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

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

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

The definitions used in this document are set out on pages 11 to 13 of this document.

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## **PROVEN GROWTH AND INCOME VCT PLC**

*(a company incorporated in England and Wales with registered number 04125326)*

**Recommended proposal to approve changes to the Company's performance fee arrangements**

**and**

**Notice of General Meeting**

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Notice of a general meeting of the Company to be held at 10.00 a.m. on 21 August 2014 at the offices of Beringea LLP, 39 Earlham Street, London WC2H 9LT is set out at the end of this document. A Form of Proxy for use in connection with the General Meeting is enclosed. Whether or not you propose to attend the General Meeting, you are requested to complete and return the Form of Proxy in accordance with the instructions printed on it. In order to be valid, the Form of Proxy must be completed and returned to Beringea LLP, 39 Earlham Street, London WC2H 9LT as soon as possible and in any event so as to be received no later than 10.00 a.m. on 21 August 2014.

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

Your attention is drawn to the letter from the Chairman of the Company in Part 1 of this document, which contains the recommendation of the Board that Shareholders vote in favour of the Resolution to be proposed at the General Meeting.

**Your attention is also drawn to the section entitled "Action to be taken" on pages 4 and 5 of this document.**

**16 July 2014**

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## EXPECTED TIMETABLE

	<i>2014</i>
Latest time and date for receipt of Forms of Proxy	10.00 a.m. on 19 August
General Meeting	10.00 a.m. on 21 August

**Note:**

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

## PART 1

### LETTER FROM THE CHAIRMAN

# PROVEN GROWTH AND INCOME VCT PLC

*(a company incorporated in England and Wales with registered number 04125326)*

*Directors:*

Marc Vlessing (*Chairman*)  
Natasha Christie-Miller  
Frank Harding  
Malcolm Moss  
James Stewart

*Registered office:*

39 Earlham Street  
London  
WC2H 9LT

16 July 2014

Dear Shareholder

#### **Recommended proposal to approve changes to the Company's performance fee arrangements**

##### **1. Introduction**

I am writing to you to provide the details of the proposed amendments to the Company's performance fee arrangements relating to the performance fees first introduced in December 2005 and subsequently amended on each further significant issue of Shares.

A General Meeting has been convened at which Shareholders will be asked to consider and, if thought fit, approve the proposed amendments. The General Meeting, notice of which is set out at the end of this document, will be held at 10.00 a.m. on 21 August 2014 at the offices of Beringea LLP, 39 Earlham Street, London WC2H 9LT. The resolution which will be proposed at the General Meeting as an ordinary resolution, on which only Independent Shareholders may vote, will be to approve the amendments to the Company's performance fee arrangements as set out in this document.

In addition to providing you with further details of the Proposals, this document also explains the reasons why the Board recommends unanimously that you vote in favour of the Resolution to be proposed at the General Meeting. Your attention is directed to the section entitled "Action to be taken" on pages 4 and 5 of this document which sets out the details of the action you should take.

##### **2. Amended Performance Fee Arrangements**

Under the terms of the Investment Management Agreement, Beringea provides investment management services to the Company for an annual fee of two per cent. of the Company's net assets per annum. Pursuant to the Investment Management Agreement, Beringea is also entitled to receive performance fees as described in paragraph 1 of Part 2 of this document.

The current performance fee arrangements are amended each time the Company has a new Share offer. This allows a separate performance fee to be calculated in relation to each tranche of Shares that have been issued, although the cost of a performance fee payable in respect of any tranche of Shares is borne by all Shareholders pro-rata to their shareholdings. The Board believes that due to the number of recent offers for Shares by the Company this method of calculating the performance fee has become over-complicated and needs to be simplified. The Board also wants to ensure that the revised arrangements are effective in incentivising the Investment Manager, thereby aligning the interests of the Investment Manager with those of Shareholders as a whole.

Under the terms of the Proposals the various existing performance fee arrangements relating to the different historical Share offers will be consolidated into one performance fee calculated on the returns from the Ordinary Share class as a whole. This will make it easier for Shareholders and potential investors

to understand the basis of any future performance fee which may be paid. Accordingly, the performance fee will not require amendment in future each time there is a new Share offer.

Under the current arrangements all Shareholders bear the costs of any performance fee payable in respect of any tranche of Shares pro-rata to their shareholdings, notwithstanding the fact that the target return on their own tranche of Shares may not have been achieved. Under the new arrangements the new performance fee will be calculated based on returns across the Ordinary Shares as a whole, although different shareholders may have had different rates of return from when they originally invested in the Company. The Board believes that the benefits of simplification set out above outweigh this consideration.

The Amended Performance Fee Arrangements, if approved by Shareholders, will take effect from the current financial year but a performance fee will only be payable if performance exceeds the Hurdle which is based on the net asset value at 31 August 2012. Whilst it is expected that the amendments to the performance fee could mean that in relation to the Shares issued under some of the historic Share offers a performance fee is more likely to be paid as it is more likely that the New Performance Value will be achieved when compared to the current Performance Value, the Board believes that the Proposals are in the best interests of Shareholders as a whole for the reasons stated above.

Under the Proposals, the amount of any performance fee payable will continue to be determined by the increase in the Company's Total Return and the aggregate dividends paid as is the case with the current performance fee arrangements.

Further details of the Amended Fee Arrangements are set out in paragraph 2 of Part 2 of this document.

### **3. Related party transaction**

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

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

The Investment Manager will not vote on the Resolution at the General Meeting to approve the Amended Performance Fee Arrangements and has undertaken to the Company to take all reasonable steps to ensure that its Associates do not vote on the Resolution.

### **4. General Meeting**

The notice convening the General Meeting, which is to be held at 10.00 a.m. on 21 August 2014 at the offices of Beringea LLP, 39 Earlham Street, London WC2H 9LT, is set out at the end of this document.

Under the Resolution, Independent Shareholders are being asked to approve the Amended Performance Fee Arrangements set out in Part 2 paragraph 2 of this document. The Resolution will be proposed as an ordinary resolution and will require the approval of more than 50 per cent. of the votes cast in respect of it by Independent Shareholders of the Company.

### **5. Action to be taken**

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

Whether or not you propose to attend the General Meeting, you are requested to complete and return the Form of Proxy to Beringea LLP, 39 Earlham Street, London WC2H 9LT in accordance with the instructions

printed on it. In order to be valid, the Form of Proxy must be completed and returned as soon as possible and in any event so as to be received no later than 10.00 a.m. on 19 August 2014. The return of a completed Form of Proxy will not preclude you from attending and voting at the General Meeting in person.

#### **6. Further information**

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

#### **7. Recommendation**

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

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

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

The Directors intend to vote in favour of the Resolution to be proposed at the General Meeting in respect of their own beneficial holdings of Ordinary Shares (amounting in aggregate to 37,678 Ordinary Shares representing approximately 0.06 per cent. of the issued share capital of the Company), save that Malcolm Moss, a director of the Company and a member of the Investment Manager, will not vote on the Resolution in respect of his holdings of Ordinary Shares, and has undertaken to take all reasonable steps to ensure that his Associates will not vote on the Resolution.

Yours sincerely,

**Marc Vlessing**  
*Chairman*

## PART 2

### FURTHER DETAILS OF PROPOSED AMENDMENTS TO THE COMPANY'S PERFORMANCE FEE ARRANGEMENTS

#### 1. Current performance fee arrangements

##### 1.1. *Original Ordinary Share fund*

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

##### 1.2. *Ordinary Shares issued prior to 2010/2011 and 2011/2012 Offer*

In relation to the Ordinary Shares issued prior to the 2010/2011 and 2011/2012 Offer (the "Pre-2010 Ordinary Shares"), providing that the Performance Value per Pre-2010 Ordinary Share is at least 130p, Beringea is entitled to receive a performance fee equal to 15 per cent. of the cumulative dividends paid on the Pre-2010 Ordinary Shares after 1 March 2009 up to 4p per Pre-2010 Ordinary Share per annum, plus 20 per cent. of the cumulative dividends paid after 1 March 2009 in excess of 4p per Pre-2010 Ordinary Share per annum, less the amount of any performance fee previously paid to Beringea in relation to the Pre-2010 Ordinary Shares. Dividends paid on the C Shares prior to the C Share Conversion shall be treated as dividends on the Pre-2010 Ordinary Shares.

##### 1.3. *2010/2011 and 2011/2012 Offer*

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

##### 1.4. *Converted Ordinary Shares*

Beringea is entitled to receive performance fees in respect of the Converted Ordinary Shares. These are first calculated in relation to the financial year starting on 1 March 2012 and provided that the Company has returned to holders of Converted Ordinary Shares who subscribed under the D Share prospectuses in aggregate an amount equal to 22.4p per Converted Ordinary Share and the total return per Converted Ordinary Share exceeds 116.4p, an annual performance fee (inclusive of VAT if applicable) is payable equal to (i) 33 per cent. of the cumulative dividends paid in relation to the financial years starting on or after 1 March 2012 over and above 2.7p per Converted Ordinary Share per annum but less than 5.4p per Converted Ordinary Share per annum plus (ii) 20 per cent. of the cumulative dividends paid in relation to the financial years starting on or after 1 March 2012 in excess of 5.4p per Converted Ordinary Share per annum, less the cumulative amount of any

performance fee previously paid to the Investment Manager in relation to the Converted Ordinary Shares.

**1.5. 2012/2013 and 2013/2014 Offer**

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

**2. Amended Performance Fee Arrangements**

Under the Amended Performance Fee Arrangements the current performance fee arrangements will be deleted in their entirety and going forward a performance fee will be payable if, at the end of a financial year, the New Performance Value exceeds the Hurdle. In this event the performance fee will be equal to 20 per cent. of the amount by which the New Performance Value exceeds the Initial Net Asset Value, multiplied by the average number of Ordinary Shares in issue during the relevant financial year, less the aggregate amount of any performance fee already paid in relation to financial years starting after 29 February 2012.

The New Performance Value in respect of the relevant financial year end, is the sum of (i) the audited net asset value per Ordinary Share at that date, (ii) Cumulative Dividends, and (iii) all performance fees per Ordinary Share paid by the Company to Beringea in relation to financial years starting after 29 February 2012. The Hurdle is the greater of (i) 1.25 times the Initial Net Asset Value, and (ii) the Initial Net Asset Value increased, as from 31 August 2012, by the Bank of England base rate plus one per cent. per annum (compound). As at 28 February 2014 the New Performance Value calculated under this method will be 93.7p against the Hurdle rate of 98.1p.

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

The performance fee per Ordinary Share payable in relation to a financial year will be reduced, if necessary, to ensure that (i) the cumulative performance fee per Ordinary Share payable in relation to financial years starting after 29 February 2012 does not exceed 20 per cent. of Cumulative Dividends, (ii) the cumulative performance fee per Ordinary Share payable in relation to financial years starting after 29 February 2012 does not exceed 50 per cent. of the amount by which the New Performance Value exceeds the Hurdle and (iii) the audited net asset value per Ordinary Share at the relevant financial year end plus the Cumulative Dividends is at least equal to the Hurdle.

The revised fee arrangements, subject to the passing of the Resolution at the General Meeting, will take effect on the passing of the Resolution. The Investment Manager has confirmed its agreement to the Amended Performance Fee Arrangements.

## PART 3

### ADDITIONAL INFORMATION

#### 1. Incorporation and registered office

The Company was incorporated and registered in England and Wales on 14 December 2000 as a public company limited by shares with registered number 04125326. The Company operates under the Companies Act (and the regulations from time to time made thereunder). Its registered office and principal place of business is at 39 Earlham Street, London WC2H 9LT (telephone number 020 7845 7820). Save for its compliance with the Companies Act (and the regulations from time to time made thereunder), the Listing Rules, the Disclosure and Transparency Rules and the Prospectus Rules, the Company is not an authorised or regulated entity.

#### 2. Major Shareholders

As at 14 July 2014 (being the latest practicable date prior to publication of this document), the Company is not aware of any person who is interested directly or indirectly in 3 per cent. or more of the issued share capital of the Company.

#### 3. No significant change

There has been no significant change in the trading or financial position of the Company since 28 February 2014 (being the end of the last financial period of the Company for which financial information has been published).

#### 4. Material contracts

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

##### 4.1. Investment Management Agreement

An investment management agreement dated 22 November 2005 between the Company and the Investment Manager, as amended by deeds of variation dated 5 September 2007, 19 November 2008, 19 November 2009, 10 December 2010 and 23 January 2013 whereby the Investment Manager agreed to provide investment management services to the Company in respect of its investments. Beringea provides custodian services relating to the Company's investments. The Investment Management Agreement is terminable by either party at any time by one year's prior written notice. The Investment Management Agreement is subject to earlier termination in the event of, *inter alia*, a party committing a material breach of the Investment Management Agreement and or becoming insolvent, and by the Company if the Investment Manager is guilty of fraud, wilful deceit or gross negligence or ceases to carry on business or materially fulfil its obligations under the Investment Management Agreement or the Directors resolve that it is desirable to terminate the Investment Management Agreement to preserve the status of the Company as a venture capital trust.

Under the Investment Management Agreement Beringea is entitled to receive an annual management fee of 2.0 per cent. of the Company's net assets, calculated and paid on a quarterly basis. However, the annual running costs of the Company are capped at 3.6 per cent. of its net assets and any excess will either be paid by the Investment Manager or refunded to the Company by way of a reduction to the Investment Manager's fees.

Under the terms of the Investment Management Agreement, and in line with normal VCT practice, the Investment Manager is also entitled to receive a performance fee that is described further in Parts 1 and 2 of this document.

The deed of variation to the Investment Management Agreement dated 23 January 2013 provides that if the Investment Management Agreement is terminated by the Company other than in accordance with the terms of the Investment Management Agreement, the Investment Manager shall be entitled to compensation relating to the fees that it would have been entitled to under the Investment Management Agreement in connection with the 2012/2013 and 2013/2014 Offer, provided such compensation shall not exceed £359,375.

For the three financial periods ended 29 February 2012, 28 February 2013 and 28 February 2014, the Company paid £718,000, £688,000 and £1,110,000 respectively (including VAT where applicable) to Beringea for its investment services to the Company under the Investment Management Agreement. Included within the figure of £1,110,000 for 28 February 2014 is £79,000 of performance fees which, subject to the passing of the Resolution at the General Meeting, will be deducted from any future performance fee payable under the Amended Performance Fee Arrangements.

It is expected that following the General Meeting an amendment agreement to the Investment Management Agreement will be put in place in relation to the Amended Performance Fee Arrangements.

#### **4.2. Administration and advisory agreement**

An administration and advisory agreement (the "Administration Agreement") dated 22 November 2005, as amended by deeds of variation on 19 November 2008 and 19 November 2009 and a deed of novation dated 27 September 2011, whereby Downing LLP ("DLLP") provides certain administration services, financial advisory services and services in connection with share repurchases to the Company. The fees are subject to VAT where applicable and are increased annually in line with the Retail Price Index. The Administration Agreement is terminable by either party 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 Administration Agreement and, by the Company if, *inter alia*, it ceases to be a VCT for tax purposes, or if DLLP is materially unable to carry out its obligations. The Administration Agreement contains provisions whereby the Company indemnifies DLLP against any liability, not due to its default, in respect of any negligence or fraud.

For the three financial periods 29 February 2012, 28 February 2013 and 28 February 2014, the Company paid £52,000, £45,000, and £51,000 respectively (including VAT where applicable) to DLLP for its administration and advisory services.

#### **4.3. 2013 Offer Agreement**

An offer agreement dated 23 January 2013 between the Company (1), the Directors (2), Howard Kennedy Corporate Services LLP ("HKCS") (3), Beringea (4) and Beringea LLC (5) whereby HKCS agreed to act as sponsor to the 2012/2013 and 2013/2014 Offer. Under the agreement, which may be terminated by HKCS in certain circumstances of breach, the Directors and the Investment Manager gave certain limited warranties to HKCS and the Company has agreed to indemnify HKCS 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.

#### **4.4. Transfer Agreement**

A transfer agreement dated 6 August 2013 between ProVen Health VCT plc (in members' voluntary liquidation) ("PHV"), Stewart MacDonald (as liquidator), the Company and Beringea pursuant to

which certain assets and liabilities of PHV were transferred to the Company in consideration for the issue of Ordinary Shares to PHV shareholders.

**4.5. *Costs Contribution and Process Agreement***

A Costs Contribution and Process Agreement dated 27 June 2013 between the Company, PHV and the Investment Manager, whereby the parties agreed to regulate the liability for costs and expenses incurred and their conduct in relation to certain matters relevant to the implementation of the scheme for the reconstruction and winding up of PHV (the "PHV Scheme"). Under this agreement, the Company agreed to meet £140,000 of the costs and expenses incurred by the Company and PHV in connection with the PHV Scheme. Beringea agreed to reimburse £40,000 (inclusive of VAT) of the amount payable by the Company by means of a waiver of £10,000 of the management fees each quarter until the £40,000 has been repaid in full.

**5. *Consent***

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

**6. *Documents available for inspection***

Copies of the following documents will be available for inspection during usual business hours on any day (Saturdays, Sundays and public holidays excepted) from the date of this document at the registered office of the Company at 39 Earlham Street, London WC2H 9LT up to and including the close of business on 21 August 2014, and at the venue of the General Meeting for at least 15 minutes prior to and during the General Meeting:

- (i) the memorandum of association of the Company;
- (ii) the Articles;
- (iii) the written consent referred to in paragraph 5 of this Part 3; and
- (iv) the annual report and accounts of the Company for the financial years ended 28 February 2013 and 28 February 2014 and the interim accounts for the period ended 31 August 2013.

## DEFINITIONS

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

<b>2010/2011 and 2011/2012 Offer</b>	the Company's offer for subscription in respect of the 2010/2011 and 2011/2012 tax years launched on 8 December 2010
<b>2012/2013 and 2013/2014 Offer</b>	the Company's offer for subscription in respect of the 2012/2013 and 2013/2014 tax years launched on 23 January 2013
<b>Amended Performance Fee Arrangements</b>	the proposal set out in Parts 1 and 2 of this document in relation to the change of the performance fee elements of the investment management fee arrangements in respect of the Company
<b>Articles or Articles of Association</b>	the articles of association of the Company (as amended from time to time)
<b>Associate</b>	has the meaning given in the Listing Rules
<b>Board</b>	the board of Directors
<b>C Share Conversion</b>	the conversion of C Shares into Ordinary Shares on 26 October 2009 in accordance with article 182 of the Articles of Association
<b>C Shares</b>	C shares of 25p each in the capital of the Company
<b>Companies Act</b>	the Companies Act 2006 (as amended)
<b>Company</b>	ProVen Growth and Income VCT plc, a company incorporated in England and Wales with registered number 04125326
<b>Converted Ordinary Shares</b>	Ordinary Shares which arose upon the D Share Conversion
<b>Cumulative Dividends</b>	the cumulative dividends paid by the Company in the period starting on 1 September 2012 and finishing on 28 February of the relevant financial year
<b>D Shares</b>	the D shares of 1p each in the capital of the Company
<b>D Share Conversion</b>	the conversion of the issued D Shares into Ordinary Shares on 29 October 2012
<b>Directors</b>	the directors of the Company
<b>Disclosure and Transparency Rules</b>	the disclosure and transparency rules made by the Financial Conduct Authority under Part VI of FSMA as amended from time to time
<b>Form of Proxy</b>	the form of proxy which accompanies this document for use by Shareholders in connection with the General Meeting
<b>FSMA</b>	the Financial Services and Markets Act 2000 (as amended)
<b>General Meeting</b>	the general meeting of the Company convened for 10.00 a.m. on 21 August 2014 (or any adjournment thereof)
<b>Hurdle</b>	the greater of: (i) 1.25 times the Initial Net Asset Value; and (ii) the Initial Net Asset Value increased, as from 31 August 2012, by the Bank of England base rate plus one per cent. per annum (compound)

<b>Independent Shareholders</b>	the Shareholders excluding Beringea LLP and its Associates
<b>Initial Net Asset Value</b>	the net asset value per Ordinary Share as at 31 August 2012, being 78.5p
<b>Investment Management Agreement</b>	the amended and restated investment management agreement dated 9 February 2000 between the Company and Beringea, further details of which are set out in paragraph 4 of Part 3 of this document
<b>Investment Manager or Beringea</b>	Beringea LLP, the investment manager of the Company, a limited liability partnership registered in England and Wales with registered number OC342919
<b>Listing Rules</b>	the listing rules made by the Financial Conduct Authority under Part VI of FSMA
<b>New Performance Value</b>	in respect of the relevant financial year end, the sum of (i) the net asset value per Ordinary Share at that date, (ii) Cumulative Dividends, and (iii) all performance fees per Ordinary Share paid by the Company to the Investment Manager in relation to financial years starting after 29 February 2012
<b>Notice of General Meeting</b>	the notice of General Meeting set out at the end of this document
<b>Offer Price</b>	the offer price as defined in the prospectus issued by the Company on 10 December 2010 in relation to the 2010/2011 and 2011/2012 Offer
<b>Ordinary Shareholders or Shareholders</b>	holders of Ordinary Shares
<b>Ordinary Shares</b>	ordinary shares of 1.6187p each in the capital of the Company, including the Ordinary Shares arising from the Original Ordinary Share Conversion, the C Share Conversion, the D Share Conversion and all issues of Ordinary Shares after the C Share Conversion
<b>Original Ordinary Shares</b>	an Ordinary Share of 1p each issued prior to the C Share Conversion
<b>Original Ordinary Share Conversion</b>	the conversion of Original Ordinary Shares into Ordinary Shares on 26 October 2009
<b>Performance Value</b>	the sum of (i) the net asset value per share as at that date and (ii) all distributions per share declared and/or paid since the first admission of the shares to the Official List of the UK Listing Authority
<b>Proposals</b>	the proposed Amended Performance Fee Arrangements
<b>Prospectus Rules</b>	the prospectus rules made by the Financial Conduct Authority under Part VI of FSMA as amended from time to time
<b>Resolution</b>	the ordinary resolution, on which only Independent Shareholders may vote, to approve the Amended Performance Fee Arrangements
<b>Shares</b>	Shares in the Company being Ordinary Shares, Original Ordinary Shares, C Shares or D Shares as the context requires
<b>Total Return</b>	net asset value per share plus dividends paid

**UK or United Kingdom**

the United Kingdom of Great Britain and Northern Ireland

**United States**

the United States of America, its territories and possession, any state of the United States of America and the District of Columbia

**VAT**

value added tax

# PROVEN GROWTH AND INCOME VCT PLC

(Incorporated in England and Wales with registered number 04125326)

## NOTICE OF GENERAL MEETING

NOTICE IS HEREBY GIVEN that a general meeting of ProVen Growth and Income VCT plc (the "Company") will be held at 10.00 a.m. on 21 August 2014 at the offices of Beringea LLP, 39 Earlham Street, London WC2H 9LT for the purpose of considering and, if thought fit, passing the following resolution:

### ORDINARY RESOLUTION

THAT the amendments to the investment management fee arrangements of the Company as set out in the circular to the shareholders of the Company dated 16 July 2014 (the "Circular"), a copy of which has been produced to the meeting and signed by the Chairman for the purposes of identification be and are hereby approved.

*By order of the Board*

Grant Whitehouse  
Secretary

*Registered office:*

39 Earlham Street  
London  
WC2H 9LT

16 July 2014

#### Notes:

- (i) A member entitled to attend and vote at the General Meeting convened by the above Notice of General Meeting is entitled to appoint one or more proxies to exercise all or any of the rights of the member to attend and speak and vote in his or her place. A proxy need not be a member of the Company. If a member appoints more than one proxy to attend the General Meeting, each proxy must be appointed to exercise the rights attached to a different share held by the member.
- (ii) To appoint a proxy you may use the Form of Proxy enclosed with this Notice of General Meeting. To be valid, the Form of Proxy, together with the power of attorney (if any) under which it is signed or a notarially certified or office copy of the same, must be completed and returned in accordance with the instructions printed thereon to Beringea LLP, 39 Earlham Street, London WC2H 9LT as soon as possible but in any event so as to be received by not later than 10.00 a.m. on 21 August 2014. Amended instructions must also be received by Beringea LLP, 39 Earlham Street, London WC2H 9LT by the deadline for receipt of forms of proxy.
- (iii) Completion of the Form of Proxy will not prevent you from attending and voting in person.
- (iv) Any person receiving a copy of this Notice of General Meeting as a person nominated by a member to enjoy information rights under section 146 of the Companies Act 2006 (a "Nominated Person") should note that the provisions in notes (i) to (ii) above concerning the appointment of a proxy or proxies to attend the General Meeting in place of a member, do not apply to a Nominated Person as only Shareholders have the right to appoint a proxy. However, a Nominated Person may have a right under an agreement between the Nominated Person and the member by whom he or she was nominated to be appointed, or to have someone else appointed, as a proxy for the General Meeting. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he/she may have a right under such an agreement to give instructions to the member as to the exercise of voting rights at the General Meeting.
- (v) Nominated Persons should also remember that their main point of contact in terms of their investment in the Company remains the member who nominated the Nominated Person to enjoy information rights (or perhaps the custodian or broker who administers the investment on their behalf). Nominated Persons should continue to contact that member, custodian or broker (and not the Company) regarding any changes or queries relating to the Nominated Person's personal details and interest in the Company (including any administrative matter). The only exception to this is where the Company expressly requests a response from a Nominated Person.
- (vi) Pursuant to regulation 41 of the Uncertificated Securities Regulations 2001, only Shareholders registered in the register of members of the Company by not later than 10.00 a.m. two days (excluding non-working days) prior to the time fixed for the General Meeting shall be entitled to attend and vote at the General Meeting in respect of the number of Ordinary Shares registered in their name at such time. If the General Meeting is adjourned, the time by which a person must be entered on the register of members of the Company in order to have the right to attend and vote at the adjourned General Meeting is 10.00 a.m. two days (excluding non-working days) prior to the time of the adjournment. Changes to the register of members after the relevant times shall be disregarded in determining the rights of any person to attend and vote at the General Meeting.

- (vii) In the case of joint holders, the vote of the senior holder who tenders a vote whether in person or by proxy shall be accepted to the exclusion of the votes of the other joint holders and, for this purpose, seniority shall be determined by the order in which the names stand in the register of members of the Company in respect of the relevant joint holding.
- (viii) Shareholders who hold their shares electronically may submit their votes at [proxy@beringea.co.uk](mailto:proxy@beringea.co.uk) so as to be received by Beringea not later than 48 hours (excluding non-working days) before the start of the meeting.
- (ix) Any corporation which is a member can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a member provided that, if it is appointing more than one corporate representative, it does not do so in relation to the same shares. It is therefore no longer necessary to nominate a designated corporate representative.
- (x) If the Chairman, as a result of any proxy appointments, is given discretion as to how the votes the subject of those proxies are cast and the voting rights in respect of those discretionary proxies, when added to the interests in the Company's securities already held by the Chairman, result in the Chairman holding such number of voting rights that he has a notifiable obligation under the Disclosure and Transparency Rules, the Chairman will make the necessary notifications to the Company and the Financial Conduct Authority. As a result, any member holding 3 per cent. or more of the voting rights in the Company who grants the Chairman a discretionary proxy in respect of some or all of those voting rights and so would otherwise have a notification obligation under the Disclosure Rules and Transparency Rules, need not make a separate notification to the Company and the Financial Conduct Authority.
- (xi) Any questions relevant to the business of the General Meeting may be asked at the General Meeting by anyone permitted to speak at the General Meeting. A Shareholder may alternatively submit a question in advance by a letter addressed to the Company Secretary at the Company's registered office. Under section 319A of the Companies Act 2006, the Company must answer any question a shareholder asks relating to the business being dealt with at the meeting, unless (i) answering the question would interfere unduly with the preparation for the General Meeting or involve the disclosure of confidential information; (ii) the answer had already been given on a website in the form of an answer to a question; or (iii) it is undesirable in the interests of the Company or the good order of the meeting that the question be answered.
- (xii) At 14 July 2014, the Company's issued capital consisted of 62,231,290 Ordinary Shares carrying one vote each at general meetings of the Company. At 14 July 2014, the Company held no shares in treasury. Therefore, the total voting rights in the Company exercisable at the General Meeting as at 14 July 2014 comprised 62,231,290 votes. Further information regarding the General Meeting which the Company is required by section 311A of the Companies Act 2006 to publish on a website in advance of the General Meeting (including this Notice of General Meeting) can be accessed at [www.provenvct.co.uk/proven-growth-and-income-vct.php](http://www.provenvct.co.uk/proven-growth-and-income-vct.php).
- (xiii) In accordance with section 311A of the Companies Act 2006, the contents of this Notice of General Meeting, details of the total number of shares in respect of which members are entitled to exercise voting rights at the General Meeting and, if applicable, any members' statements, members' resolutions or members' matters of business received by the Company after the date of this notice will be available on the Company's website [www.downing.co.uk](http://www.downing.co.uk).
- (xiv) You may not use any electronic address provided either in this Notice of General Meeting or any related documents (including the Form of Proxy) to communicate with the Company for any purposes other than those expressly stated.

