first-named being the most senior).

Changing proxy instructions

8. To change your proxy instructions simply submit a new proxy appointment using the methods set out above. Note that the cut-off time for receipt of proxy appointments (see above) also apply in relation to amended instructions; any amended proxy appointment received after the relevant cut-off time will be disregarded.

Where you have appointed a proxy using the hard-copy Proxy Form and would like to change the instructions using another hard-copy Proxy Form, please contact The City Partnership (UK) Limited, Thistle House, 21-23 Thistle Street, Edinburgh EH2 1DF.

If you submit more than one valid proxy appointment, the appointment received last before the latest time for the receipt of proxies will take precedence.

Termination of proxy appointments

9. In order to revoke a proxy instruction you will need to inform the Company using one of the following methods:
- By sending a signed hard copy notice clearly stating your intention to revoke your proxy appointment to The City Partnership (UK) Limited, Thistle House, 21-23 Thistle Street, Edinburgh EH2 1DF. In the case of a member which is a company, the revocation notice must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company. Any power of attorney or any other authority under which the revocation notice is signed (or a duly certified copy of such power or authority) must be included with the revocation notice.
 - By sending an e-mail to proxies@city.uk.com with a signed revocation attached to the email such that the revocation would have been valid had it been sent by ordinary mail.

In either case, the revocation notice must be received by the Company no later than 10am on 1 December 2015.

If you attempt to revoke your proxy appointment but the revocation is received after the time specified then, subject to the paragraph directly below, your proxy appointment will remain valid.

Appointment of a proxy does not preclude you from attending the Meeting and voting in person. If you have appointed a proxy and attend the Meeting in person, your proxy appointment will automatically be terminated.

Communication

10. Except as provided above, members who have general queries about the Meeting should contact the Company Secretary by post at The City Partnership (UK) Limited, Thistle House, 21-23 Thistle Street, Edinburgh EH2 1DF, or by email at Doreen@city.uk.com (no other methods of communication will be accepted).

You may not use any electronic address provided either:

- in this notice of general meeting; or
- any related documents (including the Proxy Form),

to communicate with the Company for any purposes other than those expressly stated.

Proxy Form

Pembroke VCT plc (Company)
General Meeting
Proxy Form

Please insert your name and address below.

Name of Shareholder:
Address:

Before completing this form, please read the explanatory notes

I/We being a member of the Company appoint the Chairman of the meeting or (see note 2)

as my/our proxy to attend, speak and vote on my/our behalf at the General Meeting of the Company to be held on 3 December 2015 at 10am and at any adjournment of the meeting.

I/We direct my/our proxy to vote on the following resolutions as I/we have indicated by marking the appropriate box with an 'X'. If no indication is given, my/our proxy will vote or abstain from voting at his or her discretion and I/we authorise my/our proxy to vote (or abstain from voting) as he or she thinks fit in relation to any other matter which is properly put before the meeting. You may vote for all the resolutions or against all the resolutions, and may not vote for some and against others.

RESOLUTIONS

1. To authorise the allotment and issue of further B Ordinary Shares and Ordinary Shares.	}	For all the resolutions	Against all the resolutions	Withheld
2. To adopt the dividend investment scheme and to authorise the allotment and issue of further B Ordinary Shares and Ordinary Shares pursuant to the dividend investment scheme.		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. To disapply pre-emption rights in relation to the above allotments and issues.				
4. To revise the Articles of Association.				
5. To cancel the share premium account.				

PLEASE PLACE ONE 'X' ONLY EITHER FOR, AGAINST OR WITHHELD IN RESPECT OF ALL RESOLUTIONS. IF YOU PLACE A CROSS IN MORE THAN ONE COLUMN YOUR PROXY FORM WILL BE REJECTED.

Signature
Date

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pembroke
VCT plc

3 Cadogan Gate, London SW1X 0AS

Registered in England and Wales
Company number 08307631